TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

Risk and Assurance Committee

Open Agenda

Date: 09th November 2026

Time: 10.00am

Location: Council Chambers, 17 Maniapoto Street, Ōtorohanga

Meeting type: Ordinary

Public access: Open to the public

A recording will be available after the meeting on YouTube.

An ordinary meeting of Ōtorohanga District Council's Risk and Assurance Committee will be held in Waikōwhitiwhiti (Council Chambers), 17 Maniapoto Street, Ōtorohanga, on Monday, 9 November 2026 commencing at 10.00am.

Tanya Winter, Chief Executive 4th November 2026

Committee membership

Independent Chairperson	Peter Stubbs
Deputy Chairperson	Kit Jeffries
Councillor	Andrew Barker
Councillor	Jo Butcher
Councillor	Shane Carr
Ex-officio member	Mayor Rodney Dow

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There are no decision reports		17

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Public excluded	Take matatapu	
There are no reports.		51

Closing formalities	Ngā tikanga whakakapi	
Meeting closure	Katinga o te hui	51

Workshops		Hui awheawhe
1	Quarterly discussion with the Chief Executive[1]	

[1] Withheld pursuant to section 7(2) of the Local Government Official Information and Meetings Act 1987.

Commencement of meeting Te tīmatanga o te hui

The Chairperson will confirm the meeting is quorate, advise whether the meeting is being livestreamed/recorded, and declare the meeting open.

Apologies Ngā hōnea

Members may submit apologies for absence. The meeting will resolve whether to accept them.

That the Risk and Assurance Committee receive and accept the apology from xxx for late arrival, early departure, non-attendance and grant leave of absence where required under standing orders.

Late items Ngā take tōmuri

Late items may only be considered in accordance with section 46A of the Local Government Official Information and Meetings Act 1987. A resolution is required, and the Chairperson must explain why the item was not included and why it cannot be delayed.

If a late item is raised, staff recommend that: *That the Risk and Assurance Committee consider the late item titled [item title] pursuant to section 46A(7) of the Local Government Official Information and Meetings Act 1987 because [reason item was not on agenda] and because the item cannot be delayed until a subsequent meeting because [reason].*

Declaration of conflict of interest Te whakapuakanga pānga taharua

Members must declare any actual, potential, or perceived conflicts of interest. A member with a conflict must not participate in the item unless permitted under law or standing orders.

If a conflict is declared, use wording such as: *That the Risk and Assurance Committee receive the declaration of interest from [member name] in relation to item [x], note that [member name] [will remain / will not participate / will leave the table] for that item, and record the declaration in the conflicts register.*

Confirmation of minutes Te whakaū i ngā meneti

The unconfirmed open minutes of the previous ordinary meeting are attached for confirmation.

Staff recommendation

That the Risk and Assurance Committee confirm the open minutes of the ordinary meeting held on 22nd October 2026 as a true and correct record, subject to any amendments resolved by the meeting.

Note: The confirmed minutes will be kept as the official record of the meeting in accordance with the Public Records Act 2005.

TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

Risk and Assurance Committee

Unconfirmed Open Minutes

Date: Thursday 22nd October 2026

Time: 10.00am

Location: Council Chambers, 17 Maniapoto Street, Ōtorohanga

Meeting type: Ordinary

Public access: Open to the public

This meeting has been recorded and is available on YouTube.

Open Minutes of an ordinary meeting of Ōtorohanga District Council's Risk and Assurance Committee held in Waikōwhitiwhiti (Council Chambers), 17 Maniapoto Street, Ōtorohanga, on Thursday, 22nd October 2026 commencing at 10.00am.

Tanya Winter, Chief Executive 2 November 2026

Committee attendance		
Independent Chairperson	Peter Stubbs	Present
Deputy Chairperson	Kit Jeffries	Present
Councillor	Andrew Barker	Apology
Councillor	Jo Butcher	Present
Councillor	Shane Carr	Present
Ex-officio member	Mayor Rodney Dow	Present
ŌDC senior staff attendance		
Chief Executive	Tanya Winter	Present
Group Manager Business Enablement	Graham Bunn	Present
Group Manager Engineering & Assets	Mark Lewis	Present
Group Manager Regulatory & Growth	Tony Quickfall	Present
Group Manager Strategy & Community	Nardia Gower	Present

Chairperson's Certification

These minutes of the meeting of the Risk and Assurance Committee held on 22nd October 2026 are confirmed as a true and correct record of the proceedings of that meeting.

_____Chairperson _____Date:

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Confirmation of minutes		4

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Item 21	3 Waters Valuation Adoption		5
Item 23	Draft Annual Report Adoption		5

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Item 22	Deloitte Annual Report Audit Findings		5

Public excluded	Take matatapu
There are no reports.	

Closing formalities	Ngā tikanga whakakapi	
Meeting closure	Katinga o te hui	10

Commencement of meeting — Te tīmatanga o te hui

Committee Chair Peter Stubbs declared the meeting open at 10am with a karakia.

He provided a warm welcome to the auditors and noted that this was an out of cycle meeting to enable the Ōtorohanga District Council to adopt the Annual report prior to 31 October 2026.

Apologies — Ngā hōnea

The Risk and Assurance Committee noted an apology from Cr Andrew Barker.

Late items — Ngā take tōmuri

There were no late items.

Declaration of conflict of interest — Te whakapuakanga pānga taharua

Chair Peter Stubbs declared that he is chair of the Co-Lab board, and a Director on the Waikato Regional Airport Ltd.

Confirmation of minutes Te whakaū i ngā meneti

Chair Stubbs requested some minor amendments to the minutes of 17th August 2026 to remove unnecessary wording and requested that any outstanding actions be presented at the 9th November Risk and Assurance meeting.

During the confirmation of minutes the committee raised questions on the progress of rating sales and the status of the Manager Finance recruitment process.

Councillor Kit Jeffries commented that at the recent Local Government New Zealand (LGNZ) conference that an AI tool that has the capability to identify assets not included in our asset system was demonstrated and that it would be worth making an enquiry as to the function and costings of this tool for the Ōtorohanga District Council. Group Manager – Business Enablement (Graham Bunn) will follow up on this.

That the Risk and Assurance Committee confirm the open minutes of the ordinary meeting held on 17th August 2026 as a true and correct record, subject to any amendments resolved by the meeting.

Peter Stubbs | Cr Kit Jeffries

Carried

Note: The confirmed minutes will be kept as the official record of the meeting in accordance with the Public Records Act 2005.

Decision and Information reports Ngā pūrongo whakatau

Chair Stubbs requested to have question time for all items on the agenda at one time, as opposed to doing each separately, due to the interconnected nature of the items.

The items were presented by Finance Manager (Brendan O'Callaghan), Deloitte Partner (Bruno Dente) and Audit Manager (Shayal Darshanee).

The committee discussion covered the valuation and depreciation of water assets being transferred to Waikato Waters in 2027, clarification that stormwater assets are not being transferred, timeframes for the valuations.

Cr Jo Butcher queried the Management Letter Point carried over from the previous year on authorisation through BNZ by any of 4 authorised persons and whether we had contacted the bank to see if we could limit this so that we could ensure that the authoriser included management.

Action: Finance Manager (Brendan O'Callaghan) to follow up with the bank regarding the authority to pay and whether this could be amended.

The Committee raised the process for debt collection post transferring water assets and were reassured by staff that they are doing what they can to reduce the debt before transferring and that post transfer there is still an ability to follow up on overdue debt as it is secured under the Rating Act.

Finance Manager (Brendan O'Callaghan) informed the committee that he has had several meetings with Waikato Waters Ltd in regards to their billing process and that currently everything looks to be on track to be up and running for 1st July 2027, but councils are creating contingency plans and by March 2027 a final call will be made as to if the contingency plan needs to be put into action.

The committee discussed the differences in valuation to what staff recommended and what the valuer did. Staff are comfortable with the reasonings the valuer provided for the movement since the last valuation three years ago..

Members discussed movements in infrastructure asset valuations, particularly water assets and pipe networks.

Clarification was sought regarding variations in valuation increases across asset classes. It was noted that additions to the network contributed significantly to valuation movements and that changes were not uniform across all asset categories. Mayor Rodney Dow queried whether external factors, including global pricing influences, should be referenced within valuation reporting.

