

TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

Open Agenda

RISK AND ASSURANCE COMMITTEE

9 June 2025

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, 9 June 2025 commencing at 10.00am.

Tanya Winter, Chief Executive

4 June 2025

OPEN TO THE PUBLIC AGENDA

Risk and Assurance Committee membership

Independent Chairperson	Peter Stubbs
Deputy Chairperson and Kāwhia-Tihiroa Councillor	Kit Jeffries
His Worship the Mayor	Max Baxter
Deputy Mayor	Annette Williams
Ōtorohanga Councillor	Steve Hughes
Wharepūhanga Councillor	Cathy Prendergast

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 King and approved for distribution by Group Manager Business Enablement, Graham Bunn on 4 June 2025.

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Risk deep dive – Te Tiriti obligations and relationships			Open to the public
Waikato Water Done Well programme risks			Open to the public

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).

Should any apologies be received, the following recommendation is made: *That the Risk and Assurance Committee receive and accept the apology from ... for ... (non-attendance, late arrival, early departure).*

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 meeting is attached on the following page.

Staff recommendation

That the Risk and Assurance Committee confirm as a true and correct record of the meeting, the open Minutes of the meeting held on 10 March 2025 (document number 811391).

Ōtorohanga District Council's Risk and Assurance Committee

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, 10 March 2025 commencing at 10.00am.

Graham Bunn, Group Manager Business Enablement

17 March 2025



OPEN TO THE PUBLIC

Attendance register

Independent Chairperson	Peter Stubbs	Attended
Deputy Chairperson and Kāwhia-Tihiroa Councillor	Kit Jeffries	Attended
His Worship the Mayor	Max Baxter	Attended
Ōtorohanga Councillor	Steve Hughes	Attended
Wharepūhanga Councillor	Cathy Prendergast	Attended

Senior staff in attendance

Chief Executive	Tanya Winter	Apology
Group Manager Business Enablement	Graham Bunn	Attended
Group Manager Engineering & Assets	Mark Lewis	Attended
Group Manager Regulatory & Growth	Tony Quickfall	Attended from 10.15am
Group Manager Strategy & Community	Nardia Gower	Attended
Chief Advisor	Ross McNeil	Attended

Opening formalities**Ngā tikanga mihimihi**

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Decision reports**Ngā pūrongo whakatau**

No reports.

Information only reports**Ngā pūrongo mōhiohio anake**

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Closing formalities**Ngā tikanga whakakapi**

Meeting closure	Katinga o te hui	9
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Workshops**Hui awheawhe**

Risk deep dive – Legislative compliance	Open to the public
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These Open Minutes were prepared by PA to Group Managers, Cathy Plowright and approved for distribution by Group Manager Business Enablement, Graham Bunn on 17 March 2025.

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

Chairperson Stubbs declared the meeting open at 10.00am.

He said it was a privilege to be associated with a council who has achieved so much in terms of CouncilMark results and that everyone at Ōtorohanga District Council should be incredibly proud of the changes that have been brought about over the last few years.

Apologies**Ngā hōnea**

There were no apologies as all Members were present.

Late items**Ngā take tōmuri**

There were no late items.

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

No conflicts of interest were declared.

Confirmation of minutes**Te whakaū i ngā meneti**

Resolved R89: That the Risk and Assurance Committee confirm as a true and correct record of the meeting, the open Minutes of the meeting held on 11 December 2024 (document number 795026).

Councillor Prendergast | His Worship the Mayor

Matters arising

In answer to a question from Councillor Jeffries, ŌDC's Mark Lewis said staff were progressing with the change to stock only for the Arohena rural water supply scheme and the next step was on-site assessments.

Decision reports**Ngā pūrongo whakatau**

There were no reports.

Information only reports**Ngā pūrongo mōhiohio anake****Item 81 – Health, Safety and Wellbeing quarterly report**

ŌDC's Manager People and Capability, Noah Lockett-Turton took his report as read and invited questions.

In relation to item 4.6 in the report, Councillor Jeffries asked if working with chemicals was considered to be a critical risk. Mr Lockett-Turton said they have not been identified as a critical risk at this stage but the chemicals, along with the controls in place, are due to be reviewed.

In response to a further question from Councillor Jeffries, Mr Lockett-Turton said one planned audit has been completed with two more booked in for this week. He said five sites are now being audited on a monthly basis to ensure everything is being kept up to date. He said having all staff booked on compulsory training by the beginning of April 2025 was on target and may be able to be achieved earlier. He said there had been a good uptake from staff on the optional AED and CPR training, with one session organised in March and a second session to be held later in the year.

In answer to another question from Councillor Jeffries, Mr Lockett-Turton said staff are working towards developing a process for managing the Health, Safety and Wellbeing (HSW) pre-work programme for contractors. Chairperson Stubbs asked for an update on numbers of contractors who have completed the pre-work in the next HSW quarterly report.

In answer to a question from Councillor Hughes, Mr Lockett-Turton said there was no reporting system for staff tiredness and this is reliant on self-reporting and managers keeping an eye on their staff. Chairperson Stubbs noted the EAP Programme is available to all staff for confidential support if required.

Referring to the incident involving a contractor (item 4.4 in the report), Chairperson Stubbs asked if there were any lessons to be learned or a change to process as a result. Mr Lockett-Turton said the contractor was driving safely but another car had crossed the centreline and then swerved back, causing the incident.

In answer to a question from Councillor Hughes, Mr Lockett-Turton said ŌDC's Drug and Alcohol Policy was being reviewed as it had reached its expiry date. He said ŌDC hasn't done pre-employment or random testing as this is not currently considered a great risk. He said provision for those tests would be included in the Policy so there is scope to include them in the future.

In answer to a question from Councillor Prendergast, Mr Lockett-Turton said elected members could be part of a duress alarm test if they wished to.

Resolved R90: That the Risk and Assurance Committee receive the report titled 'Health, Safety and Wellbeing quarterly report' (document number 808861) from Noah Lockett-Turton, Manager People and Capability.

Councillor Jeffries | Councillor Hughes

Item 82 – Quarterly risk report

ŌDC's Group Manager Business Enablement, Graham Bunn provided a brief verbal summary of the report. He said he had been working with Risk Consultant, Dave Robson, to develop the report. He said one of the first steps in the journey had been highlighting the risk emerging from water reforms which had been detailed in the report.

Councillor Jeffries said whilst he supported the use of internal auditors, he questioned whether they reduced the overall audit cost or made it even more expensive to provide value to the community. Mr Bunn said ŌDC had recently signed a joint contract with PwC for internal auditing at no charge unless Council actually uses the service. He said staff were also able to undertake internal audits themselves which potentially could result in less processing time for our external auditors but was hard to quantify. Chairperson Stubbs said that while there is some value in the context of internal audits, the greater value is that they lead to performance improvements. He said that with the scope of declining horizontal assets across a smaller cost base, it was increasingly important for councils to be more efficient with doing more with less. He said internal audits have huge benefits as long as they are used wisely.

In answer to a question from Councillor Jeffries, Mr Bunn said it was unlikely ŌDC would engage PwC to conduct any internal audits that could be carried out by staff but may consider engaging them for one-off audits depending on time and cost. He said an external Risk Consultant had been contracted at nominal cost to fulfil the Risk Manager function. He said ŌDC is developing a risk culture and staff would be upskilling to deliver the required risk management services without the need to employ additional staff.

Mr Bunn said the Waikato Water Reform Risk Assessment (Appendix 2 to the report) had been done externally. He said iwi liaison had been categorised by the assessor as extreme risk but there was mitigation in place to reduce that to moderate risk.

Chairperson Stubbs asked if Risk Consultant, Dave Robson, could attend the next Risk and Assurance Committee meeting and that he was particularly interested to understand Mr Robson's perspective on risk maturity (with reference to the risk maturity exercise included in the report). Mr Bunn said the maturity assessment matrix had been a self-assessment undertaken by ŌDC's leadership team. He said it had highlighted areas for improvement, particularly around the use of a system to track risks.

Chairperson Stubbs questioned the statement that, post Local Waters Done Well, "the residual organisation will have significant stranded costs". Mr Bunn said this still requires analysis but it was his understanding, at a high level assessment, that there wouldn't be significant stranded costs. Chairperson Stubbs said therefore the statement in the Risk Assessment was a statement of potential rather than actuality.

Chairperson Stubbs thanked Mr Bunn for the work undertaken on the report. He said it would be beneficial to have Mr Robson at the next meeting to move the report to the next iteration of its journey.

Resolved R91: That the Risk and Assurance Committee receive the report titled 'Quarterly risk report' (document number 809383) from Graham Bunn, Group Manager Business Enablement.

Chairperson Stubbs | Councillor Prendergast.

Item 83 – Capital projects report for the month ending 28 February 2025

ŌDC's Group Manager Engineering and Assets, Mark Lewis said his report was based around assurance rather than risk. He highlighted a few minor risks but provided assurance that ŌDC is on track. He said although slightly behind in one or two areas there was nothing substantial at this stage.

In answer to a question from Chairperson Stubbs, Mr Lewis said a lot of his time is currently being spent on Local Water Done Well (LWDW) which had previously been spent on the oversight of capital delivery. He noted the extra workload was a risk to staff. Council will make a final decision on LWDW on 24 June. He said it was unlikely the workload would slow down after that date with the need to have Water Service Delivery Plans in place by 3 September.

In answer to a question from Chairperson Stubbs relating to the deferral of some roading work, Mr Lewis said both of the roads in question required additional costs that hadn't been budgeted for. He confirmed there were no material risks to Council in deferring that work.

Councillor Hughes noted the challenges that had been faced in securing a Team Leader for the waters team and he asked if there was scope for promotion or training within the current team. He said not having a leader in that space was a risk. Mr Lewis said the Team Leader role required a specific set of skills and experience which had made recruitment challenging. He said the job description had recently been adjusted to more accurately reflect the type of person being sought and a third round of recruitment is about to be started.

In answer to a question from Councillor Jeffries, Mr Lewis said staff were awaiting a response from the Waikato Regional Council to feedback provided on the Aotea Sea Wall consent. He said indications are that this will be complete within the next seven to 10 days. Councillor Jeffries passed on a comment received from a local resident about the type of materials that should be used on the sea wall. Mr Lewis said this was a Building Code matter and the types of materials required for homes would be slightly different to those required for a sea wall structure.

Councillor Prendergast asked for clarification on what a wet cell is (in relation to the Ōtorohanga Wastewater Treatment Plant). Mr Lewis said this referred to pond based treatment.

Resolved R92: That the Risk and Assurance Committee receive the report titled 'Capital projects report for the month ending 28 February 2025' (document number 809374) from Mark Lewis, Group Manager Engineering and Assets.

Councillor Hughes | Councillor Jeffries

Item 84 – Outstanding management letter points from 2023/24 Annual Report

ŌDC's Graham Bunn presented the report on behalf of Manager Finance, Brendan O'Callaghan who was busy working on waters scenarios for the Elected Member workshop being held the next day. He said the

report used the traffic light system with green items shown as completed and orange items shown as in progress with a view to being addressed in time for the audit.

Councillor Jeffries queried the statement on page 37 concerning the amendment of access rights as he said it didn't make grammatical sense. Mr Bunn said he would seek clarification on this from Mr O'Callaghan and report back to Councillor Jeffries.

Councillor Jeffries asked why the fair value assessment wouldn't be presented to the Committee until its June meeting. Mr Bunn said this date had been selected so Council would only have to carry out the reconciliation once at the end of the financial year..

In answer to a question from Chairperson Stubbs, Mr Bunn said there was no indication that the outstanding items would not be completed by the end of the financial year. He said our auditors had been advised there would be four outstanding items that would not be completed.

Resolved R93: That the Risk and Assurance Committee receive the report titled 'Outstanding Management Letter Points from 2023/24 Annual Report' (document number 809077) from Brendan O'Callaghan, Manager Finance.

Councillor Prendergast | His Worship the Mayor

Item 85 – Outstanding debtors report

ODC's Rates Officer, Theresa Goulding, presented the report on behalf of Manager Finance, Brendan O'Callaghan.

Chairperson Stubbs asked for the format of the report to be changed to indicate whether staff were happy or otherwise with the numbers provided. He said it would be helpful to know whether progress was being made and, if not, what needs to happen to change that.

Ms Goulding said people who have outstanding debts are happy with how this is being handled and the processes that Council has in place for collection. She said one large outstanding debt for development contributions was skewing the figures but, other than that, the figures are looking good in comparison to the same time last year. She said ODC has been very proactive in terms of abandoned land and rating sales. She said Notices of Sale have increased quite noticeably with more people moving into the ODC area. She said invoices for the second instalment of 2024/25 rates have been sent out and penalty date was 28 February. In answer to a question from Chairperson Stubbs, Ms Goulding said she had no concerns about the level of outstanding rates debtors at this stage. She also confirmed she was comfortable with the level of outstanding water debtors.

In relation to item 4.7 in the report, ODC's Graham Bunn noted that as at 28 February 1.98m of rates for the second instalment were unpaid and were now attracting penalty rates. He said the majority of those ratepayers were on automatic payments and any penalties would be remitted under the Policy if they were paid by 31 May.

Councillor Jeffries asked if Council decides to go with a Council Controlled Organisation (CCO) in terms of water, would water debtors be included in the assets passed on to the new entity? Mr Bunn said he understood that debtors are effectively an asset but that the finer details of what would go to a CCO still need to be worked out.

In answer to a question from Councillor Hughes, Ms Goulding said there was some resistance to direct debit arrangements due to trust issues and perceived loss of control.

Resolved R94: That the Risk and Assurance Committee receive the report titled 'Outstanding Debtors Report (document number 809122) from Brendan O'Callaghan, Manager Finance.

Chairperson Stubbs | Councillor Prendergast

Public excluded

Take matatapu

There were no reports.

Meeting closure

Katinga o te hui

Chairperson Stubbs declared the meeting closed at 10.55 and took a short break.

Workshops/briefings/discussions

The following item was held at 11.04am.

Risk Deep Dive: Legislative compliance

Open

The workshop concluded at 11.17am.

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 86 Annual Report Engagement Letter, Audit Proposal and Audit Plan

To Risk and Assurance Committee

From Brendan O'Callaghan, Manager Finance

Type **DECISION REPORT**

Date 9 June 2025



1. Purpose | Te kaupapa

1.1. To provide information about the audit of the 2024/25 Annual Report, including the Audit Plan.

2. Executive summary | Whakarāpopoto matua

2.1. This report provides the Committee with the Engagement Letter and Audit Plan for the audit of the 2024/25 Annual Report.

2.2. Also included is the Audit Proposal letter for the proposed audit fees for the next four years.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee:

- a) Recommend His Worship the Mayor sign the Engagement Letter for the audit of the 2024/25 Annual Report
- b) Recommend His Worship the Mayor sign the Audit Proposal Letter for the 2025, 2026, 2027 and 2028 Annual Report audits
- c) Receives the audit plan for the audit of the 2024/25 Annual Report as presented by Deloitte.

4. Context | Horopaki

4.1. Bruno Dente, the Partner from Deloitte will attend the meeting to present the Audit Plan, Engagement Letter and Audit Proposal and to answer any questions that the Committee may have about either document, or the audit process.

5. Considerations | Ngā whai whakaarotanga

Significance and engagement

- 5.1. The signing of these letters does not represent a significant decision and therefore is considered low in terms of the requirement for engagement with the community.

Impacts on Māori

- 5.2. There are no impacts on Māori identified with regards to this item.

Risk analysis

- 5.3. The risk is considered to be low.

Policy and plans

- 5.4. There are no policies or plans that are impacted by this report.

Legal

- 5.5. There are no legal considerations related to this item.

Financial

- 5.6. As this relates to the Annual Report audit, all financial considerations are covered by the report.

6. Discussion | He kōrerorero

Option 1: Recommend the signing of the letters and receive the audit plan

- 6.1. This option would recommend that His Worship the Mayor sign the Audit Engagement Letter and the Audit Proposal, which would provide the basis for the audit fees to be charged. Receiving the audit plan would give the Committee confidence over the areas of focus for Deloitte during the audit process.

Option 2: Do not recommend the signing of the letters and/or receive the audit plan

- 6.2. This option would mean that further discussions would need to be had around the reasoning for not recommending the signing of the letters and/or receiving the audit plan between Council and Deloitte.

Recommended option and rationale

- 6.3. The preferred option is to recommend that His Worship the Mayor sign both the letters and the Committee receives the audit plan. This will enable Deloitte to undertake the audit as required

under legislation and will ensure that Council has some surety around the proposed audit fees for the next four years.

7. Appendices | Ngā āpitihanga

Number	Title	
1	Audit Engagement Letter from Deloitte	Click to view
2	Audit Proposal Letter from Deloitte	Click to view
3	Audit Plan from Deloitte	Click to view

Item 87 Fair Value vs Carrying Value Assessment

To Risk and Assurance Committee

From Brendan O'Callaghan, Manager Finance

Type **DECISION REPORT**

Date 9 June 2025



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 all the 3 Waters assets is 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 agree that the carrying values of the Council's Land and Buildings and 3 Water Infrastructure assets are not materially different from the fair value of those assets.

4. Context | Horopaki

Background

- 4.1. This report is intended to provide information to the Risk & Assurance Committee to seek their level of comfort around whether Council's 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 Council will need to consider undertaking a revaluation of that asset class.
- 4.3. There are three main categories of assets requiring revaluation, being Roothing, 3 Waters and Land and Buildings. Council has put these assets on a three yearly revaluation cycle, with the intention that one group is revalued each year.
- 4.4. For the 2024/25 financial year, Roothing assets are due to be revalued. This revaluation will be undertaken in house by Asset and Finance staff, using the RAMM valuation module. We have engaged AON to undertake a peer review of this valuation once completed to ensure that the assumptions made as part of the revaluation calculation are reasonable.

Asset Class: Land and Buildings

- 4.5. 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.
- 4.6. 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 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.
- 4.7. 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
 - b. Operational Buildings - \$10,536,200
 - c. Restricted Land - \$9,254,900
 - d. Restricted Buildings - \$8,645,400
- 4.8. For the review of the valuation of land, a good indicator of movement to use is movement in land 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, land values in the district have increase by 0.08% since 1 July 2024, while sales data shows a movement in the average house value in the district of a 3.8% increase over the same period.

4.9. Using these two adjustors, we get a range in the movement in the values of the land assets of between:

- a. Operational Land - \$9,154 to \$434,841 increase
- b. Restricted Land - \$8,429 to \$400,375 increase

4.10. Given that there is no depreciation on land, those movements would represent the likely adjustment to the values of both land classes of assets.

4.11. 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.

4.12. Given that the movement in the land would appear to be up to 3.8%, 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.

4.13. For the building classes of assets, the use of construction cost indices are 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	March 2025	Movement June 24 to March 25
Dwelling units	1085	1096	1.01%
Commercial buildings	1096	1110	1.27%

4.14. Using these adjustors, we get a movement in the Building Classes of:

- a. Operational Buildings - \$126,355
- b. Restricted Buildings - \$107,797

4.15. Based on those increases, and considering depreciation, the estimated fair value as at 30 June 2025 is \$10,043,911 for Operational Buildings and \$8,255,647 for Restricted Buildings. The carrying value at 30 June 2025 of existing assets is likely to be \$10,029,212 for Operational Buildings and \$8,160,819 for Restricted Buildings. This gives a difference of \$14,699 and \$94,828 or 0.14% and 1.16% for Operational and Restricted Buildings respectively.

4.16. 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.

4.17. Given the low increase figures in both dollar terms and percentage, it is unlikely that these asset classes are materially misstated.

Asset Class: Rural Water Supplies

4.18. The Rural Water Supplies Asset Class covers the water supply assets, both pipes and plant and equipment, for the four rural water supplies as well as the Kāwhia Community Supply. At 30 June 2024 these assets had a combined carrying value of \$15,408,668. These assets were last revalued as at 30 June 2023, at which time the assets had a value of \$13,584,691.

4.19. 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.

4.20. Finding indices information, we went to Statistics NZ business price indices, which are generated quarterly. The results of these inquiries gave us the following information.

	June 2023	June 2024	March 2025	Movement June 23 to March 25	Movement June 24 to March 25
Buildings	1045	1075	1088	4.11%	1.21%
Systems for Water and Sewerage	1024	1050	1058	3.32%	0.76%
Other civil construction	1040	1063	1092	5.00%	2.73%
Fencing	1009	1014	995	0.50%	-1.87%
Irrigation and land drainage	1021	1031	1037	0.98%	0.58%

4.21. Based on the above adjustors, we have done a high level fair value assessment of the value of the existing rural water supply assets at 30 June 2025. We have ignored capital additions in the 2024/25 financial year as the cost of these should approximate fair value based on contract adjustments or new tender prices for new contracts. However, we have adjusted additions in the 2023/24 financial year using adjusters from June 2024 to March 2025.

4.22. Rural water supply assets valued as at 30 June 2023 would have a decrease in value of \$89k, which equates to approximately 0.67%. Additions between 1 July 2023 and 30 June 2024 were \$2.22M, and the increase in value would be \$16,902.

4.23. Based on the above indices, and adjusting using the relevant adjustor, the estimated fair value as at 30 June 2025 is \$15,382,389. The carrying value at 30 June 2025 of existing assets is likely to be \$15,315,669. This gives a difference of \$66,720, which is 0.44% of the total value of the Rural Water supply assets.

4.24. 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.

4.25. Given the small variance in dollars and the movement is less than 5% we are happy to conclude that the Rural Water asset class is not materially misstated.

Asset Class: Water System

4.26. The Water System Asset Class covers the water supply assets, both pipes and plant and equipment, for the Ōtorohanga Community Supply. At 30 June 2024 these assets had a combined carrying value of \$12,008,859. These assets were last revalued as at 30 June 2023, at which time the assets had a value of \$10,263,527.

4.27. 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.

4.28. Finding indices information, we went to Statistics NZ business price indices, which are generated quarterly. The results of these inquiries gave us the following information.

	June 2023	June 2024	March 2025	Movement June 23 to March 25	Movement June 24 to March 25
Buildings	1045	1075	1088	4.11%	1.21%
Systems for Water and Sewerage	1024	1050	1058	3.32%	0.76%
Other civil construction	1040	1063	1092	5.00%	2.73%

	June 2023	June 2024	March 2025	Movement June 23 to March 25	Movement June 24 to March 25
Fencing	1009	1014	995	0.50%	-1.87%
Irrigation and land drainage	1021	1031	1037	0.98%	0.58%

4.29. Based on the above adjusters, we have done a high level fair value assessment of the value of the existing water system assets at 30 June 2025. We have ignored capital additions in the 2024/25 financial year as the cost of these should approximate fair value based on contract adjustments or new tender prices for new contracts. However, we have adjusted additions in the 2023/24 financial year using adjusters from June 2024 to March 2025.

4.30. Rural water supply assets valued as at 30 June 2023 would have an decrease in value of \$610k, which equates to approximately 5.9%. Additions between 1 July 2023 and 30 June 2024 were \$2.19M, and the increase in value would be \$16,628.

4.31. Based on the above indices, and adjusting using the relevant adjustor, the estimated fair value as at 30 June 2025 is \$11,857,954. The carrying value at 30 June 2025 of existing assets is likely to be \$12,443,051. This gives a difference of \$585,097, which is 4.9% of the total value of the Water system assets.

4.32. 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.

4.33. Given the small variance in dollars and that the movement is under 5% we are happy to conclude that the Water System asset class is not materially misstated.

Asset Class: Sewerage System

4.34. The Sewerage System Asset Class covers the sewerage reticulation assets, both pipes and plant and equipment, for the Ōtorohanga Community Supply. At 30 June 2023 these assets had a combined carrying value of \$10,036,277.

4.35. 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.

4.36. Finding indices information, we went to Statistics NZ business price indices, which are generated quarterly. The results of these inquiries gave us the following information.

	June 2023	June 2024	March 2025	Movement June 23 to March 25	Movement June 24 to March 25
Buildings	1045	1075	1088	4.11%	1.21%
Systems for Water and Sewerage	1024	1050	1058	3.32%	0.76%
Other civil construction	1040	1063	1092	5.00%	2.73%
Fencing	1009	1014	995	0.50%	-1.87%
Irrigation and land drainage	1021	1031	1037	0.98%	0.58%

4.37. Based on the above adjusters, we have done a high level fair value assessment of the value of the existing sewerage system assets at 30 June 2025. We have ignored capital additions in the 2024/25 financial year as the cost of these should approximate fair value based on contract adjustments or new tender prices for new contracts. However, we have adjusted additions in the 2023/24 financial year using adjusters from June 2024 to March 2025.