In considering the Annual Report, members discussed the Land Transport reporting and sought clarification on expenditure exceeding budget. Staff advised that additional expenditure related primarily to a reduction in NZTA funding and flood recovery works. Staff also noted that some planned work programmes were deferred.

The committee queried the number of KPI's that received a not achieved status. Where it is possible staff have included in the annual report the reasoning for a not achieved status. The Chair wondered whether for future annual reports if there is a way to contextualise and tell a better simpler story that enables the community to see the whole picture with more context. He also raised a point that fewer measures allows greater focus. Staff informed the committee that 20 of the KPI's are mandatory reporting by central government and given the complexity of the activities undertaken by the Ōtorohanga District Council that 53 KPI's seems appropriate. It was also noted that the multiple extreme weather events that occurred in the 2025/2026 financial year impact on the ability for some KPI's to be met.

Mayor Rodney Dow discussed the performance measures included in the Annual Report, particularly around service request response measures and that there is an opportunity to review.

Members sought clarification on several financial reporting variances.

Members commented on the readability of financial graphs and suggested that future reports consider alternative presentation methods, including displaying percentages directly within charts to improve clarity.

Discussion also covered variances within activity expenditure and revenue. Staff advised that significant variances within the Strong Communities activity largely related to costs associated with weather events and emergency management responses.

Members sought clarification on maintenance expenditure variances and requested further information on some activity-level budget differences contained on Page 91 of the Annual Report.

The committee commented on the operating expenditure under building control and that the KPI wasn't achieved, yet more than the estimate was spent. Staff informed members that an accreditation audit and consultants' costs whilst recruitment for a Building Manager contributed to this.

Members discussed sealed road quality measures and that for 4 years Council had no change and then a sudden change. The committee also sought clarification on the source of condition data. Staff advised that the information was obtained through nationally managed asset condition assessment processes and that staff were unsure if this was measured annually or every few years.

The Committee also discussed drinking water compliance measures. Staff advised that the reported non-achievement related to monitoring and measurement requirements rather than indicating that water supplied to the public was unsafe. Members noted the importance of providing sufficient context within reporting to avoid misinterpretation of compliance results by the public and sought assurance that the reported results would not adversely impact future water service transfer arrangements. Staff confirmed there were no direct penalties associated with the reported monitoring measure when assets are transferred to Waikato Waters Limited and that compliance requirements continued to be actively managed.

Cr Shane Carr queried if the Kawhia Water Treatment Plant would need an upgrade prior to the transfer of the asset to Waikato Waters Ltd. Staff informed the committee that this would not be required as the plant was upgraded 3 years ago. However, they were looking to bring the UV system back online.

Members reviewed the Balance Sheet and sought clarification on Council's borrowing profile. Questions were raised regarding the classification of borrowings between current and non-current liabilities and the impact this had on working capital measures. Staff advised that Council had adopted a short-term borrowing approach, with loans being regularly refinanced rather than repaid, resulting in borrowings being recorded as current liabilities where they mature within 12 months.

Members also sought clarification regarding asset purchase expenditure. Staff advised that a portion of the expenditure related to establishment costs associated with Waikato Water arrangements.

The Committee discussed financial reporting standards and noted that Council's total expenditure had exceeded the Tier 2 reporting threshold for the first time during the year. Staff advised that the increase was largely attributable to costs associated with the February weather event. Members were informed that any transition to Tier 1 reporting requirements would depend on Council exceeding the relevant thresholds over future reporting periods, and that Tier 1 reporting would involve additional disclosure requirements compared with the current Tier 2 framework.

11.01am – The meeting adjourned.

11.11am – The meeting reconvened.

Members reviewed governance disclosures and financial statement notes within the Draft Annual Report.

The committee sought clarification regarding the presentation of councillor information where members had continued in office following the election period. Staff advised that councillors serving continuously were recorded once rather than duplicated across reporting periods.

Members discussed the provision for doubtful recovery disclosed in the financial statements and sought clarification on its purpose and origin. Staff advised that the provision related to the loan made to the Kiwi House and providing for a possibility that Council won't get the money back. It was noted that the provision did not write off the debt, nor remove Council's ability to recover the funds. The debt remains owing and Council is yet to make future decisions regarding the matter.

Cr Shane Carr raised questions regarding differences in Three Waters valuation figures presented across the Annual Report, valuation documentation, and audit report. Staff explained that the figures reflected different measurement periods and purposes, with some reporting movement over multiple years and others comparing only the current and previous financial years. Staff advised that changes had been made to the Annual Report, including additional explanatory information, to better reconcile the figures and improve transparency.

The Chair raised the rates resolutions error that the auditors found when completing their audit. This item is for council consideration at the 27th October 2026 meeting. Staff provided the committee with a clear understanding of the process undertaken and that the Chief Executive will give notice to the Councillors and address the item on 27th October to amend the incorrect rating resolution. The auditors confirmed that staff have done the right thing in seeking a legal opinion clarifying the most pragmatic method to address the error.

The Committee sought clarification on if staff or the auditors expected any material changes in the draft Annual Report or the audit prior to Council resolving it on 27th. Staff and auditors do not anticipate any significant changes, but there are minor corrections to resolve rounding errors and wording issues. Cr Kit Jeffries and the Chair expressed concerns that the matters raised in today's meeting can not be included in the Annual Report and that there is a considerable timing issue that needs to addressed ahead of next years to ensure that members have had adequate time to consider meeting papers and that any issues and/or recommendations that come out of that meeting can be incorporated prior to the release of the Council agenda that includes the adoption of the annual report. The committee provided an additional resolution for Item 23 to encapsulate what version they had received and confirming that no significant changes had occurred. Staff reassured the committee that timing is front of mind and will be addressed moving forward. Additionally, staff proposed providing Council members with a list of changes between the version of the Annual Report they received and the version that Council will resolve on prior to the 27th October meeting.

Item 21 – 3 Waters Valuation Adoption

Resolution Number - That the Risk and Assurance Committee receives the report 3 Waters Valuation Adoption (22nd October 2026) and;

Adopts the 3 Waters valuation as provided.

Peter Stubbs| Cr Jo Butcher

Carried

Item 22 – Deloitte Annual Report Audit Findings

Resolution Number - That the Risk & Assurance Committee receive the report titled 'Deloitte Annual Report Audit Findings' (22nd October 2026) by Brendan O'Callaghan, Project Accountant.

Peter Stubbs | Cr Kit Jeffries

Mayor Rodney Dow - Against

Carried

Item 23 – Draft Annual Report Adoption

Resolution Number - That the Risk & Assurance Committee receives the report *Draft Annual Report Adoption*

and;

received version 3 of the draft annual report and noted that further changes were to be made. On the basis that no material changes are made and that all changes between version 3 and the version presented to the council will be noted for elected members, the Risk and Assurance Committee recommends to the Council that they adopt the 30 June 2026 Annual Report; and sign the associated Representation Letter.

Peter Stubbs |Cr Shane Carr

Carried

Public excluded — Take matatapu

There were no public excluded reports.

Meeting closure — Katinga o te hui

Chairperson Stubbs declared the meeting closed at 11.51am with a karakia.

Workshops — Hui awheawhe

There were no workshop items.

Adoption of Minutes Te whakaūnga o ngā meneti

Resolution to be added following confirmation.

Version control

Version	Status	Date	Description
1.0	Draft	30/10/2026	Initial draft prepared following the meeting
2.0	Confirmed	[insert adoption date]	Minutes adopted by the Risk and Assurance Committee

Decision reports Ngā pūrongo whakatau

There are no decision reports presented for consideration.

Information only reports Ngā pūrongo mōhiohio anake

Reports in this section are provided for information only.

Item	Health, Safety and Wellbeing quarterly report
To	Risk and Assurance Committee
From	Tracey Carter, People & Capability Advisor
Type	**INFORMATION REPORT**
Date	09 November 2026



1. Purpose | Te kaupapa

1.1 To update the Risk and Assurance Committee on progress to strengthen Council's health, safety and wellbeing practices, including actions arising from matters previously raised by the Committee.

2. Executive summary | Whakarāpopoto matua

2.1 Council continues to progress key health, safety and wellbeing priorities. Current work includes confirming critical risks and controls, completing contractor pre-qualification assurance, embedding the new incident reporting system, supporting staff wellbeing and preparing for legislative changes taking effect in April 2027.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee **receive** the report titled 'Health, Safety and Wellbeing quarterly report' from Tracey Carter, People & Capability Advisor.

4. Discussion | He kōrerorero

Progress updates from previous Committee matters

4.1 *Critical risk management:* All health and safety risks have been consolidated into a single register. Work is underway to confirm Council's critical risks, assess the effectiveness of key controls and establish ongoing monitoring requirements. The refreshed framework is expected to be in place in early 2027, ahead of the Health and Safety at Work Act changes taking effect in April 2027.

4.2 *Contractor management:* The contractor register is complete, and contractors requiring SHE pre-qualification have been identified. Relevant credentials are being obtained and verified, with follow-up underway to complete outstanding pre-qualification requirements.

4.3 *Legislative update:* WorkSafe has released updated guidance on the officer duty under the Health and Safety at Work Act 2015, applying from 1 April 2027. The guidance confirms that officers must exercise due diligence to ensure the PCBU complies with its duties and clarifies that the duty relates to actions taken in an officer capacity. Council will incorporate this guidance into its preparations for the legislative changes. Refer to Appendix 1.

Other activities

4.4 *Incident comparison:* Five incidents were recorded in the last 90-day period: three near misses and two injury/illness incidents, compared to the same number of incidents in the preceding period. In the most recent period, one injury/illness was significant: a staff member fell from a drafting stool when a weld failed. The stool has been replaced. The other injury/illness was minor.

4.5 The significant volume of change facing the organisation makes staff wellbeing a key focus. To monitor change-related wellbeing risks, Council is monitoring how staff feel through a Staff Check-In Survey to identify emerging concerns and target support. The September 2026 check-in received 36 responses: respondents felt supported to manage work and the changes ahead, while workload pressure and uncertainty about change were the clearest concerns. These results reflect respondents' experiences, not the whole workforce, and predate the pause to the Head Start programme and subsequent organisational announcements. The next check-in will be held in December 2026.

4.6 During Mental Health Awareness Week, practical wellbeing resources were shared with staff to encourage reflection and raise awareness of available support channels, including Clearhead EAP services. Staff were encouraged to speak openly about how they were feeling, check in with colleagues and raise concerns or seek support when needed. These messages reinforced the importance of looking after wellbeing and making mental health conversations a normal part of the workplace.

4.7 Move for Blue was a successful month-long staff initiative supporting Blue September and the Prostate Cancer Foundation of NZ. Staff participated in a team movement challenge through activities such as walking, cycling, swimming and gardening. Alongside its charitable purpose, the initiative supported Council's response to wellbeing risks by providing opportunities for physical activity, connection with colleagues and mutual encouragement. It complemented the staff check-ins noted above and the Clearhead support reported below.

4.8 Two staff members accessed therapy support through Clearhead EAP services during the July to October reporting period.

Summary

4.9 Council is making steady progress in strengthening its health, safety and wellbeing practices. Immediate priorities are to complete critical risk and contractor assurance work, continue embedding consistent reporting and monitoring processes, and prepare for the April 2027 legislative changes. Further assurance will be provided as these actions are completed.

Appendices | Ngā āpitihanga

Number	Title	Magiq number
1	Officer duty – WorkSafe	920537

WORKSAFE
Mahi Haumaru Aotearoa

HSWA

QUICK GUIDE

THIS GUIDANCE APPLIES FROM 1 APRIL 2027

Officer duty

This guide explains the officer duty under the Health and Safety at Work Act 2015 (HSWA).

KEY MESSAGES

- Officers must exercise due diligence to ensure their PCBU complies with HSWA.
- The officer duty applies only to actions taken in an officer role.
- If you have another role at the PCBU which is not an officer role, the officer duty does not apply to that other role.

Who is an officer?

An officer is a person in a senior leadership position who can significantly influence the management of a PCBU. A PCBU may have more than one officer.

Examples include:

- company directors
- partners in a partnership
- general partners in a limited partnership
- chief executives
- any person in a position that allows them to exercise significant influence over the management of the PCBU.

Note: The above examples include non-active directors and sleeping partners.

The 'due diligence' steps

Officers must exercise due diligence to ensure the PCBU complies with its HSWA duties.

Each officer has their own due diligence duty. Officers cannot rely solely on the PCBU having health and safety systems in place. They must take reasonable steps to ensure those systems and processes are appropriate, and check that they are being used.

Officers are expected to actively monitor and verify health and safety arrangements, not simply approve them.

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Officers need to have enough knowledge to ask the right questions, get credible information, and follow up and challenge that information if needed.

All the steps required for due diligence are listed in HSWA.

To exercise due diligence, an officer **must** take reasonable steps to:

- **Understand** and keep up to date with:
  - the nature of the PCBU's work
  - its hazards and risks
  - work health and safety matters generally as they relate to the PCBU.
- **Ensure** the PCBU has:
  - appropriate resources and processes available to manage its work health and safety risks, and that these are used
  - appropriate processes to receive, consider and respond in a timely way to information about incidents, hazards and risks
  - processes for meeting its duties and obligations under HSWA, and that those processes are implemented.
- **Verify** the PCBU has and is using those resources and processes.
  - Officers may choose to rely on information provided by others, such as managers and technical experts, so long as this reliance is reasonable.

How the officer duty applies if you have more than one role in the PCBU

Many people who are an officer in the PCBU also carry out other work for the PCBU, such as a business owner who is also 'on the tools' doing day-to-day work tasks.

The officer duty applies only to what a person does in their capacity as an officer. It does not apply to what that person does in their separate, non-officer role at the PCBU.

The examples below illustrate how this distinction applies.

EXAMPLE 1

You are the owner of a small freight forwarding company. You are unloading a truck with a forklift, and while you are reversing almost hit a worker who was in a blind spot behind you. In this situation, your duty as a worker applies but your duty as an officer does not because you are doing operational work and not acting in your role as an officer.

When you are acting in your role as an officer, your duties as an officer apply and you must exercise due diligence to ensure the PCBU complies with its health and safety duties. For example, when deciding which forklift the PCBU should buy, you will need to think about things such as what safety features it has (proximity sensors, for example) and verify that all forklift operators have completed forklift training.

EXAMPLE 2

You are a director in a farm, and you also do day-to-day work on the farm.

In your role as a director, you have a duty as an officer to exercise due diligence to ensure the PCBU complies with its health and safety duties. This would include things such as keeping up to date with information on hazards and risks that are common in your type of farming and checking that the control measures the PCBU has in place are being used and are appropriate. For example, are workers provided with and wearing protective hearing devices when they should be, and are hazardous chemicals being labelled and stored as required?

Your duty as a worker would be to make sure that when you are carrying out spraying you follow the proper procedures of the PCBU for mixing chemicals, you wear PPE as required by the PCBU and that you spray according to the conditions.

Item	Outstanding Management Letter Points from 2025/26 Annual Report
To	Risk and Assurance Committee
From	Brendan O'Callaghan, Project Accountant
Type	**INFORMATION REPORT**
Date	9 November 2026



1. Purpose | Te kaupapa

1.1. To provide an update on the actions, and their status, from the 2025/26 Annual Report (AR) audit.

2. Executive summary | Whakarāpopoto matua

2.1. Eight items were identified during the 2025/26 AR audit. Of these, four have been addressed with four still being worked on.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee receive the report titled 'Outstanding Management Letter Points from 2025/26 Annual Report' from Brendan O'Callaghan, Project Accountant.

4. Discussion | He kōrerorero

4.1. As part of the audit of the 2025/26 AR, 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.

4.2. This report breaks the management recommendations down into three categories using a traffic light system.

4.3. 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 2026/27 Annual Report audit.