4.38. Sewerage system assets valued as at 30 June 2023 would have an decrease in value of \$401k, which equates to approximately 4.0%. Additions between 1 July 2023 and 30 June 2024 were \$2.15M, and the increase in value would be \$16,308.

4.39. Based on the above indices, and adjusting using the relevant adjustor, the estimated fair value as at 30 June 2025 is \$18,087,970. The carrying value at 30 June 2025 of existing assets is likely to be \$17,718,784. This gives a difference of \$369,186, which is 2.0% of the total value of the Sewerage supply assets.

4.40. 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.

4.41. Given the small variance in dollars and that the movement is under 5%, we are happy to conclude that the Sewerage System asset class is not materially misstated.

Asset Class: Drainage Network

4.42. The Drainage Network Asset Class covers the stormwater reticulation assets, both pipes and plant and equipment, in Kāwhia and Ōtorohanga, as well as the flood protection assets, excluding the stopbank, in Ōtorohanga. At 30 June 2023 these assets had a combined carrying value of \$11,560,051.

4.43. 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.

4.44. Finding indices information, we went to Statistics NZ business price indices, which are generated quarterly. The results of these inquiries gave us the following information.

	June 2023	June 2024	March 2025	Movement June 23 to March 25	Movement June 24 to March 25
Buildings	1045	1075	1088	4.11%	1.21%
Systems for Water and Sewerage	1024	1050	1058	3.32%	0.76%
Other civil construction	1040	1063	1092	5.00%	2.73%
Fencing	1009	1014	995	0.50%	-1.87%
Irrigation and land drainage	1021	1031	1037	0.98%	0.58%

4.45. Based on the above adjusters, we have done a high level fair value assessment of the value of the existing sewerage system assets at 30 June 2025. We have ignored capital additions in the 2024/25 financial year as the cost of these should approximate fair value based on contract adjustments or new tender prices for new contracts. However, we have adjusted additions in the 2023/24 financial year using adjusters from June 2024 to March 2025.

- 4.46. Drainage network assets valued as at 30 June 2023 would have an decrease in value of \$54k, which equates to approximately 0.5%. Additions between 1 July 2023 and 30 June 2024 were \$4.07M, and the increase in value would be \$30,969.
- 4.47. Based on the above indices, and adjusting using the relevant adjustor, the estimated fair value as at 30 June 2025 is \$16,111,794. The carrying value at 30 June 2024 of existing assets is likely to be \$15,664,751. This gives a difference of \$447,043, which is 2.8% of the total value of the Drainage network assets.
- 4.48. 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.
- 4.49. Given the small variance in dollars and that the movement is under 5%, we are happy to conclude that the Drainage Network asset class is not materially misstated.

5. Considerations | Ngā whai whakaarotanga

Significance and engagement

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

Impacts on Māori

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

Risk analysis

- 5.3. The risk associated with this decision with regards to Council's top risks is deemed to be low.

Policy and plans

- 5.4. Staff confirm that the recommendation in this report complies with Council's Policies and Plans.

Legal

- 5.5. There are no legal considerations around this matter.

Financial

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

6. Discussion | He kōrerorero

Option 1: Agree with the fair value assessments

- 6.1. This would mean that Council staff can leave the identified asset classes at their current carrying values, without requiring a revaluation.

Option 2: Do not agree with the fair value assessments

- 6.2. This would mean that either staff are required to go and do further work on the fair value assessments to address the concerns of the committee, or it may mean that revaluation of some or all of the identified asset classes is required.

Recommended option and rationale

- 6.3. 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.
-

Item 88 Sensitive Expenditure Policies

To Risk and Assurance Committee

From Brendan O’Callaghan, Manager Finance

Type **DECISION REPORT**

Date 9 June 2025



1. Purpose | Te kaupapa

1.1. To provide the Committee with updated Sensitive Expenditure policies for adoption.

2. Executive summary | Whakarāpopoto matua

2.1. A review of Ōtorohanga District Council’s Sensitive Expenditure Policies has been undertaken, and these are provided for review by the Committee.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee adopts the following policies:

- a) Sensitive Expenditure Policy
- b) Entertainment & Hospitality Policy
- c) Gifts Policy
- d) Koha Policy
- e) Professional Memberships Policy
- f) Staff Purchasing Policy
- g) Staff Support and Welfare Expenditure Policy
- h) Travel and Accommodation Policy

4. Context | Horopaki

4.1. Council is a holder of public funds, and as such needs to have policies in places about the usage of those funds. Due to the risk of perceived or actual personal benefit to the elected member of

employee arising from certain expenditure categories, such as travel, accommodation, gifts and hospitality, the Controller and Auditor-General defined them as 'sensitive' expenditure.

- 4.2. The Sensitive Expenditure policies contain the framework and principles for Council elected members, employees and contractors entering into and approving expenditure of a potentially sensitive nature.
- 4.3. The current Sensitive Expenditure Policies took effect from June 2023 and September 2023 and are due for review.

5. Discussion | He kōrerorero

- 5.1. As part of the review of these policies, guidance from the Office of the Auditor General was reviewed. This was done to ensure our policies align with best practice. The last update to the OAG guidance was released in October 2020, so predates the last time these policies were reviewed.
- 5.2. As well as a review by Finance staff, the updated policies were sent out to all staff for comment. This was done to identify if there were any issues with the implementation of these policies that may not have been evident to Finance staff.
- 5.3. Any changes to the policies from those previously adopted in 2023 are included in the policies as track changes (excluding any formatting changes made in moving the policies to the new standard policy template).

6. Considerations | Ngā whai whakaarotanga

Significance and engagement

- 6.1. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because it is not considered to adversely affect the level of service or the manner or extent to which the Council delivers its services.

Impacts on Māori

- 6.2. There is little impact on Māori from these policies being adopted.

Risk analysis

- 6.3. Nothing in these policies creates any issues with Council's top risks.

Policy and plans

- 6.4. Any interaction between these policies and other policies are identified within the policy.

Legal

6.5. There are no legal implications arising from the adoption of these policies.

Financial

6.6. As the assignment of delegate powers and the assessment of sensitive expenditure is an administrative matter, there are no budget or cost implications arising from this report.

7. Options analysis

Option 1: Adopt the Policies

7.1. Option 1 is to adopt the proposed policies. This will ensure that the appropriate level of scrutiny of sensitive expenditure for elected members and employees is in place.

Option 2: Don't adopt the Policies

7.2. Option 2 is to not adopt the proposed policies. Given there is a current policy, this policy would continue to apply, however the changes made as part of this review would not apply. As the proposed policies have a number of changes, there is a risk with this option that the controls in place may not be as robust as under the new policies.

Recommended option and rationale

7.3. The preferred option is Option 1 to adopt the policies. This option provides for the policies to be updated as reviewed and follows the best practice guidelines as they currently are.

8. Appendices | Ngā āpitihanga

Number	Title
1	Sensitive Expenditure Policy
2	Entertainment and Hospitality Policy
3	Gifts Policy
4	Koha Policy
5	Professional Memberships Policy
6	Staff Purchasing Policy

Number	Title
7	Staff Support and Welfare Expenditure Policy
8	Travel and Accommodation Policy



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

SENSITIVE EXPENDITURE POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Risk & Assurance Committee

Administrator

GM Business Enablement

Effective date

9 June 2025

Next review date

30 June 2027



VERSION HISTORY

Date	Changes	By	Date Adopted
1 September 2020	Policy created	Manager Finance	1 September 2020
26 June 2023	Policy reviewed and Updated for OAG Guidance	Manager Finance	26 June 2023
9 June 2025	Policy reviewed and amended as required	Manager Finance	9 June 2025

PURPOSE

The purpose of this Policy is to provide Ōtorohanga District Council management and staff with a clear framework for reviewing, approving, and managing sensitive expenditure, and addressing any potential conflicts of interest or impropriety that may arise.

SCOPE

This policy applies to:

- All employees of Ōtorohanga District Council, including temporary employees and contractors.
- Any person who is involved in the operation of the Ōtorohanga District Council, including volunteers and those people with honorary or unpaid staff status.
- Every business, service or activity of the Ōtorohanga District Council.

POLICY STATEMENT

As the Council is dealing with 'public money', all expenditure shall be subject to the standards of probity and financial prudence expected of a public entity and be capable of withstanding public scrutiny as justified and cost-effective business expenditure.

Staff must always appropriately manage any situation where actions taken in an official capacity could be seen to be influenced by private interests, or create an actual or perceived bias, conflict of interest or obligation to another party.

No individuals shall approve their own expenditure except where provided for specifically within staff delegations policies. Notwithstanding such exceptions, no individual shall approve their own expenditure where the expenditure could be deemed to be sensitive expenditure.

All decisions to undertake sensitive expenditure shall reflect the following principles:

- a) A justifiable business purpose; and
- b) The preservation of impartiality and transparency; and
- c) The absence of conflicts of interest; and
- d) Absolute integrity and professionalism; and
- e) Appropriate and prudent in all respects, having regard to all circumstances.





These principles cannot be relied on individually to justify sensitive expenditure as each is considered by Council as equally important. All principles shall therefore be applied equally as a set to any sensitive expenditure activity.

Individual transaction and the total value of expenditure shall be considered when determining the nature and extent of sensitive expenditure. Even when sensitive expenditure decisions can be justified at the item level, the combined amount spent on a category of expenditure may be such that, when viewed in total, Council could be considered as inappropriate, extravagant, or wasteful, and not in adherence with the principles outlined in the Policy.

Areas covered by this policy.

The following areas are considered to be potential areas of sensitive expenditure and are covered by this policy:

- a) Travel and accommodation expenditure
- b) Entertainment and hospitality expenditure
 - Meals and alcohol
 - Café meetings
 - Functions and events
- c) Goods and services expenditure
 - Sale of surplus assets to staff
 - Loyalty reward scheme benefits
 - Private use of Council assets
- d) Staff support and welfare expenditure
 - Clothing and grooming
 - Care of dependents
 - Farewells and retirements
 - Staff recognition, team building, retreats, and Christmas functions
 - Miscellaneous staff support and welfare expenditure
- e) Other types of expenditure
 - Donations
 - Koha
 - Giving and receiving gifts
 - Professional memberships

The above list does not limit other items being considered sensitive expenditure and being covered under this policy.

Credit/purchase card expenditure is not, in and of itself, considered by Council to be sensitive expenditure. The use of purchase cards is subject to the Purchase Card Policy. All transactions must strictly adhere to the Policy and all associated process control measures.

Staff Sensitive Expenditure Approval

Approval for all sensitive expenditure is subject to the following criteria:

- a) Has a justified and appropriate business purpose; and
- b) Is approved prior to the expenditure being incurred, whenever practical; and
- c) Is moderate, conservative, and cost effective; and
- d) Complies with all applicable Council obligations, principles, and standards; and
- e) Exhibits appropriate due diligence and probity; and
- f) Is subject to budget provision and within delegated and statutory limits; and
- g) Does not pose any potential, perceived or real conflict of interest to the staff member(s) involved, including direct or indirect benefits for any third parties associated with the staff member(s).

All sensitive expenditure must, unless specified in a specific policy, be approved by an appropriate senior staff member (minimum 'one up' rule), as follows:





- a) Line Managers within appropriate financial delegation may approve sensitive expenditure for staff undertaking appropriate business-related activities.
- b) Members of the Leadership Team may approve sensitive expenditure for Line Managers undertaking appropriate business-related activities.
- c) The Chief Executive may approve all other business-related sensitive expenditure.
- d) Those approving sensitive expenditure must ensure they do not benefit from the expenditure. In those instances where both staff and managers are attending the same event of behalf of Council, any associated expenditure must be approved by a relevant Line or senior manager not in attendance.

CEO and Mayor's Sensitive Expenditure Approval

Expenditure incurred by the Chief Executive must be approved by the Mayor or delegate.

Expenditure incurred by the Mayor must be approved by the Chair of the Risk & Assurance Subcommittee

Where the Mayor and Chief Executive attend an event together the expenditure must be approved by the Chair of the Risk & Assurance Subcommittee

RESPONSIBILITIES

COMPLIANCE, MONITORING AND REVIEW

Compliance will be monitored by Finance.

All staff involved in making or approving sensitive expenditure are required to comply with this policy.

Where expenditure is deemed to be unreasonable by the Group Manager Corporate an explanation will be sought from the authoriser.