4.4. Orange items are those that are currently being addressed and should be completed in time for the next audit.

4.5. Overall, a total of eight items were identified by Deloitte. Of these, staff believe that four have been addressed, and the other four are in various stages of being addressed.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
Items Completed Since last report (subject to Deloitte sign-off)				
Sensitive Expenditure	During our review of sensitive expenditure and credit card testing, we identified some instances where expenses or the process of submitting them was outside of Council's policy and not in line with our expectation. These related to the following: We identified an instance where an expense claim was submitted late in December 2025 relating to expenses incurred from July 2025 to October 2025. A single expense for a bus tour for councillors, leadership team and relevant operational staff to view council asset and infrastructure that may have been perceived as excessive. An expense where sufficient and appropriate audit	We recommend that a timeframe for expense claim submissions 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. For the coach hire whilst we understand that there may be mitigating circumstances to the spend being incurred but is important that the Council ensure that the principles of the sensitive expenditure policy are adhered to. We also recommend that the Council retain appropriate supporting evidence in relation to all expenses incurred to verify that the costs were appropriate.	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. We accept the finding regarding the coach hire, and ensuring the expenditure is not excessive is a core part of our sensitive expenditure policy. While we do not believe this was excessive, we will remind staff of the requirement to be mindful of the perception of their spending, and the need to retain sufficient documentation for any spending.	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. Further reminders will be given at regular intervals.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
Items Completed Since last report (subject to Deloitte sign-off)				
	evidence was not retained in relation to food costs.			
Treatment of Insurance Income Proceeds	During our audit, we identified that insurance proceeds received in relation to a damage event were recorded as income in advance at year-end. As there is no obligation to repay the funds or defer recognition, the balance does not meet the criteria for a liability and should not have been classified as income in advance and should have been recorded as insurance income.	We recommend that management should review the accounting treatment of insurance settlements to ensure balances are classified in accordance with applicable accounting standards and the substance of the underlying arrangement.	We accept the finding and will ensure that in future we do apply these standards to any insurance payments.	The work associated with this insurance proceeds has now been completed, and so the money has been correctly classified in the current year.
Adoption of Rates Resolution	During our review of the rates resolution, we noted that a general rate adopted as part of the annual rates resolution differed from the rate approved in the Annual Plan. This suggests that	We recommend that management should strengthen review and quality assurance procedures over the preparation of the rates resolution to ensure all rates adopted by Council are consistent with those approved	We accept the finding, and will review the process for reviewing this report prior to going into the Council agenda and look at strengthening the existing process.	A correction to the rates resolution was adopted at the Council meeting on 27th October 2026.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
Items Completed Since last report (subject to Deloitte sign-off)				
	review procedures performed prior to Council adoption did not appropriately identify and resolve inconsistencies between the Annual Plan and the rates resolution.	in the Annual Plan. This review should be formally documented and completed prior to Council adoption.		
Renewal of MeterOne Agreement	Through our understanding of the use of service organisations, we noted that the agreement with MeterOne for water reading services expired on 30 June 2026.	We recommend to management that it is best practice to renew or extend all contracts prior to the expiry of the original contract.	We accept this finding and will reiterate to contract managers the importance of ensuring that any contract extensions are correctly documented.	A letter of extension has been created for this agreement, and a review of the process to ensure this issue does not happen with future contracts has been taken.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
Items in progress				
Review of Expenditure within Work in Progress	As part of our substantive testing for work in progress, we identified that the supporting documents for one sample, the expenditure related to maintenance activities and did not	The lack of an effective review over expenditure capitalised to work in progress increases the risk that expenditure which does not meet the Council's capitalisation criteria	We accept the finding and will work with those responsible for coding and reporting on capital projects to ensure that they are following the correct	As we go through the process of capitalising spending during the 2026/27 year, we will be reviewing the items in the work in progress listing and ensuring

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
	meet the capitalisation criteria. The costs were incorrectly recorded as work in progress rather than being recognised as operating expenditure. This indicates that the review processes performed over expenditure capitalised to work in progress were not operating effectively to ensure only costs that meet the capitalisation requirements are recorded as capital projects.	is incorrectly capitalised. This may result in work in progress and property, plant and equipment balances being overstated, operating expenditure being understated, and inaccuracies in the financial statements. Management should strengthen review controls over expenditure charged to work in progress. This review should include assessing whether expenditure is capital in nature and meets the Council's capitalisation criteria before costs are recorded as work in progress or property, plant and equipment. This should be performed on a regular basis so that appropriate items are carried in the work in progress balance.	process for identifying items of capital expenditure. This includes the use of Asset Recognition Forms, which were missed in this case, which would have identified that the work was not capital in nature.	that items are correctly coded on a regular basis.
Use of external indices in Fair Value Assessments	As part of the year-end fair value assessment for land & buildings and roading assets, the Council used indices available as at 31 December 2025 to assess whether the carrying values continued to materially approximate fair value at 30 June 2026. The assessment did not incorporate more recent valuation	We recommend management should enhance its year-end fair value assessment procedures to ensure the most recent available indices and market data are considered when assessing whether carrying values materially approximate fair value at reporting date. Where current information is	We accept the finding, and will work on improving the process, which may result in an additional report coming to the committee when updated adjusters are released.	When we undertake the fair value assessment later in the 2026/27 year, we will ensure that the most up to date indices are used, and bring a report back to a later meeting to confirm the original calculation when updated indices are available.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
	information or indices covering the period from January 2026 to June 2026. As a result, the Council's process did not adequately consider whether movements in asset values during the six-month period to balance date may have resulted in a material difference between carrying values and fair value.	unavailable, management should document the basis for concluding that movements since the latest available index date are not material.		
Reconciliation of Agency Fees for Building Consent Levies	During the audit, a historical unreconciled difference between building consent levy collections and remittances to MBIE was identified. Management advised the difference has accumulated over several years due to processing errors, including inconsistent GST treatment. The difference was not identified through reconciliation procedures by management.	We recommend that management investigate and resolve the historical unreconciled balance and implement a periodic reconciliation process between building consent levy amounts collected, amounts payable to MBIE, and amounts remitted. Reconciling differences should be reviewed, investigated, and cleared on a timely basis, with evidence of review retained.	We accept the finding, and will attempt to work through reconciling these payment accounts.	We are currently working through this and will also review the process to ensure that payments are being processed in a timely manner.
Payments through online banking	During our testing of the expenses cycle controls in the current year, we noted that there was a total of four signatories loaded on the online banking application. These four signatories consisted of	It is recommended that, if possible, a rule be loaded on the banking application, requiring that at least one of the two signatories releasing payments should be management. Otherwise, the Council should consider detailing in its policies that	While we understand the recommendation, there is currently no easy way to implement either the signatory requirements or reporting through our current on-line banking. If this becomes possible in the future	We have emailed BNZ to see if there are any easy fixes for this problem. At the time of the agenda item we have not heard back so will provide a verbal update at the meeting.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
	- Group Manager Business Enablement (Management role) - Project Accountant (Management role) - Finance Accountant (Non-management role) - Finance Officer (Non- management role) Any combination of two signatories have the authority to release payments on the banking application. This means that the two non-management role personnel are able to approve and release payments on the banking application, without management's approval or oversight.	one of these authorised signatories should be that of management. This should also be coupled with extracting an approval report from the online banking system (if available), indicating the signatories on the transaction so a monthly or quarterly review of this report can be performed to ensure that at least one management role personnel was a signatory on each transaction.	then we will look to implement these recommendations.	

Item 17	Outstanding Debtors Report
To	Risk and Assurance Committee
From	Brendan O'Callaghan, Project Accountant
Type	**INFORMATION REPORT**
Date	9 November 2026



1. Purpose | Te kaupapa

1.1. To advise of the value of outstanding rates, water and sundry debtors as at 31 October 2026.

2. Executive summary | Whakarāpopoto matua

2.1. Overall outstanding debts at the end of October 2026 is $1.228M. This compares to $1.909M at the end of October 2025. 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, Project Accountant.

4. Discussion | He kōrerorero

Overall Debtors Information

4.1. Overall debtors across the three debtor types (Debtors, Water and Rates) at the end of October is $1.228M. This compares to the same period the previous year of $1.909M. A large portion of this decrease relates to resolving a long standing debtor account, as well as a decrease in the rates balance.

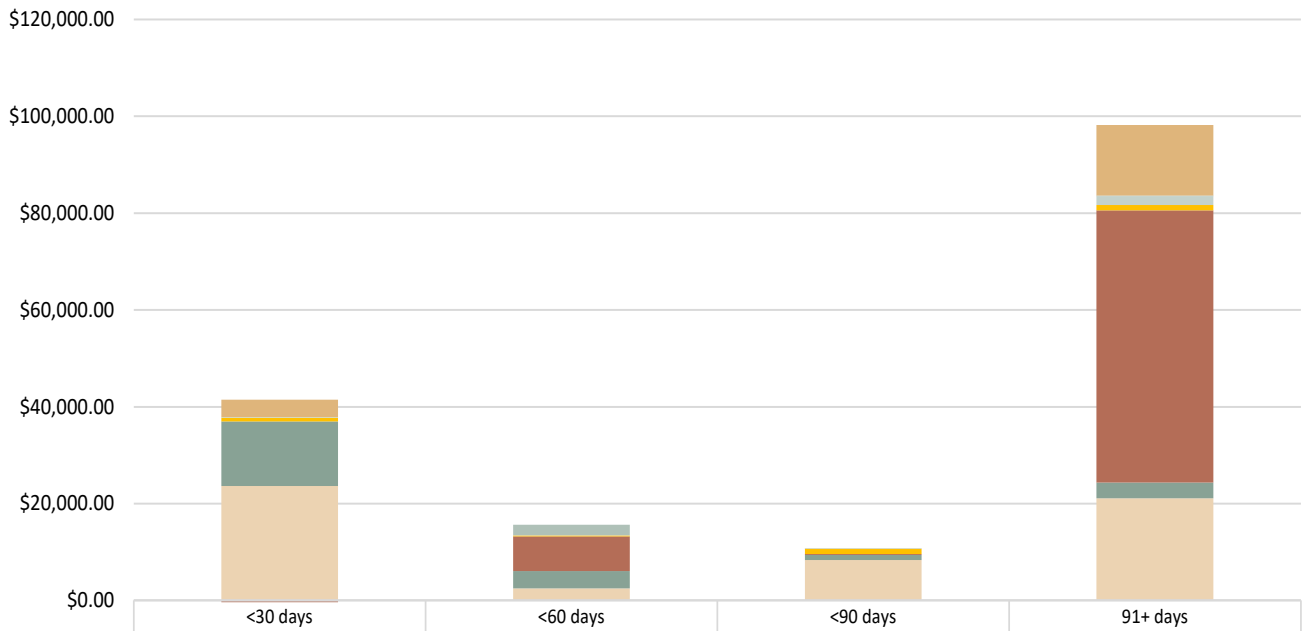
4.2. A question was raised at the last meeting about whether there was a need for additional resources to provide support with recovering outstanding debt. Given the increase in resources since the beginning of this financial year with the addition of Yvonne to be trained up by Theresa, it is not believed that additional resources over that is required at this time.

Debtors

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

- Trade Waste
- Leases and Rentals
- Library Charges
- Health Licences

- Development Contributions
- Resource Consents
- Building Consents
- Other Sundry Debtors



	<30 days	<60 days	<90 days	91+ days
Trade Waste	$3,576	$-	$-	$14,565
Lease & Rental	-$6,848	$2,151	$-	$216
Library	$141	$66	$114	$1,734
Health Licences	$783	$200	$1,085	$1,086
Resource Consent	-$181,151	$7,174	$227	$56,204
Building Control	$13,327	$3,562	$998	$3,296
Sundry Debtors	$23,663	$2,484	$8,370	$21,086
Total	-$146,509	$15,637	$10,794	$98,186

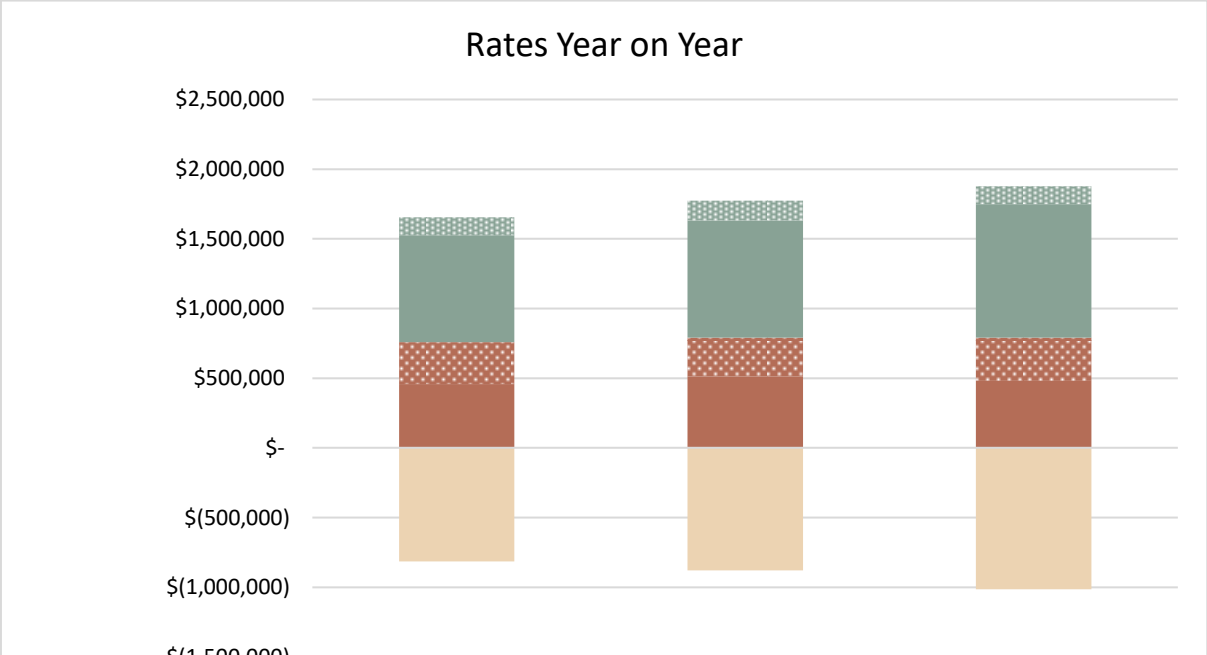
4.4. Overall outstanding debtors to the end of October are -$22k, made up of the total of each of the date ranges in the table above. As seen in the graph, a large portion of these relate to one area, being Resource Consents.

4.5. The negative value relates to the deposits paid for Resource Consents, which sit at $181k at the end of October. We have removed negative values from the graph above to make it more readable, while still keeping the table to show the figures.

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.



	Oct-24	Oct-25	Oct-26
Future Instalments Paid	-$814,502.22	-$877,633.48	-$1,012,891.94
Current Year Penalties	$128,626.66	$140,834.00	$127,518.24
Current Year	$765,768.28	$842,610.55	$958,835.67
Arrears Penalties	$302,298.50	$276,438.59	$310,421.26
Arrears	$457,160.38	$513,630.82	$480,233.02

4.8. Arrears outstanding at the end of October is $864k, compared to $896k at the same time in the prior year.

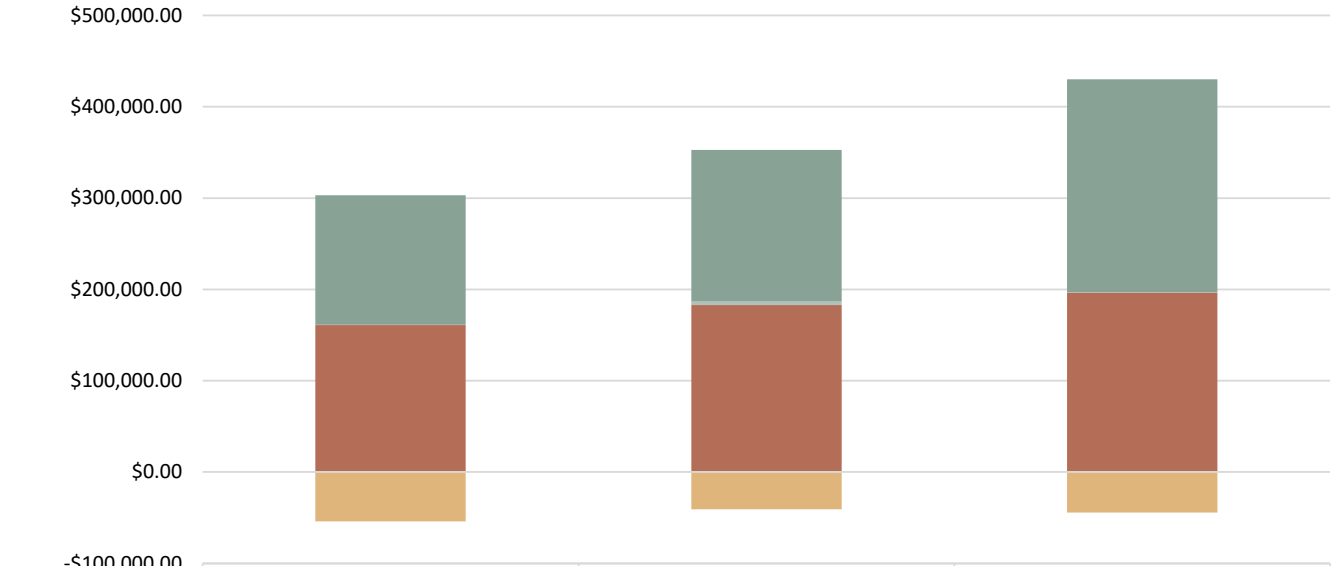
4.9. Current year rates (including penalties) are sitting at $1.086M, compared to $983k in October 2025 and $894k in October 2024. This represents an increase in current balances of 10.46% between 2025 and 2026.