Staff who consider there are grounds for enquiry into inappropriate expenditure may advise their Manager or Finance immediately. Alternatively, disclosure may be made under the Protect Disclosures Act 2000. Refer to the Protected Disclosures Policy

Breaches of this Sensitive Expenditure Policy and any associated procedures may result in disciplinary action.

Where a staff member breaches this policy, the Council may:

- a) Seek reimbursement of costs directly from the staff member;
- b) Refuse to use Council funds to meet the purchase commitment.

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

Conflict of Interest is any situation in which private interest or personal considerations may affect an employee or elected member's judgement and/or ability to act prudently, without bias and in the best interest of the Council.

Probity is defined as uprightness, honesty, correct and ethical conduct.

Sensitive expenditure is any Council expenditure that provides, has the potential to provide or has the perceived potential to provide a private benefit to a staff member or any third parties associated with that staff member that is additional to the business benefit to the Council. It also includes expenditure by the Council that could be considered unusual for the Council's purpose and/or functions.

RELATED LEGISLATION AND DOCUMENTS

Entertainment and Hospitality Policy
Gifts Policy
Koha Policy
Professional Memberships Policy
Staff Purchasing Policy
Staff Support and Welfare Policy
Travel and Accommodation Policy



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

ENTERTAINMENT AND HOSPITALITY POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Risk & Assurance Committee

Administrator

GM Business Enablement

Effective date

9 June 2025

Next review date

30 June 2027



VERSION HISTORY

Date	Changes	By	Date Adopted
1 September 2020	Policy created	Manager Finance	1 September 2020
26 June 2023	Policy reviewed and Updated for OAG Guidance	Manager Finance	23 September 2023
9 June 2025	Policy reviewed and amended as required	Manager Finance	9 June 2025

PURPOSE

The purpose of this Policy is to outline Council's roles and responsibilities around corporate hospitality, hosting and entertainment opportunities.

Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to meals and alcohol.

SCOPE

The entertainment and hospitality activities covered by this policy are:

- Council business related activities
- Civic related activities
- Specific function events

The policy applies to all employees and elected members of Ōtorohanga District Council. It also applies to members of the public, suppliers or customers or visitors and guests of the Council.

POLICY STATEMENT

Council recognises the significance of hospitality within many cultures. When applying this policy this significance should be considered, with regard to the other provisions of this policy.

Hospitality provided to Council Employees

Council may meet the cost of food and non-alcoholic drinks provided to employees in the following circumstances:

- A light meal may be provided for employees who are required to work during a meal time and an alternative meal break is not available. This includes committee and working group meetings, and conferences, seminars and training sessions where the cost is met by Council.
- If the employee is required to attend a meeting or other function attended by non-employees, and food and drink is provided for all attendees under this policy.
- A staff get together or function organised at the Chief Executives~and/or Mayor's discretion.

Alcoholic drinks may not be provided for employees except where the employee attends a function at which alcoholic drinks are provided for non-employees under this policy. As employees at such functions represent





the Council, they must only consume a reasonable amount of alcohol. Council's Drug & Alcohol Policy and Code of Conduct should be considered in conjunction with this policy.

When a training course, meeting or other function is arranged and employees or visitors will be present during a normal meal period, Council may make refreshments available. Refreshments are to be reasonable in relation to the purpose and nature of the event and the expected attendees.

If an employee attends a training course, meeting or other function not arranged by the Council but at Council cost, Council may pay for meals (including alcoholic drinks) if they are included in an overall cost for the event or are provided at meals which are an integral part of the event.

Hospitality and Entertainment for Elected Members

Elected members may claim hospitality costs on the same basis as employees.

Official Hospitality for business meetings and functions

There must be a direct and demonstrable link between the provision of hospitality and the business of the Council. Managers must ensure that they know the reasons for and scope of the intended hospitality, including the intended participants.

The staff member arranging the hospitality should bear in mind Council's obligations to be financially prudent. Where a restaurant is involved, it should be of an appropriate standard but not unduly expensive with a reasonable balance between the cost of food and the cost of alcohol (if provided).

Alcohol provision (if available) needs to be carefully managed in terms of the principles of this policy. Responsible host principles also need to be followed therefore consideration needs to be given to:

- The length and reason for the function; and
- Safe transport options; and
- Provision of food/catering.

Alcohol may only be provided at a function if it has been approved by the Mayor or the Chief Executive prior to the function. Alcohol must not be provided during training courses or meetings arranged by the Council.

The cost of hospitality and entertainment for guest and visitors must be charged to the appropriate account code. Council finance policies must be followed.

Reasonable and Appropriate Expenditure

The following are examples of expenditure which is considered reasonable and appropriate.

- **Civic function** – such as citizenship ceremonies that provide community recognition or a welcome by the Council. The decision as to reasonable and appropriate costs will take into consideration the numbers of attendees, the timing of the function, the venue, and the location within the Council's boundaries.
- **Employer reward and recognition presentations** – i.e. the recognition of Council officers to reward outstanding achievement in the provision of services to the public. This may include official reward and recognition events, length of service presentations, and officer farewells. Such expenditure is to be approved by the Chief Executive or the relevant Group Manager.
- **Annual Christmas celebration** – a function to recognise and appreciate Council officers for their dedication and commitment to the provision of Council services to the public.
- **Meetings within ordinary hours** – for example, Ordinary Meetings of Council, Council Committee meetings and Community Board meetings. Entertainment and hospitality for meetings held within ordinary work hours should be kept to a minimum. Such entertainment and hospitality should not be substituted for business and staff meetings that would ordinarily be conducted in the workplace.





Where there are regular meetings that are similar in nature each time, there will be no need to justify the reasonableness and appropriateness of expenditure each meeting. It will be sufficient if the first meeting passes the public defensibility test.

- **Associate person(s) expenditure** - where the attendance of an Associate is of demonstrated benefit to the Council, the Mayor or Chief executive may specifically approve Council expenditure relating to entertainment and/or hospitality for an Associate person. An Associate person is considered an official representative of Council (e.g. Contractor or consultant), who is not an employee or Elected Member and will be expected to comply with the Council's Code of Conduct.
- **Other Hospitality expenses** – other types of expenditure for official hospitality considered reasonable includes the provision of tea, coffee, sugar, milk and morning or afternoon tea for official visitors and appropriate staff.

Expenditure not considered to be reasonable and appropriate

Expenditure not deemed to be reasonable and appropriate will be treated as private expenditure. Typically, the examples following would be considered to be private/unreasonable/inappropriate for Council expenditure:

- Tips or gratuities – tipping is not customary in New Zealand. However, when travelling overseas and tipping is the custom, this will be considered official expenditure;
- Dinners/functions at the private residence of a Council employee;
- Morning/afternoon tea outside Council premises, where only elected members or Council officers are attending;
- Stocking of bar fridges – except in the instance of the Mayor – for small scale entertainment;
- Staff working on Council premises where food and beverages are on sale are not entitled to charge food and beverages to Council in the normal course of their duties.

Manaakitanga

Manaakitanga is the process of showing respect, generosity and care for others through hospitality, kindness and support. Council will work to consider this in respect of our partnership principles under Te Tiriti o Waitangi.

RESPONSIBILITIES

COMPLIANCE, MONITORING AND REVIEW

The Leadership Team are responsible for ensuring compliance with this policy.

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. This includes keeping all documentation to satisfy audit requirements, including corporate, accounting and taxation requirements with the business purpose being identified.





TERMS AND DEFINITIONS

Function is any social functions, entertainment events, ceremonies, meetings, special events and conferences that can be demonstrated to provide clear benefits to the Council. Such functions must be sanctioned by the Chief Executive, or the relevant Leadership team member.

RELATED LEGISLATION AND DOCUMENTS

Sensitive Expenditure Policy



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

GIFTS POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Risk & Assurance Committee

Administrator

GM Business Enablement

Effective date

9 June 2025

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30 June 2027



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Date	Changes	By	Date Adopted
1 September 2020	Policy created	Manager Finance	1 September 2020
26 June 2023	Policy reviewed and Updated for OAG Guidance	Manager Finance	23 September 2023
9 June 2025	Policy reviewed and amended as required	Manager Finance	9 June 2025

PURPOSE

This policy sets the Ōtorohanga District Council standard on the giving and receiving of any gifts or hospitality. It is intended to protect employees by assisting them to comply with their ethical obligations, reducing the risk of perceived influence that may be associated with accepting, or giving of gifts.

SCOPE

The policy applies to all Ōtorohanga District Council staff and elected members.

POLICY STATEMENT

Due to the personal nature of gifts and the risk of perceived or actual personal benefit to the staff members giving or receiving the gift, the Office of the Auditor General defines a gift as a 'sensitive' expenditure type. The Council expects all staff involved in making or approving expenditure on, or receiving on behalf of the Council, gifts:

- a) To do so only for Council purposes,
- b) To exercise prudence and professionalism,
- c) Not to derive personal financial gain,
- d) To act impartially,
- e) To ensure the expenditure is moderate and conservative in the context of the given situation,
- f) To have read and adhered to this and other relevant Council policy.

The line between token gifts of appreciation and those that might compromise the recipient is often not easily defined, but as a general standard a gift should not be accepted (whatever the nature or value) where it could be seen by others as an open inducement or a reward that might place the Council under any obligation. The giving of Koha is covered by the Koha Policy, and this policy should be referred to when considering the giving of a Koha.

Gifts Given by Council

Gifts given to External Parties

Staff should exercise caution when giving gifts and err on the side of conservatism.





All hospitality and/or corporate gifts must be from approved budget provisions and, as a general rule, should not exceed \$300 per recipient (person/organisation). Group Manager approval is required for all gifts greater than \$100 per recipient.

Under no circumstances can gifts given be exchanged with the Council for cash.

Business-related gifts should, where appropriate, be selected from Council preferred suppliers.

Where the approving manager, upon inquiry, ascertains that a gift is actually a payment in relation to services supplied, then a tax invoice must be obtained and the transaction treated in accordance with normal Council practice for such payments.

Gifts Received by Staff or Council

Gifts given to Staff from External Parties

Staff should exercise caution when accepting gifts, particularly from suppliers, and err on the side of conservatism. When an offer of a gift is made, the relevant Manager shall be consulted; s/he will then determine the appropriate response.

As a general rule, staff should not accept hospitality and/or corporate gifts in excess of \$100. Acceptance of gifts over this amount must have prior approval of the relevant Departmental Manager and should (except hospitality) be donated to the Council.

Under no circumstances can gifts be exchanged for cash, nor can goods, works and/or services be received, or seen to be received, by staff, their partners or family for private use. This includes the provision of goods, works and/or services at discounted rates that are, or appear to be, derived from suppliers of such goods, works and services to the Council.

Attendance at functions or events such as sports or cultural events that involve significant work time for a staff member may be accepted subject to prior approval of the relevant Departmental Manager. Annual leave and travel cost repayment may be required where the Departmental Manager consider these to be significant.

Finance-Customer Experience maintains a central gift register for the Council and all gifts received by staff over a value of \$100 must be reported via this gift register. The gift register details the recipient, donor, value, description and purpose of the gift.

Where infrequent, inexpensive gifts are received by staff from suppliers and clients (such as branded pens, badges, calendar etc), staff are allowed to personally acquire these items. Where gifts are offered to staff or Council but are turned down, details of this should also be advised to Finance and recorded in the gifts register.

Gifts received by the Council as a whole

All offers of gifts to the Council with a value of \$1,000 or above, and any gifts with conditions attached, should be referred in the first instance to the Group Manager Business Enablement, where possible, before acceptance.

The Chief Executive (or delegate) may at his/her sole discretion accept gifts for the use or enjoyments of staff or for the benefit of the Council, subject to the gift or donation not compromising the integrity of the Council or staff.

Finance-Customer Experience maintains a central gift register for the Council and all gifts received by the Council must be reported via this gift register. The gift register details the recipient, donor, value, description and purpose of the gift.

RESPONSIBILITIES





COMPLIANCE, MONITORING AND REVIEW

Compliance will be monitored by Finance.

All staff involved in making or approving expenditure on, or receiving gifts are responsible for ensuring compliance with this policy.

Where expenditure or the value of a gift received is deemed to be unreasonable by the Group Manager Business Enablement upon review of the Gift Register an explanation will be sought from the authoriser or receiver of the gift.

Staff who consider there are grounds for enquiry into inappropriate expenditure may advise their Manager or Finance immediately. Alternatively, disclosure may be made under the Protected Disclosures Act 2000. Refer to the Protected Disclosures Policy and Procedures.