4.10. A total of 1,478 properties have balances outstanding, of which 1,038 are on Direct Debit payment plans. Of the remaining 440 properties, 274 have arrears related to the current financial year, and the remaining 166 having balances related to older financial years. Of these 166, 17 have balances older than 3 years, which are an area of focus now.

Water

4.11. Overall water debtors at the end of October total $386k, compared to $312k at the same time the previous year and $249k at the end of October 2024. This shows an increasing debtors balance across the prior 3 years.

4.12. The high balance in the <90 days relates to the June Ōtorohanga township billing and May rural water charging, and the <60 days relates to the Ōtorohanga water charging in September. The September billing is not due until the end of November 2026, so that amount is not yet due. The outstanding amounts for the June billing or May rural billing are overdue and are an area where debt management focus is being put now.



	Oct-24	Oct-25	Oct-26
91+ days	$141,821	$166,183	$233,354
<90 days	$185	$3,952	$178
<60 days	$161,066	$182,701	$196,528
Current (<30 days)	-$54,185	-$40,818	-$44,261

Item 20	**Quarterly Risk Report November 2026**
To	Risk and Assurance Committee
From	Rebecca Griffin – Business Improvement Analyst
Type	**INFORMATION REPORT**
Date	9 November 2026



1. Purpose | Te kaupapa

1.1. To present the Quarterly Risk Report, including Ōtorohanga District Council (ŌDC) response to the Davison Report on the Mauao landslide and the convergence of emerging risks with ŌDC Strategic Risk Register.

2. Executive summary | Whakarāpopoto matua

2.1. This report covers two pieces of work: ŌDC's response to the Davison Report into the Mauao/Mount Maunganui landslide, and the convergence of the nine emerging risks reported in August 2026 with ŌDC's Strategic Risk Register (SRR), which is now due for review.

2.2. The Davison Report found the six deaths were likely preventable, and that the failures were systemic rather than individual. Council takes these findings seriously and has used them to test its own practice as part of continuous improvement.

2.3. Staff have started a life-safety risk workstream, delivered mainly in-house with the CE as lead. It will create a Natural Hazard Risk Register for Council-owned or administered sites, prepare TARPs for populated sites rated High or above, and report results to this Committee. The work will link to the district-wide risk assessment under the Climate Change Response Plan to avoid duplication.

2.4. The convergence of the August emerging risks with the Strategic Risk Register shows that seven of the nine emerging risks link to an existing strategic risk. Five strategic risks need updating, two remain aligned, and one new strategic risk is proposed.

2.5. The most significant proposed changes are:

- broadening Compliance with Changes to Governmental Legislation into Central Government Reform and Reorganisation, with oversight moving to the Chief Executive
- renaming Climate Change Response to Climate Change and Natural Hazard Exposure and re-rating it Extreme / High
- adding a new Digital Resilience, Cybersecurity and AI risk, rated High / Low.

2.6. Staff seek the Committee's feedback on these changes. The revised Strategic Risk Register will come to the Committee for approval at its first meeting in 2027. After that, emerging risks will be reported against the strategic risk they link to.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee RECEIVE the report titled 'Quarterly Risk Report November 2026' by Rebecca Griffin – Business Improvement Analyst.

Discussion | He kōrerorero

4. Davison Report – life-safety risk workstream

4.1. In August 2026 the redacted external review into the Mount Maunganui Beachside Holiday Park landslide (the Davison Report) was released. It found the six deaths on 22 January 2026 were likely preventable. The hazard had been known for more than 20 years, and a Trigger Action Response Plan (TARP) was recommended twice but never put in place. The failures were systemic: no single owner for the risk, no tracking of expert advice and no central record. These lessons apply to any council that owns or administers land exposed to natural hazards, and are relevant to ŌDC following the severe weather events of early 2026.

4.2. In light of these findings, and following the severe weather events experienced in early 2026, Ōtorohanga District Council has initiated a targeted workstream to review and strengthen its approach to managing natural-hazard risks at Council-owned and administered sites. This work builds on Council's existing strategic risk management arrangements and will provide greater visibility of site-specific risks, clearer documentation of expert advice and recommendations, and stronger processes for monitoring and responding to identified risks. The CE leads this workstream.

4.3. The review of current arrangements has identified opportunities to strengthen Council's approach, particularly through more comprehensive site-specific risk identification, centralised recording of natural-hazard information, formal tracking of expert recommendations, and the development of appropriate site-specific response plans. The workstream will also inform Council's consideration of its risk tolerance and escalation arrangements for risks to life. As part of this work, staff are establishing a Natural Hazard Risk Register covering relevant Council-owned and administered sites. The register will provide a central record of identified hazards, risk assessments, responsible officers, expert advice and associated actions. This will support consistent monitoring, timely escalation and the tracking of recommendations through to completion, while maintaining organisational knowledge over time. This work will draw on, and feed into, the district-wide risk assessment currently being prepared under Council's Climate Change Response Plan. This keeps one consistent picture of hazard exposure across the district and avoids duplication: the Climate Change Response Plan assessments look at district-wide exposure, while this workstream focuses on risk to life at specific Council sites.

4.4. Populated sites rated High Risk or above will be treated as priority sites. A Trigger Action Response Plan (TARP) will be prepared for each priority site. Each TARP will set out the action at each trigger level up to evacuation, who can order an evacuation at any hour without further approval, and how to escalate. Relevant staff will be briefed and trained, and TARPs will be refined over time, with specialist expertise sought where required to support robust risk assessments and response planning.

4.5. Staff will report results to the Risk and Assurance Committee, including the number of life-threatening risks identified and their ratings, confirmation of owners, and TARPs completed. This work reflects

Council's commitment to learning from significant events elsewhere, strengthening its risk management practices and taking a proactive approach to protecting the safety and wellbeing of its communities.

5. Convergence of emerging and strategic risks

5.1. This section brings together the nine emerging risks reported in August 2026 and the seven risks in ŌDC's Strategic Risk Register (SRR). All but two of the emerging risks link to at least one strategic risk, with the exception being Cybersecurity and AI. Three strategic risks are now rated lower than the matching emerging risk: capability, financial loss and climate change response.

5.2. The Strategic Risk Register was approved in October 2024 and is due for review in October 2026. Several of its entries contain references that require updating and this convergence is intended as the starting point for that review.

5.3. Each emerging risk has been assessed against the SRR using three categories:

- Aligned – an existing strategic risk already covers it; no change needed beyond monitoring.
- Update – an existing strategic risk covers it in part; the description, causes, controls or rating should be refreshed.
- New – no existing strategic risk covers it; a new entry is proposed.

5.4. <u>Convergence summary by strategic risk</u>

Five of the seven strategic risks need updating, and two are aligned. One new strategic risk is proposed for digital resilience, cybersecurity and AI. Ratings are inherent / current mitigated.

Strategic Risk	Strategic Risk rating	Linked emerging risks (Aug 2026 rating)	Rating comparison	Review status
Te Tiriti o Waitangi Obligations and Relationships	Extreme / Low	LG Reform and Head Start; Misinformation and trust	Not directly comparable	Update
Organisational Capability / Capacity	High / Moderate	Workforce and delivery capacity; Governance complexity	Strategic one level lower than emerging risks	Update
Capital Programme Delivery Failure	High / Moderate	Water services transition; Climate adaptation and natural hazards	Broadly aligned	Aligned
Financial Loss (internal)	High / Low	Financial sustainability, insurance and integrity	Strategic one to two levels lower than emerging	Update
Climate Change Response	High / Moderate	Climate adaptation and natural hazards	Strategic one level lower on both	Update
Health, Safety and Wellbeing	Extreme / High	Misinformation and trust (staff safety); Workforce (burnout)	Aligned	Aligned

Strategic Risk	Strategic Risk rating	Linked emerging risks (Aug 2026 rating)	Rating comparison	Review status
Compliance with Changes to Governmental Legislation	Extreme / High	LG Reform and Head Start; Water services transition; Governance complexity	Aligned	Update and prioritise
No current strategic risk	–	Cybersecurity and digital resilience; Generative AI	–	New strategic risk

5.5. What the convergence shows

5.5.1. Compliance with Changes to Governmental Legislation – broaden and prioritise

The Strategic Risk Register references Three Waters, RMA reform and the Future for Local Government review. Its controls are LGNZ participation, submissions and engagement.