Breaches of this Policy and any associated procedures may result in disciplinary action.

Where a staff member breaches this policy, the Council may:

- a) Seek reimbursement of costs directly from the staff member or require the gift received to be returned to the Council;
- b) Refuse to use Council funds to meet the purchase commitment.

REPORTING

All gifts which meet the criteria below are required to be disclosed via the Gift Register, which is maintained by [Finance Customer Experience](#).

If the given or received gift meets the following criteria, the donor or recipient must provide a comprehensive description to [Finance Customer Experience](#) including the date, name of recipient(s)/donor, reasons for the gift, and any other relevant information.

- a) Any gift funded by Council to the value of \$100 or more
- b) Any gift received by a staff member from an external party to the value of \$100.00 or more
- c) Any gift given to an external party funded by the Council to the value of \$100.00 or more
- d) Any gift given to a staff member funded by Council, regardless of value.

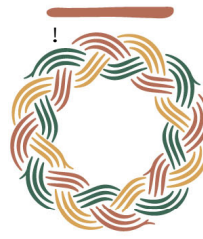
RECORDS MANAGEMENT

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

RELATED LEGISLATION AND DOCUMENTS

Sensitive Expenditure Policy
Koha Policy
Protected Disclosures Policy and Procedures
Fraud Policy
Local Authorities (Members' Interests) Act 1968
Council Code of Conduct





TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

KOHA POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Administrator

Effective date

Next review date

Chief Executive

Manager Finance

5 September 2023

30 June 2027!

VERSION HISTORY

Date	Changes	By	Date Adopted
26 June 2023	Policy created	Cassidy Temese	5 September 2023
26 May 2025	Policy reviewed	Cassidy Temese	9 June 2025

PURPOSE

This policy provides guidance for determining the Ōtorohanga District Council (ŌDC) contribution to payments of koha.

SCOPE

Koha is a gift that is given unconditionally without any expectation on the part of the receiver. The koha may be in the form of money, but it can also be goods and services. This policy address koha in the form of money.

The policy and guidance within are for the use of ŌDC staff and elected members and may be used as guidance for ŌDC's subsidiaries and other entities.

POLICY STATEMENT

OUR AIM

As part of our commitment to Te Tiriti o Waitangi, ŌDC strive to uphold practices in accordance with tikanga and the values of manaakitanga and whanaungatanga when giving koha.

OUR ACTIONS

Our commitment to Te Tiriti o Waitangi is demonstrated through a number of actions and work programmes we have in place or are looking to develop and implement.

Cultural Competency Training

As part of our commitment to Te Tiriti o Waitangi, we are on a journey to build internal capability in te ao Māori. This ~~mahi will be driven by a strategy planned for development in 2023~~ will be delivered across the organisation and supported by key documents such as the Māori Engagement Framework.

Policy, processes and system review and development

Our policies, processes and systems are developed and continuously reviewed through a Te Tiriti o Waitangi lens to ensure they align with best practice. We also welcome suggestions from our staff about other changes we can make to demonstrate our commitment to creating (and maintaining) a culture where people feel a strong sense of understanding when engaging with te ao Māori through acts such as the giving of koha.

RATIONALE AND PAYMENTS GUIDANCE

The following table provides examples of the types of koha and guidance on appropriate standard amounts:

Rationale:	Details:	Standard Quantity:
Aroha	<ul style="list-style-type: none"> Tangihanga or funerals Hura Kōwhatu or unveilings 	<ul style="list-style-type: none"> \$100 to \$200 \$100
Tautoko	<ul style="list-style-type: none"> Kaikōrero, Kaikaranga or ceremonial roles Kaihāpai or support work (e.g., volunteering) 	<ul style="list-style-type: none"> \$100 \$100
Kaupapa	<ul style="list-style-type: none"> Pōwhiri or other formal ceremonies 	<ul style="list-style-type: none"> \$100 to \$200

From time to time, ŌDC may consider giving koha for purposes outside those identified in the table above. The eligibility and process requirements outlined in this policy will still need to be followed, and the quantity given will be dependent on the purpose and scale. A decision on such a payment must be made by the Chief Executive or Group Manager and Kaitakawaenga of ŌDC.

ELIGIBILITY

This policy will be upheld with consideration to the ŌDC Conflict of Interest Policy.

To be eligible to receive a koha from ŌDC, the recipient must be an:

- Bereaved individual or immediate whānau of ŌDC staff or elected members
- Organisation hosting an event or occasion of specific relevance to ŌDC
- Bereaved individual or immediate whānau of iwi, hapū or marae partner to ŌDC
- Bereaved individual or immediate whānau of community stakeholder of significance to ŌDC

A koha must:

- Be justifiable in tikanga terms with consideration to manaakitanga and whanaungatanga
- Not compromise the taxation obligations of ŌDC
- Not fall within the provisions of a contract for service
- Be decided and allocated in accordance with the process outlined in this policy
- Be made on behalf of, or by a representative of ŌDC
- Be approved prior to being incurred
- Have its details recorded accurately in ~~an~~ the ŌDC Koha Register

PROCESS AND PAYMENT PROCEDURES

It is likely that the need for a koha payment will be identified by ŌDC staff or elected members. Any such enquiry must be forwarded to the Kaitakawaenga - Iwi Relations Advisor who will determine the eligibility in accordance with the policy statements outlined above. The notification must provide:

- A brief explanation of the reason for the koha payment; and
- The date of the event

- Details of who the payment will be made to and preferred means of payment (e.g., bank transfer or cash transaction)
- Details of the amount of the proposed koha payment
- Details of any involved ŌDC staff or elected members should the koha be for attending an event

Managers will make recommendations to the Kaitakawaenga for the payment of koha with regard to their respective budgets.

Where a payment is \$100 or less than \$100, the Kaitakawaenga - Iwi Relations Advisor may approve the payment.

Where a payment is more than \$100, the Kaitakawaenga - Iwi Relations Advisor may seek approval from the Chief Executive or Group Manager.

Payment may be made:

- Through bank transfer to an approved account
- Or in cash form in a sealed envelope provided by the Manager Finance
- Details of the amount of the proposed koha payment

Where possible, a receipt should be sought. Events such as tangihanga may not always provide for receipt of koha. Request of receipt may still be conducted within these settings with regard to tikanga and respect to bereaved parties.

Full details of each koha approval and payment must be recorded in the Koha Register.

If there is any difficulty determining whether such a koha payment is in line with this policy, the Kaitakawaenga - Iwi Relations Advisor will contact the Chief Executive to assist in any determination.

RESPONSIBILITIES

Compliance, monitoring and review

Everyone plays a role in ensuring ŌDC uphold our obligations under Te Tiriti o Waitangi with regard to partnering with Māori, and Māori and engaging in ways that uphold manaakitanga and whanaungatanga. Therefore, all staff involved in making or approving expenditure on koha are responsible for ensuring compliance with this policy.

The compliance of this policy will be monitored by ŌDC Finance.

Staff who consider there are grounds for enquiry into inappropriate expenditure of koha may advise their Manager or Finance immediately. Alternatively, their disclosure may be made under the Protected Disclosures Act 2000 and in accordance with the ŌDC Protected Disclosures Policy and Procedures.

As the responsible compliance monitors for this policy, Finance must report any breaches of this policy and associated procedures to the Chief Executive. Breaches of this policy may result in disciplinary action under the ŌDC Staff Code of Conduct.

Where a staff member breaches the policy, ŌDC may:

- Seek reimbursement of costs directly from the staff member or require koha received to be returned to ŌDC
- Refuse to use ŌDC funds to meet the purchase commitment

Koha Register

The following information must be recorded in the register for every koha payment made by ŌDC:

- The rationale for the payment
- The amount approved
- The date and method of approval (e.g., Chief Executive or Kaitakawaenga)
- Any receipts received

ŌDC Finance is responsible for monitoring and updating the Koha Register.

Reporting

ŌDC Finance is responsible for conducting regular reviews and reporting to the Chief Executive with respect to koha transactions to assess the appropriateness of the systems and criteria set out in this policy. Factors to be considered in such reviews include:

- The amount of transactions
- The frequency of transactions
- The recipients
- The extent of coordination within ŌDC (e.g., where more than one koha is given in respect of the same event or activity)

All koha which meet the criteria below are required to be disclosed via the Koha Register, which is maintained by ŌDC Finance. If the given koha meets the following criteria, the donor must provide a comprehensive description to Finance including the date, name of recipient(s), reasons for the koha, and any other relevant information. The criteria include:

- Any koha funded by ŌDC
- Any koha received by a staff member from an external party
- Any koha given to an external party funded by ŌDC
- Any koha given to a staff member funded by ŌDC, regardless of value

No additional reporting is required however we encourage sharing stories, lessons and examples that demonstrate how we are effectively using koha to engage with Māori partners and the wider Ōtorohanga community.

Advice

Any queries about koha should be directed to the Kaitakawaenga - Iwi Relations Advisor of ŌDC.

DEFINITIONS

Koha - gift, offering, donation, contribution - used for maintaining relationships

Manaakitanga - hospitality, generosity - process of showing respect and generosity for others

Whanaungatanga - relationship - a relationship through shared experiences and working together

Aroha - love, empathy, charity, sympathy

Tautoko - support - to support or advocate for

Kaupapa - purpose, programme, initiative, or matter for discussion

Terms not defined in this document may be defined in other Council documentation.

RELATED LEGISLATION AND DOCUMENTS

This policy will be administered In accordance with the following:

- Te Tiriti o Waitangi
- Protected Disclosures Act 2000
- ŌDC Conflict of Interest Policy
- ŌDC Sensitive Expenditure Policy
- ŌDC Gifts Policy
- ŌDC Protected Disclosures Policy and Procedures
- ŌDC Staff Code of Conduct
- ŌDC Māori Engagement Framework
- Inland Revenue Department Koha Guidelines

RESOURCES

Te Kawa Mataaho - Public Service Commission - [Gifts, benefits and hospitality](#)

Te Tari Taake - Inland Revenue - [Donations \(koha\)](#) !!



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

PROFESSIONAL MEMBERSHIPS POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Risk & Assurance Committee

Administrator

GM Business Enablement

Effective date

26 June 2023

Next review date

30 June 2027



VERSION HISTORY

Date	Changes	By	Date Adopted
1 September 2020	Policy created	Manager Finance	1 September 2020
26 June 2023	Policy reviewed and Updated for OAG Guidance	Manager Finance	26 June 2023
9 June 2025	Policy reviewed and amended as required	Manager Finance	9 June 2025

PURPOSE

Ōtorohanga District Council understands by the nature of the professions within the Council that many of its employees will be members of professional associations. Membership of such associations provides individuals with opportunities for professional training; access to contemporary ideas in their area of expertise; and/or subscription to publications, and the like.

This policy outlines the circumstances under which the Council will pay or reimburse employees for personal professional association membership fees, i.e. membership in the name of the individual staff member rather than the Council.

SCOPE

The policy applies to all employees of Ōtorohanga District Council.

POLICY STATEMENT

Personal professional association membership fees are a personal expenditure to be met by employees.

Council will only reimburse personal professional association membership fees when the membership is:

- Clearly relevant to the performance of the staff member's duties and responsibilities,
- Paid to a recognised professional association,
- For no longer than one year per renewal with a possible exemption where significant discounts are available and it is reasonable to expect a two-year subscription to be to the advantage of the Council, and
- Included in a budget centre and be approved by the budget line manager.

Relevance to the staff member's duties and responsibilities can include requirements to membership being defined in the job description, or legislative requirements to be a member to discharge their professional duties for the Council.

Where a Council employment contract includes provision for payments of professional memberships, the employment contract will take precedence over this policy.

Should an employee leave for any reason within six months of a professional membership being purchased by the Council, the employee must refund the proportionate remaining cost of the professional membership





to the Council. The decision not to require a refund for membership fees is at the discretion of the relevant Group Manager or Chief Executive.

Renewal of Memberships

When a membership is due for renewal, a review will be undertaken of the membership and its continued relevance to the employee's role. Where the membership is deemed no longer relevant to the employee's role, Council will not reimburse the employee for the renewal of that membership.

Local Government Specific Memberships

Staff membership to local government specific organisations, such as Taituarā or Association of Local Government Information Management (ALGIM), will be considered institutional memberships and will be paid directly by the Council as they are invoiced directly to Council. Memberships to these organisations for staff members must be approved by the relevant Group Manager, or Chief Executive for Group Managers.

The difference between Personal memberships versus local government specific memberships is that personal memberships are usually charged in the name of the employee, and as such are required to be paid by the employee and reimbursed. Local government specific memberships, while relating to named employees, are invoiced through the Council, and are paid directly by the Council.

Number of Memberships Council Will Fund

Council will pay for up to one personal membership and one local government specific membership for an employee. If an employee believes there is a valid reason for exceeding this limit, they can request an exemption from the Chief Executive. Any request must be in writing and explain the reason why the additional membership is required.

RESPONSIBILITIES

COMPLIANCE, MONITORING AND REVIEW

Compliance will be monitored by Finance.

Where expenditure is deemed to be unreasonable by the Group Manager Business Enablement an explanation will be sought from the authoriser.

Staff who consider there are grounds for enquiry into inappropriate expenditure may advise their Manager or Finance immediately. Alternatively, disclosure may be made under the Protect Disclosures Act 2000. Refer to the Protected Disclosures Policy and Procedures.

Breaches of this Policy and any associated procedures may result in disciplinary action.

Where a staff member breaches this policy, the Council may:

- e) Seek reimbursement of costs directly from the staff member;
- f) Refuse to use Council funds to meet the purchase commitment.

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. Any professional memberships held by an employee will be recorded in their Human Resources file **within MagiQ.**





RELATED LEGISLATION AND DOCUMENTS

Sensitive Expenditure Policy



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

STAFF PURCHASING POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Risk & Assurance Committee

Administrator

GM Business Enablement

Effective date

26 June 2023

Next review date

30 June 2027



VERSION HISTORY

Date	Changes	By	Date Adopted
1 September 2020	Policy created	Manager Finance	1 September 2020
26 June 2023	Policy reviewed and Updated for OAG Guidance	Manager Finance	26 June 2023
9 June 2025	Policy reviewed and amended as required	Manager Finance	9 June 2025

PURPOSE

This policy is designed to provide guidance about the obtaining, disposing of or using goods and services that are not covered by terms and conditions of employment.

SCOPE

This policy applies to all employees and elected members of Ōtorohanga District Council.

POLICY STATEMENT

Disposal of surplus assets to staff or elected members

All disposals of surplus assets are to be handled in a manner that ensures that personal judgement or integrity is not compromised.

Where disposal to elected members or staff is approved by the Chief Executive, the following principles shall apply:

- Staff involved in disposing of the asset shall not benefit from the disposal
- All assets identified for disposal to staff shall be valued and subject to a tender or other process that is appropriate to the value of the asset.
- Assets shall not be disposed of at a discounted rate to elected members or staff if a greater value could be realised by an alternative method of sale.
- Payment for disposals to staff or elected members must be paid in full to Council prior to receipt of the assets or, if applicable, on being invoiced.

Loyalty reward scheme benefits/prizes

There is an expectation that Staff will not use Council resources to make personal gains in rewards schemes.

Council treats loyalty rewards accruing to staff carrying out their official duties as the property of Council. Staff must apply, as far as practicable, those loyalty rewards only for the benefit of Council.

Council requires that staff keep a record of loyalty rewards accrued and applied for the benefit of Council, and regularly supply their Group Manager with a report of this record.





Where a reward/prize is obtained by chance and without inducement, it may be retained by the individual otherwise it will be the property of Council.

Generally, prizes received from a free competition entry obtained while undertaking Council business are also considered a loyalty or reward scheme for the purposes of the Council policy with the exception of:

- Air Points schemes, these are covered under the Travel and Accommodation Policy; or
- Prizes received from competitions at training or conference events or through membership of professional bodies are to be treated as the property of the individual. However where their value exceeds \$100 they are to be disclosed to the manager or supervisor.
- In a situation where receiving a prize or loyalty reward could be perceived as inappropriate, even if Council rather than the individual would benefit from it, Council expects the prize or reward to be declined.

Private use of Council assets

Any physical item owned, leased or borrowed by Council is considered an asset for the purpose of this policy. This includes photocopiers, telephones, cell phones, cameras, means of accessing the internet, vehicles, equipment and stationery.

The private use of IT assets is governed by the Mobile Device Policy and Acceptable Use Policy.

Council use of private assets

Wherever possible Council assets are to be used for Council business. Only in extraordinary circumstances Council may decide that reimbursing staff for use of private assets is appropriate for reasons such as cost, convenience, or availability. Council may also decide to do this in circumstances where it would not fully use an asset of the same type if it acquired it directly. Examples include private motor vehicles, private cell phones and private computers.

Pre-approval by the Group Manager is required. In assessing the request, the Group Manager will pay particular attention to the principles of a justified business purpose and preserving impartiality and integrity.

Staff members must not approve or administer payments to themselves for the Council's use of their private assets.

Private use of Council suppliers

Council, in limited circumstances, enables staff to obtain goods or services from a supplier on the same or similar basis to Council, and staff are thus able to obtain goods or services at a discounted price not otherwise available to them. This is treated as the private use of official procurement processes.

The selection of suppliers must be in Council's interest and not affected by the availability or possibility of purchasing privileges for staff.

Staff may make moderate use of any preferential access to goods or services through Council's suppliers under the following conditions:

- Staff involved in the selection of preferred suppliers require Group Manager express approval for all orders.
- All orders are to be used on a cash sale basis only and the staff member must pay in full for the goods and services directly to the supplier at time of supply.
- Staff may not use Council purchasing privileges on behalf of any third party. This includes family members or friends.
- In rare circumstances a Council order may cover expenditure with a personal component eg travel or accommodation booking. In this case payments to Council for the personal component must be made on the confirmation of the cost or the receipt of the invoice from the supplier (whichever is the earlier).





- Elected members may have preferential access to goods or services through Council's suppliers on the same basis as staff, provided there is no real or perceived conflict of interest.

RESPONSIBILITIES

COMPLIANCE, MONITORING AND REVIEW

Compliance will be monitored by Finance.

Staff who consider there are grounds for enquiry into inappropriate expenditure may advise their Manager or Finance immediately. Alternatively, disclosure may be made under the Protected Disclosures Act 2000. Refer to the Protected Disclosures Policy

Breaches of this Policy and any associated procedures may result in disciplinary action.

Where a staff member breaches this policy, the Council may:

- a) Seek reimbursement of costs directly from the staff member;
- b) Refuse to use Council funds to meet the purchase commitment.

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.

RELATED LEGISLATION AND DOCUMENTS

Sensitive Expenditure Policy





TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

STAFF SUPPORT AND WELFARE EXPENDITURE POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Risk & Assurance Committee

Administrator

GM Business Enablement

Effective date

9 June 2025

Next review date

30 June 2027



VERSION HISTORY

Date	Changes	By	Date Adopted
1 September 2020	Policy created	Manager Finance	1 September 2020
26 June 2023	Policy reviewed and Updated for OAG Guidance	Manager Finance	26 June 2023
9 June 2025	Policy reviewed and amended as required	Manager Finance	9 June 2025

PURPOSE

This policy covers the situations where Council will provide for items that may typically be considered a staff members personal and private expense.

SCOPE

This policy covers all Ōtorohanga District Council employees.

POLICY STATEMENT

Clothing

Other than official uniforms and personal protective equipment and related clothing, Council staff will not be clothed at the Council's expense when they are engaged in a normal business activity.

Council guidelines on the provision of and subsidy of Council branded clothing are contained in the Council's Clothing Policy.

Care of Dependents

In general, unless provided for under employment agreements, care of dependants is to be treated as a personal and private expense of the staff member.

The Chief Executive may authorise in exceptional circumstances the reimbursement of actual and reasonable costs. These circumstances may include:

- Where the employee is unexpectedly required to perform additional duties at very short notice; or
- A dependant unexpectedly requires additional care that the employee cannot provide because of the essential nature of their duties at the time.

Financing Social Club Activities

Staff social clubs typically provide the opportunity for staff to have social interaction with both immediate work colleagues and other people in Council with whom they would not normally have contact. Social clubs





may also assist staff to gain a better understanding of the wider roles and functions of Council and its business units.

Council may make a prudent and reasonable monetary contribution to a social club(s). The contribution may be in the form of an all-purpose grant towards the club's annual budget, or it may be a grant or subsidy for a specific event.

Before approving a grant to be made the Chief Executive must be satisfied that there is a justified business purpose for the contributions. This purpose would typically relate to organisational development and staff welfare.

Farewells, long service, and retirements

Expenditure on farewells, long service and retirements includes spending on functions, gifts and other items and should not be extravagant or inappropriate to the occasion. Refer to Councils Entertainment and Hospitality Policy for guidance on functions, and the Gifts and Koha Policies for guidance on gift values.

Sponsorship of Staff or Others

Staff taking part in an activity that is not part of their job – such as a sporting event – may be sponsored by Council through the provision of, or payment for, goods or services (for example, a t-shirt or an entry fee).

Sponsorship should have a justified business purpose, which could include both publicity for the Council and its objectives and organisational development. The cost to Council must be moderate and conservative and it is expected that there is a contribution at least equal to that amount made personally by those involved. If the sponsorship does not have a justified business purpose, the cost is a donation.

In normal circumstances sponsorship will be provided through a social club rather than directly to the staff member.

Sponsorship of people who are not staff must be undertaken in a manner that is transparent. It is also preferable that, if non-staff are sponsored, the sponsorship is of an organisation they belong to, rather than directly to the individual.

When a staff member is chosen to represent New Zealand at an international event, special leave may be available at the discretion of the Chief Executive.

RESPONSIBILITIES

COMPLIANCE, MONITORING AND REVIEW

The Leadership Team is responsible for ensuring compliance with this policy. Compliance will be monitored by Finance.

Staff who consider there are grounds for enquiry into inappropriate expenditure may advise their Manager or Finance immediately. Alternatively, disclosure may be made under the Protected Disclosures Act 2000. Refer to the Protected Disclosures Policy and Procedures.

Breaches of this Policy and any associated procedures may result in disciplinary action.

Where a staff member breaches this policy, the Council may:

- Seek reimbursement of costs directly from the staff member;
- Refuse to use Council funds to meet the purchase commitment.

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.

RELATED LEGISLATION AND DOCUMENTS

Sensitive Expenditure Policy
Entertainment and Hospitality Policy
Gifts Policy
Koha Policy



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

TRAVEL AND ACCOMMODATION POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Risk & Assurance Committee

Administrator

GM Business Enablement

Effective date

26 June 2023

Next review date

30 June 2027



VERSION HISTORY

Date	Changes	By	Date Adopted
1 September 2020	Policy created	Manager Finance	1 September 2020
26 June 2023	Policy reviewed and Updated for OAG Guidance	Manager Finance	26 June 2023
9 June 2025	Policy reviewed and amended as required	Manager Finance	9 June 2025

PURPOSE

Ōtorohanga District Council recognises the need for elected members and staff to travel on official business. Council is committed to ensuring that all travel and related services are procured as cost effectively and efficiently as possible whilst ensuring the safety and wellbeing of staff.

SCOPE

This policy applies to all elected members and staff of Ōtorohanga District Council. It also covers all persons working under contract where travel is funded by Council.

POLICY STATEMENT

Travel authorisation

Approval for attendance at conferences, seminars and other meetings by Elected Members should generally be approved by the Mayor and the Chief Executive. Should attendance be proposed by the Mayor approval may be given by the Deputy Mayor and another Councillor.

Chief Executive attendance is to be approved by the Mayor.

Employee Attendance is to be approved by their Group Manager, or Chief Executive for Group Manager attendance.

Council may agree to pay expenses for a spouse/partner or accompanying person where a function is of a formal or ceremonial nature, and it is considered that they be reasonably expected to attend. Approval will be given by the Mayor and Chief Executive.

Where Council is represented by a person requiring assistance for the reason of disability, the accompanying person shall be given the same privileges as the representative regarding travel, accommodation and reasonable expenses incurred.

Authorisation of expense claims associated with travel will follow the same levels as authorisation of travel as noted above.





Bookings

The most cost effective travel arrangements should be used at all times. Council has a number of arrangements in place related to travel and accommodation, and these should be used where available and appropriate.

Travel arrangements should be made as early as possible to take advantage of advance purchase discounts or special fares where applicable. Advantage should be taken of off peak flights if possible and consideration needs to be given to the issue of advantage/risk of non-refundable flights.

No amendments are to be made after the booking has been confirmed except with the written approval of the Group Manager or Chief Executive as appropriate. This ensures that there is an audit trail of bookings.