Head Start goes further than compliance: after both councils' resolutions on 4 August 2026, the outline proposal for a combined King Country council was submitted to Government. Staff propose renaming this risk *Central Government Reform and Reorganisation*. Causes would add Head Start/Simplifying Local Government, RMA reform, emergency management reform and water services transition. Controls would add Simplifying Local Government transition governance and a standing Reform Radar for the Committee. The Extreme / High rating holds.

Oversight of this risk would move from the Group Manager, Regulatory & Growth to the Chief Executive, because its scope now goes beyond legislative compliance. Head Start and concurrent reforms could change Council's structure, governance and service delivery across the whole organisation, and these are led at Chief Executive level.

5.5.2. Organisational Capability / Capacity – update risk description and controls

The Strategic Risk Register rates this Moderate, because the realignment project and recruitment programme filled most significant roles. The August report rates workforce risk High because reform, water transition, climate and digital work all draw on the same staff at once. Staff propose updating the risk description and controls, which will keep the mitigated risk rating as Moderate.

Governance complexity (emerging Risk 9) fits here, because the register already covers elected member capacity.

5.5.3. Climate Change Response – rename and re-rate

The Strategic Risk Register states there is no overall climate adaptation strategy or plan, and that climate is factored into only some asset activities. That is no longer accurate. The 2026 severe weather events turned this into a live risk, and ŌDC now has its first Climate Change Response Plan. Staff propose renaming this risk *Climate Change and Natural Hazard Exposure* and re-rating it Extreme / High to match the August assessment.

5.5.4. Financial Loss (internal) – re-rate and update controls

The Strategic Risk Register rates this Low; the August report rates the matching emerging risk Med–High. Its controls cite the Long Term Plan 2024–34 and Three Waters Reform and requires updating. Updated controls would cover the 1 July 2027 water transfer, review of insurance coverage for climate-exposed assets, and fraud and conflict-of-interest controls for high-value programmes. The re-rating would be High / Moderate.

5.5.5. Capital Programme Delivery Failure – broadly aligned - minor update

From 1 July 2027, drinking water and wastewater capital works move to Waikato Waters Ltd. That reduces ŌDC's long-term programme but adds transition risk for projects in progress. The High / Moderate rating holds.

5.5.6. Health, Safety and Wellbeing – aligned

The register already rates this Extreme / High. Two causes from the August report should be added: abuse, harassment or threats towards staff and elected members over contentious decisions, and burnout from concurrent change programmes. No rating change is proposed.

5.5.7. Te Tiriti o Waitangi Obligations and Relationships – minor update

This is the most recently reviewed strategic risk (2025). Reorganisation could affect Māori ward arrangements, joint management agreements and Treaty settlement relationships; the August report cited the last of these in its case for an Extreme reform rating. Staff propose adding iwi and mana whenua involvement in Head Start design and transition as a control. No rating change is proposed.

5.5.8. New Strategic Risk: Digital Resilience, Cybersecurity and AI

No strategic risk specifically covers cyber or AI. Staff propose one combined risk, because most AI risks are data, privacy and security risks. With the rapid development of AI tools, this risk is now worthy of its own entry into the Strategic Risk Register. Controls already exist: multi-factor authentication, security monitoring, SAM4C and SSS Scouter, the AI Policy (effective June 2025) and MARVIN AI training from late August 2026. The water transition adds work to separate systems and data securely. Proposed rating: High / Low, with the Group Manager, Business Enablement as oversight officer.

5.6. Next steps and recommendation

5.6.1. Staff seek the Committee's feedback on these changes before the Strategic Risk Register review is finalised.

5.6.2. Subject to Committee feedback, staff will complete the 2026 review of the Strategic Risk Register and bring the revised register to the Committee for approval at its next meeting in 2027. From then on, emerging risks will be reported against the strategic risk they link to, so the two registers stay connected rather than being reported separately.

6. Appendices | Ngā āpitihanga

Number	Title	Magiq number
1	Strategic Risk Register 2024 v1.01	

WEAVING THE FUTURE, TOGETHER
KOTAHITANGA
ŌTOROHANGA DISTRICT COUNCIL

STRATEGIC RISK REGISTER

ŌTOROHANGA DISTRICT COUNCIL

Approved:	**October 2024**
Next review:	**October 2026**
Version number:	**1.01** updated Sept 2025
Who is responsible:	**Group Manager Business Enablement**

Te Kaunihera ā-Rohe o Ōtorohanga District Council
Where kiwi can fly

Strategic Risks for Ōtorohanga District Council

INTRODUCTION

As highlighted by Council's Risk Management Policy, a key element of Council's Risk Management Framework is our Strategic Risk Register. The Strategic Risk Register summarises the following key strategic risks identified by the Leadership Team and provides a response to how each risk will be addressed:

	STRATEGIC RISKS	INHERENT RISK	CURRENT MITIGATED RISK
	Te Tiriti o Waitangi Obligations and Relationships	Extreme	Low
	Organisational Capability / Capacity	High	Moderate
	Capital Programme Delivery Failure	High	Moderate
	Financial Loss (internal)	High	Low
	Climate Change Response	High	Moderate
	Health, Safety and Wellbeing	Extreme	High
	Compliance with Changes to Governmental Legislation	Extreme	High

Each strategic risk is weighted using the following matrix assessment, for both Inherent Risk and Mitigated Risk:

Likelihood	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain	Low	Moderate	High	Extreme	Extreme
Likely / Probable	Minimal	Low	Moderate	High	Extreme
Possible	Minimal	Low	Moderate	High	High
Unlikely	Minimal	Low	Low	Moderate	High
Highly Unlikely	Minimal	Minimal	Low	Moderate	Moderate

TE TIRITI O WAITANGI OBLIGATIONS AND RELATIONSHIPS

Risk Oversight Officer: Group Manager, Strategy and Community
Last reviewed assessed and approved RAC meeting 29 September 2025[1]

WHAT IS THE RISK (AND ITS CONSEQUENCES)?

ŌDC has binding statutory obligations and moral responsibilities under Te Tiriti o Waitangi, which require more than technical compliance. Failure to uphold these can result in loss of trust, reputational damage, legal exposure, and weakened relationships with iwi and hapū. Specific risks include:

- Elected members and staff are unclear as to the appropriate processes and pathways in the expression of Treaty partnership, causing offence and disrespect to the original customs and tikanga (protocol) of the whenua (land) and the obligation of local authorities to uphold those.
- Uninformed decision making that does not uphold the obligatory role as stewards of Treaty partnership.
- Māori Advisory having no presence in governance and leadership spaces
- Leaders making decisions void of subject matter expertise
- An unfounded negative approach to Treaty partnership

HOW TO ADDRESS THE RISK?

Strategies to address this risk include:

1. Governance and Leadership

- Retain Māori Wards and ensure Māori representation on appropriate Council committees.
- Provide governance-level Te Tiriti and Māori engagement training (reported to RAC in annual review of this risk).
- CE's KPIs reflect Iwi relationship and Te Tiriti o Waitangi obligations as a strategic risk.

2. Capability and Capacity

- Adopt and implement the Māori Engagement Framework (MEF) and Implementation Plan (IP) as part of business-as-usual.
- Deliver MEF/IP cultural competency and te reo Māori training for staff and elected members.
- Maintain a Kaitakawaenga (Māori Advisor) role with appropriate delegation, visibility, and influence.

3. Relationships and Partnerships

- Maintain formal partnership agreements (e.g. JMAs).
- Ensure resourcing for expertise required from mana whenua/iwi is included in project budgeting.
- Ensure Māori representation on working groups as a co-design approach.
- Track Council presence and visibility at kaupapa Māori events as an engagement indicator.
- Actively monitor Treaty settlement developments and maintain regular contact with unsettled iwi and Te Arawhiti (Office for Māori Crown Relations).