All bookings for Elected Members and the Chief Executive should in the first instance be organised through the Executive Assistant. Bookings for Council staff should be booked through the designated booking person as determined by the Chief Executive.

Travel

This policy only covers direct travel to and from the destination.

Air Travel

Air travel shall be based on the least expensive class of a commercial air carrier utilising an All of Government contracted supplier, e.g. Air NZ. Any upgrade in travel class shall be at the expense of the traveller, unless specially approved by the Chief Executive or by Council for Elected Members. Exception to the use of the least expensive service are allowed:

- When such service is not available at the required time and flights at other times cannot meet the trip requirements;
- If there is a possibility the trip may need to be rescheduled to another date;
- For Chief Executive and Mayor, as flexibility is required with travel.

The traveller is responsible for providing the correct information when booking air travel.

Airline Loyalty Rewards

The person travelling by air will be permitted to accrue air points as long as there is no financial cost to Council. In considering this matter, attention will be paid to timetabling, personal health, safety and security considerations.

Loyalty rewards from air points (or other loyalty schemes) accruing to the traveller carrying out official duties may remain with the traveller provided the use of airlines supplying air points does not result in Council incurring additional costs.

Airline Lounge Membership

Council will not pay for membership of airline lounges (e.g. Koru Club), except where;

- It is specified as an entitlement in the staff member's employment contract; or
- It is funded under the terms of an external contract; or
- Prior approval is granted in writing by the Chief Executive for staff members, or Council in respect to Elected Members or the Chief Executive. Approval will only be granted where the traveller is expected to undertake a considerable amount of air travel as part of their normal duties.

Ground Travel

A Council motor vehicle should be used for travel wherever possible. Payment for private motor vehicle will only be considered where a Council vehicle is not available and must be pre-approved. Reimbursement rates for private vehicle use will be set by Council from time to time in line with the rate set by the IRD. Actual mileage travelled can be claimed and should be from the departure point at the time, whether from home or Council premises.





The most direct route is to be taken, and the most practicable and economical mode of transport utilised, subject to any personal and/or medical considerations.

Where a motor vehicle is utilised Council will pay the costs associated with parking. The driver is personally responsible for all traffic or parking fines incurred whilst utilising a motor vehicle on Council business, unless the fines relate to Warrant of Fitness or registration issues with a Council owned vehicle.

Transfers

For transfers between airport and hotel:

- Where possible, airport/hotel bus or shuttle should be used;
- Council has an agreement with Corporate Cabs, and they should be used if available at the location. Corporate Cabs should be booked in advance, through the relevant booking officer.
- Taxis may be used if no other option exists, and these costs will be met by Council, upon presentation of an official GST receipt.
- Car rental may not be the most effective method of local transport, considering rental, petrol and parking charges, time loss in acquiring and returning the car. Rental cars should be pre-booked, and the most appropriate car is to be arranged bearing in mind cost and travel requirements. The onus is on the traveller to explain why hiring a car may be necessary in circumstance where this may not be clear.

Private Travel linked to Official Travel

Traveller's may be allowed to take private travel before, during or at the end of travel on business provided no additional cost to Council will be incurred, the private travel is incidental to the business purpose of the travel and pre-approval is granted through the relevant approval process.

Accommodation

Commercial or private accommodation is to be met by the Council for those days that the traveller requires accommodation because the travel cannot be completed in one day.

Where the purpose of the travel is being held at a venue that provides accommodation, the accommodation shall be booked at that venue, subject to relative costs. If the accommodation rate is over a reasonable amount approval will be required as noted above to confirm the booking.

Subject to relative cost, accommodation should be booked in close proximity to the function, conference, course or meeting as possible. This ensures the use of external travel options are minimised. Travellers are encouraged to use public transport or walk to the function, conference, course or meeting wherever possible.

Wherever possible, use is to be made of the Council's preferred suppliers and negotiated corporate rates. Where an employee choose to stay in private accommodation, any reimbursement will be made directly to the hosts.

Where multiple travellers are heading to the same event, the combining of travellers into multi-bedroom facilities may be considered if requested, however the final decision on this will be at the discretion of either the Mayor for Elected Members or Chief Executive for staff, in consultation with the relevant booking officer.

Accompanying persons travelling with the traveller may be included in the accommodation booking, however if an upgrade is required for additional bedding configurations, the traveller will be required to reimburse the Council for the cost differential.

Travel prior to/ after an event

Accommodation costs for travelling on the day prior to or the day after an event will only be paid by Council where it can be demonstrated that;

- Travel on the day of the event is not practical; or
- Sufficient recovery time is required prior to attendance at an event; or
- Networking opportunities exist prior to or after an event which will benefit the Council; or





- There is a demonstrated financial benefit of travelling the day before (e.g. reduced flight costs offsetting additional accommodation costs); or
- At the discretion of the authoriser of the travel.

In all cases of travel the day prior or day after, every effort should be made to ensure that the cost to Council is not substantially higher than travel on the day of the event would have been.

Private accommodation

Where the traveller utilises private accommodation, this must be agreed in advance by the authoriser of the travel. Unless special contractual provisions apply, expense claims in respect of the traveller staying privately will be considered by the authoriser on an actual and reasonable basis. The provision of a gift to the private accommodation providers must be agreed prior to the travel occurring, and should be kept to a reasonable standard.

Meals and Incidentals

Meals will be reimbursed subject to production of itemised tax receipts. Meal expenses that are covered are to be appropriate and reasonable. Reasonable expenses are defined as a main meal for breakfast and lunch, and either a starter and mains, or mains and dessert for dinners. Non alcoholic beverages may also be included as part of the meal costs.

With the exception of inflight meals, reimbursement will not be available where meals are supplied. Where meals are provided as part of event registration and the traveller chooses not to attend a provided dinner/meal, meal expenses may not be claimed for any alternate meal, unless the provided meals have not taken into consideration dietary restrictions and an alternate meal is required to meet those restrictions.

No alcoholic drinks are permitted to be claimed as part of any claim for meal expenses.

Where the traveller incurs a meal expense less than the permitted maximum, the difference may not be taken up as part of another meal or used to purchase further food or beverage items at a later time.

Incidentals including public transport, taxi fares, fuel, internet access and telephone calls attributable to business purposes will be reimbursed on provision of satisfactory proof of expenditure.

Use of a mini-bar facility or purchase of accommodation services, e.g. movies, gym and personal services shall be at the cost of the traveller.

RESPONSIBILITIES

COMPLIANCE, MONITORING AND REVIEW

All travellers are required to ensure they comply with the policy. Authorisers of travel are required to ensure all expenditure complies with the policy prior to approval.

Monitoring of compliance with this policy will be the responsibility of the Finance department, and will be undertaken through random spot checks of travel bookings and expense claims. The results of these spot checks will be reported to the Leadership Team and/or Council as appropriate.

Staff who consider there are grounds for enquiry into inappropriate expenditure may advise their Manager or Finance immediately. Alternatively, disclosure may be made under the Protected Disclosures Act 2000. Refer to the Protected Disclosures Policy and Procedures.

Breaches of this Policy and any associated procedures may result in disciplinary action.

Where a staff member breaches this policy, the Council may:

- Seek reimbursement of costs directly from the staff member;
- Refuse to use Council funds to meet the purchase commitment.





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. All receipts must be provided with expense claims, including documentation of the business purpose they relate to.

DEFINITIONS

Accompanying Person: is someone who is travelling with a Traveller as defined in this policy that is not themselves classified as a Traveller. It also will include Elected Members or Employees who are not travelling for work purposes but are travelling with a Traveller for personal reasons.

Traveller: is an Elected Member or Employee undertaking the travel

RELATED LEGISLATION AND DOCUMENTS

Sensitive Expenditure Policy



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 89 Health, Safety and Wellbeing quarterly report

To Risk and Assurance Committee

From Noah Lockett-Turton, Manager People and Capability

Type **INFORMATION REPORT**

Date 9 June 2025



1. Purpose | Te kaupapa

- 1.1. To provide an update on progress being made to improve health, safety and wellbeing covering 20 February 2025 to 30 May 2025.

2. Executive summary | Whakarāpopoto matua

- 2.1. In summary, the report outlines the progress to improve health, safety and wellbeing at Ōtorohanga District Council. It highlights the key activities across seven key areas.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee receive the report titled 'Health, Safety and Wellbeing quarterly report' (document number 824313) from Noah Lockett-Turton, Manager People and Capability.

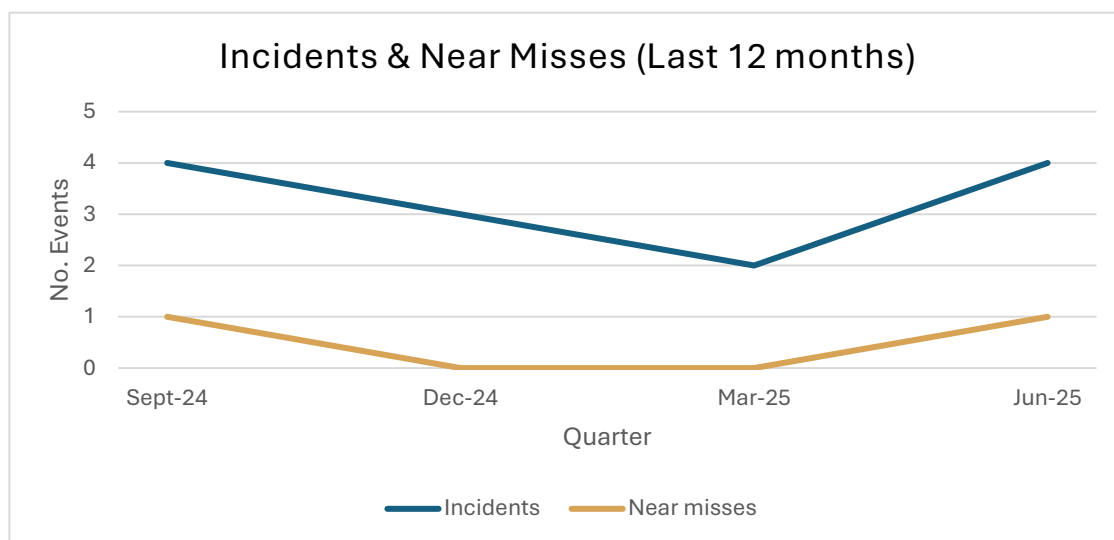
4. Discussion | He Kōrerorero

Previous Actions

- 4.1. The Committee asked for this report to speak to the actions being undertaken to lift the contractor SHE Prequal completion rate. The actions are discussed below under 'Contractor Management'.

HSW events (accidents, incidents, near misses)

- 4.2. Over the past quarter, we have had four incidents and one near miss.



4.3. The incidents have increased from the very low previous quarter. It is worth noting that three of the incidents and the near miss were related to members of the public. All three incidents from the public were due to them not focusing on their surroundings.

4.4. The raise in incidents is not cause for alarm due to their nature and rather demonstrates good reporting practices.

Risk management

4.5. There have been no new risks identified in the previous quarter.

4.6. The risk register has been reviewed to update the list of controls that are in use for each of the risks. The next step is to review the relevant likelihood and consequence ratings for each of the risks, the result of which may change our level of risk. The review will be finished by the end of June 2025.

4.7. Further to the review of the risk register above, it may mean a change to the critical risks.

4.8. The current critical risks are:

- a. Driving on the roads
- b. Aggressive members of the public
- c. Using contractors
- d. Working on/near roads
- e. Working when under the influence of drugs or alcohol
- f. Working over/near water

4.9. We have had no incidents related to our critical risks in the past quarter.

Audits

4.10. Over the last quarter, we have completed 15 of the 22 planned audits (68% completion).

4.11. Each of our 12 sites were audited in the previous quarter.

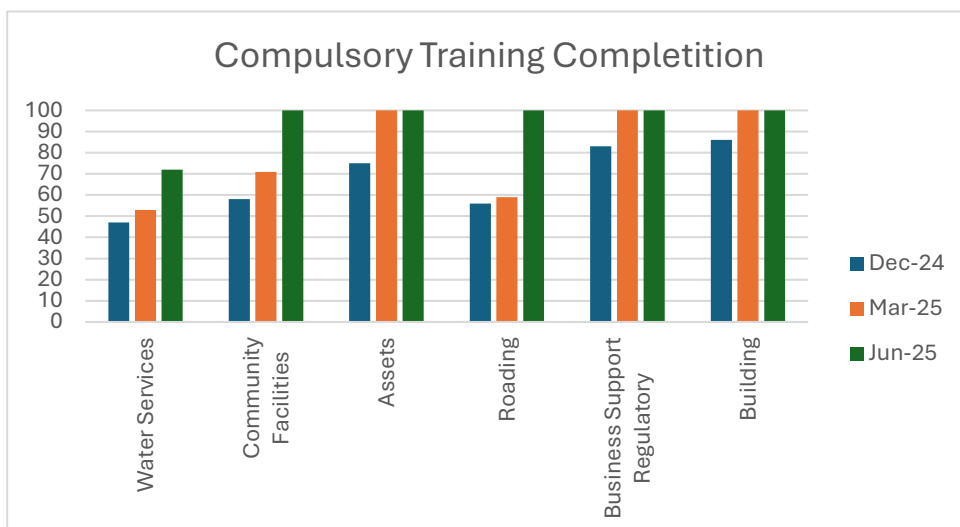
4.12. We have seen the benefit of the increased auditing across our sites, for example with the more frequent follow up we have noticed corrective actions such as signs going up being completed in a timely manner and issues being brought forth more.