[1] https://www.otodc.govt.nz/assets/Documents/Meetings/Risk-and-Assurance/2025/Agenda-Risk-and-Assurance-Committee-29-September-2025.pdf

4. Policy and Process

- Council to reaffirm its local Te Tiriti commitment through consistent public messaging, statements and engagement.
- Monitor central government policy changes and proactively assess local implications and consider Council's response to them.
- Develop and implement MEF-aligned templates and guidance for project teams (reported to RAC in annual review of this risk).

Likelihood	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain				Extreme	
Likely / Probable					
Possible		Low			
Unlikely					
Highly Unlikely					

ORGANISATIONAL CAPABILITY / CAPACITY

Risk Oversight Officer: Chief Executive

WHAT IS THE RISK (AND ITS CONSEQUENCES)?

- The risk is that Council doesn't have the appropriate composition and number of skilled staff required to fulfil current and future commitments, e.g. inability to attract talent, failure to appropriately train existing staff, inability to retain skilled staff, failure to undertake appropriate workforce planning.
- An associated risk comes from a change in Elected Members and the potential loss of knowledge and experience

HOW TO ADDRESS THE RISK?

- Having a culture and employee experience that attracts a high calibre of applications and increases the retention of staff. This includes mechanisms for meaningful staff feedback such as staff surveys and exit interviews.
- A learning and development programme that targets future skill requirements and enables staff to grow in the areas that we need them to.
- Identify key roles and develop succession and/or continuity plans for those roles and functions. Undertake strategic workforce planning to identify skills and numbers required.
- A high quality and comprehensive orientation and induction for all new staff and for elected members after the triennial elections.
- Realignment project has increased organisational staffing capability/capacity in line with Council priorities; Comprehensive induction programme underway for new Council following elections. Council has undertaken a major recruitment programme. There are still some vacancies, but most significant roles have been filled.

Likelihood	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain					
Likely / Probable				High	
Possible			Moderate		
Unlikely					
Highly Unlikely					

CAPTIAL PROGRAMME DELIVERY FAILURE

Risk Oversight Officer: Group Manager, Engineering & Assets

WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that Council is unable to achieve its capital works programme because of:

- Lack of overall capacity in the market to deliver nationally and regionally
- Lack of capacity and capability of staff to deliver capital programme
- Uncertainty around processing timeframes from other agencies regarding resource consents
- The increasing dominance of larger contractors
- The cost of delivery is higher than allocated budget (materials and land value prices greatly exceed inflation)
- The impact of an unexpected event e.g. pandemic, natural disaster or other adverse occurrence
- This situation may lead to failure of major infrastructure, failure to deliver our capital programme, reduction in investment and frustration in the community

HOW TO ADDRESS THE RISK?

Strategies to address the risk:

- Capital works to be prioritised, realistic and achievable
- Ongoing forecasting of delays or potential issue
- Strategies for staff attraction, retention
- Efficient Project Management framework based on best practice with standard templates to achieve consistent quality of project management
- Establish good relationships with local iwi and hapu
- Establish relationship with the regional council and seek early feedback on project approach
- Establish early engagement and a future programme of works with contractors
- Establish mutually beneficial and long lasting relationships with contractors
- Consider alternative procurement strategies
- Regular review of capital expenditure by LT and reported to Council meetings
- Transparent reporting to Council with early notice of potential time or cost overruns

Likelihood	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain					
Likely / Probable				High	
Possible			Moderate		
Unlikely					
Highly Unlikely					

FINANCIAL LOSS (INTERNAL)

Risk Oversight Officer: Group Manager, Business Enablement

WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risks are either:

- Council's financial projections, in terms of operating expenditure and revenue, prove substantially incorrect or insufficient; or
- Council's projections highlight financial problems that are not properly addressed. This could require a substantial increase in rates and increase the level of borrowing.

HOW TO ADDRESS THE RISK?

The following initiatives are in place:

- The Long Term Plan 2024-34 and subsequent Annual Plans demonstrate Council will achieve a sustainable balanced budget.
- Ongoing financial management and oversight is a critical responsibility of the LT.
- Budget managers proactively take responsibility for continually managing their respective budgets and provide forecast information.
- Maintain external stakeholder relationships with key funding partners.
- Maintain resilience with all financial systems, processes and controls.
- Current and accurate asset and infrastructure management information is maintained.
- Requests for significant unbudgeted expenditure are thoroughly scrutinised and considered by LT.
- Rates modelling is effective and well informed.
- Ensure the impact of Three Waters Reforms is maintained and fully understood.
- Ensure appropriate insurance cover is maintained.
- Ensure appropriate skills exist on Risk & Assurance Committee.

Likelihood	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain					
Likely / Probable					
Possible					High
Unlikely			Low		
Highly Unlikely					

CLIMATE CHANGE RESPONSE

Risk Oversight Officer: Group Manager, Regulatory & Growth

WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risk is that Council does not take sufficient steps to mitigate and respond to the impacts of climate change which could negatively impact the Otorohanga community.

HOW TO ADDRESS THE RISK?

- Climate change impacts are factored into some asset management activities, such as stop banks and flood control.
- ODC has commercial insurance cover on above and below ground council owned infrastructure and assets. However, no overall risk or response strategy/plan to date in respect of climate change adaptation.
- CDEM plans are in place for natural disasters which may be exacerbated by climate change.

Likelihood	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain					
Likely / Probable				High	
Possible			Moderate		
Unlikely					
Highly Unlikely					

HEALTH, SAFETY AND WELLBEING

Risk Oversight Officer: Chief Executive

WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risks are that:

- Staff, contractors, volunteers or visitors to ODC worksites are fatally or seriously harmed due to a hazard and/ or loss of control within the work environment. This includes harm to mental health and wellbeing.
- Damage to Council plant or property as a result of a hazard/loss of control.
- ODC's most critical hazards are those where the potential consequences (based on the worst credible scenario) remain significant, even with controls in place. Examples of critical hazards include driving, working around vehicles and machinery, working alone and violent/aggressive behaviour.

HOW TO ADDRESS THE RISK?

- The Leadership Team have an unrelenting focus on the health, safety and wellbeing of staff, contractors, volunteers and visitors and are committed to establishing and maintaining a strong health and safety culture within the organisation. This commitment is visibly expressed through ODC's Health, Safety and Wellbeing Leadership Charter.
- Active employee participation frameworks are in place to encourage employee engagement and leadership in health, safety and wellbeing matters.
- Risks to health, safety and wellbeing are identified. Risk control methods are in place and these are regularly reviewed and verified. This includes maturing H&S approach/culture; Flexible working arrangements; Major investment in physical work environment; Regular staff wellbeing surveys
- ODC has sufficient dedicated resources to deliver quality health, safety and wellbeing frameworks and practices throughout ODC.

Likelihood	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain					
Likely / Probable					Extreme
Possible				High	
Unlikely					
Highly Unlikely					

COMPLIANCE WITH CHANGES TO GOVERNMENT LEGISLATION

Risk Oversight Officer: Group Manager, Regulatory & Growth

WHAT IS THE RISK (AND ITS CONSEQUENCES)?

The risks are that:

- New or amended legislation, reforms, regulations or policy statements cause changes that negatively impact affordability
- Ratepayers' ability to pay
- For Council to deliver services it can afford or resource appropriately
- The speed of change and the cumulative effects may detract from achieving statutory requirements (e.g. the long-term plan) and meeting community expectations
- The change is of a magnitude that considerably impacts Council (Three Waters, Resource Management Act, Future of Local Government)

HOW TO ADDRESS THE RISK?

- Maintain active participation in LGNZ sector discussions at all levels
- Ensure submissions by Council are made to Central Government policy and/or legislative amendments.
- Maintain positive engagement with Local and Central Government politicians and lobby groups e.g. Federated Farmers. Early assessment of likely impact of confirmed changes so that appropriate planning, mitigation and communication can take place.
- Have plans in place to keep our community updated.

Likelihood	Consequence to Council				
	Insignificant	Minor	Moderate	Major	Significant
Almost Certain			High		Extreme
Likely / Probable					
Possible					
Unlikely					
Highly Unlikely					

Public excluded — Take matatapu

There are no public excluded reports.

Meeting closure — Katinga o te hui

The Chairperson will declare the meeting closed.

Workshops — Hui awheawhe

1	Quarterly discussion with the Chief Executive	Public excluded