Training

4.13. The People and Capability Advisor has continued working to ensure everyone has completed the required training for their role. Further required training has been identified and added to the training matrix.

4.14. To date the percentage of compulsory training completed for the respective areas are:

- a. Water Services 72%
- b. Community Facilities 100%
- c. Assets 100%
- d. Roading 100%
- e. Business Support Regulatory 100%
- f. Building 100%



4.15. All staff were either booked or had completed all relevant training by the end of April 2025.

4.16. All training is scheduled to have been completed by the end of the July 2025. At that point all staff would have completed the compulsory HSW training.

4.17. On 19 March 2025, all staff were offered CPR and AED training. We had 19 people attend the training. We will look to offer another session later in the year for new staff and anyone else that wishes to complete this training.

Hazardous substances

4.18. The hazardous substances register will be finished being updated by the end of June 2025.

4.19. We are undertaking a risk assessment on how we handle the changeover of chlorine gas held at our Water Treatment plants. The risk assessment will continue to ensure that all risks have been identified, we have appropriate PPE and it's being used, and our procedures are best practice. The assessment will be completed by mid-June 2025.

4.20. We will also be reviewing our procedures and response to how we transport chlorine gas.

Contractor management

4.21. With many of our contractors not being SHE Prequal certified we have undertaken an exercise to define Ōtorohanga District Council's criteria for requiring contractors to be certified. The criteria seeks to strike a balance of ensuring we meet our HSW responsibilities and not putting up unnecessary barriers for contractors. We suspect that due to the small cost and additional work involved it would unfairly disadvantage smaller organisations from being awarded contracts – some whom may be local to our Council.

4.22. With the criteria in place, we will now be going out to contractors that require the certification. We aim to speak to all the necessary contractors by mid-July 2025.

Emergency procedures

4.23. In the last quarter we have begun preparing for our next fire audits at the main office and Ōtorohanga Library. Based on previous learning we have updated the zones and met with the fire wardens to ensure coverage of the building.

HSW Committee Meetings

4.24. In the previous quarter, we have held three HSW Committee meetings.

4.25. The current committee's term finished on 31 May 2025, and we have held nominations for the committee to fulfil the term from 1 June 2025 – 30 June 2027. We received nominations for each of the areas: Business Enablement, Strategy & Community, Engineering & Assets, Regulatory & Growth.

4.26. We have received two nominations in the area of Business Enablement, and so rather than vote between the two nominations, we have opted to expand the committee in order to provide extra resilience.

4.27. The first meeting will be on the 23 June 2025. The Chief Executive will be attending the meeting to outline her commitment to HSW and expectations for the Committee.

Other

4.28. On 16 May 2025, several members of the HSW Committee ran a lunchtime carnival games event to raise awareness and money for Pink Shirt Day. An extract from the website of Pink Shirt Day says:

"Pink Shirt Day is the day Aotearoa comes together to take a stand against bullying. The Mental Health Foundation of New Zealand (MHFNZ) has run the campaign since 2012, inspiring tangata to Kōrero Mai, Kōrero Atu, Mauri Tū, Mauri Ora – Speak Up, Stand Together, Stop Bullying!"

This is really relevant as we are seeing an increase in bullying behaviour towards local government staff and elected members. While staff at ŌDC do not experience high levels of bullying or abusive behaviour it is important that we set expectations for the public, and so that our staff know we do not accept that in the workplace.

4.29. In July we will be running workshops for staff on managing change. There are two different sessions: one for third tier leaders (with and without staff) and one for all staff (2 sessions being offered). There is massive change happening both in our council (election, new Mayor & Council), and externally (direction from central government, reforms, AI, etc). We want our staff to be in the best position possible to deal with this change. These sessions are being externally facilitated by an expert in this area.

Item 90 Quarterly Risk Report and Updated Risk Management Policy

To Risk and Assurance Committee

From Graham Bunn, Group Manager Business Enablement

Type **INFORMATION REPORT**

Date 9 June 2025



1. Purpose | Te kaupapa

- 1.1. To present the Quarterly Risk Report and the updated Risk Management Policy prior to it's adoption by Ōtorohanga District Council (ŌDC).

2. Executive summary | Whakarāpopoto matua

- 2.1. Since the previous report to the Risk and Assurance Committee, ŌDC has continued to implement the draft road map presented to the previous meeting. This includes the development of a Risk Management Policy and Risk Management Framework. The updated Risk Management Policy is presented to the Committee for feedback.
- 2.2. The risk management framework will support the revised approach to reporting to this Committee, including updates on progress, and a focus on new and emerging risks.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee note the updated Risk Management Policy will be presented to the Ōtorohanga District Council for adoption at future meeting.

4. Discussion | He kōrerorero

Risk management update

- 4.1. A Plan has been developed which identifies the key deliverables for the current reporting year. This plan is informed by the findings of the risk maturity exercise, previously undertaken.

Deliverable	Summary
Risk Maturity Assessment	Gauge current levels of risk maturity to inform the 2025 Risk Management Plan
Risk Register Review	Review format and content of current arrangements
Risk Management Framework (RMF)	Evaluate current policy level documentation and consider if a RMF would be suitable alternative to standard management policy
Business Continuity Management	Business Continuity Plan has been developed and an Emergency Management team has been established. Mock exercises are undertaken and effectiveness is continually reviewed.

Risk maturity exercise

- 4.2. Prior to the last Risk and Assurance committee meeting, ŌDC's Senior Leadership team carried out a Risk Maturity Assessment. The findings indicated that ŌDC was largely operating at an appropriate level for a small council. This is a self-assessment by the Leadership team and there is potential to lift the overall level by continuing to build an overall organisational risk culture.

Risk Management Policy and Framework

- 4.3. As part of the road map, staff are developing a Risk Management Policy and Framework. These have been reviewed by ŌDC's leadership team, with the Policy finalised and attached to this report as an appendix. The framework is close to being finished and will be presented to the next Risk and Assurance Committee meeting.

- 4.4. The purpose of the **Risk Management Policy** is to:

- Lay the foundations for the development of an organisational risk culture
- Outline the guiding Principles and Objectives of Risk Management
- Allow for an integrated Risk Management model (Understand – Manage – Adapt)
- Set out Roles and Responsibilities
- Provide clear and consistent definitions e.g. types of risks

- 4.5. The purpose of the **Risk Management Framework** is to establish the mechanisms through which the organisation manages risk. This includes:

- Key Elements:
 - Setting Risk Appetites and escalation levels
 - Setting Risk Likelihood/ Consequence levels – The Matrix

- b) Risk Management Processes – how to:
 - i) Identify and understand risks
 - ii) Identify and implement mitigation strategies and controls
 - iii) Monitor and evaluate mitigation strategies
- c) Risk Recording
 - i) Risk Register(s) for the different risk types
 - ii) Recording mitigation activity and controls
- d) Risk Reporting
 - i) Who to
 - ii) How often
 - iii) In what format
- e) Establishing review and evaluation criteria and timeframes

4.6. These two documents co-exist and have quite different functions. Policy provides the overarching guidance, and the Framework provides the detail. The policy is a component of the Framework.

Emerging risks update

4.7. It is proposed to give an update on any emerging risks to the Risk and Assurance Committee on a quarterly basis and reporting on this is still being developed. Going forward there are number of emerging risks associated with the proposed Water reforms. A summary of these was presented to the last meeting. Further to this the programme risk impacts that were presented to Audit and Risk Chairs on 30 May 2025 will be included in a workshop following the meeting.

Operational risks update

4.8. ŌDC's Leadership Team monitors Operational Risks and issues, and these are reviewed weekly at Leadership Team meetings.

ŌDC's Risk Register

ŌDC has purchased Risk Management software which is an add-on to the Flowingly Process Mapping Tool. This is still in the development stage and staff are currently setting this up and undergoing training. It will be used as a register for all Operational and Emerging Risks.

5. Appendices | Ngā āpitihanga

Number	Title
1	Risk Management Policy 2025



TE KAUNIHERA Ā-ROHE O
ŌTOROHANGA
DISTRICT COUNCIL

RISK MANAGEMENT POLICY

ŌTOROHANGA DISTRICT COUNCIL

Approval authority

Chief Executive

Administrator

GM Business Enablement

Effective date

xxxxx

Next review date

xxxxx



VERSION HISTORY

Date	Changes	By	Date Adopted
December 2021	Policy created	Group Manager Business Enablement	1 December 2021
May 2025	Policy reviewed	Group Manager Business Enablement	Xxxxx

PURPOSE

Risk management is an integral aspect of Ōtorohanga District Council (ODC) activities and operations.

Effective risk management ensures an integrated, structured and coordinated approach to operations throughout all business functions and activities across the organisation. Risk cannot be eliminated entirely. However, it must be clearly understood by managers, staff and elected members, ensuring that any existing risks (or remaining after mitigation measures are taken) are appropriate for both the business activity and the business level. This policy aims to support Council's objectives, providing assurance to both Council and the Risk and Assurance Committee that risks are being managed appropriately and in line with objectives and the Council's risk appetite.

This policy is in line with the standards of best practice established by the AS/NZS ISO31000:2009 Risk Management – Principles and Guidelines. This will be achieved through the ongoing implementation of risk identification and management practice across key processes within the organisation and creating a strong risk awareness and management culture throughout the organisation.

SCOPE

This policy shall apply to all business, service or activity conducted by Council and all Council employees and any other persons or parties, including contractors and volunteers, working on behalf of Council.

Specific risk management policies, procedures and/or guidelines developed for and relating to specialised areas of Council activities/operations will remain consistent with the broad directions in this policy.





OBJECTIVES AND PRINCIPLES

Objectives

ŌDC's risk management processes will be applied in accordance with the following objectives:

- Embed a consistent risk management process with the implementation of a common approach to the identification, assessment, treatment and monitoring of risks.
- Provide protection and continuity of core business activities.
- Promote a risk aware culture whereby all employees understand, assume responsibility and proactively manage risk through sound decision making in their day-to-day activities.
- Define and establish clear responsibilities and structures to ensure risk management practices are incorporated into strategic, operational and project planning and review processes.
- Establish a consistent, clear framework to provide assurance that material risks are identified, regularly reviewed, monitored and managed to an acceptable level, in an open and transparent manner.

Core Principles

ŌDC will establish, implement, maintain and monitor effective risk management processes aligned with the principles and processes. The following core principles are the foundation for Council Risk Management Processes:

- Facilitation of a risk-aware culture which is integrated into all critical planning and decision-making activities.
- Systematic, structured, transparent, informed and inclusive processes with the engagement of relevant stakeholders, both internal and external (as appropriate) contributing to risk discussions and response.
- Identify, assess, treat and monitor risks throughout the organisation.
- Recognise and integrate strategic, operational, human and cultural factors into processes and risk management decisions.
- Maintaining dynamic and customisable resilient risk management processes that are responsive and adapting to a changing environment and Council's risk appetite.
- Reduce the likelihood of negative impacts on Council's strategic directives/objectives by obtaining the best possible information to base decisions from.
- Based on the results of monitoring and reviews, decisions will be made on how the Risk Management Framework can be improved. These decisions should lead to improvements in the management of risk and risk management culture.





- The ŌDC Risk Management Framework shall include the following:
 - Risk Management Process – the systematic and consistent application of policies, processes and practices of establishing the context, identifying, analysing, evaluating, communicating, treating, monitoring and reviewing risk.
 - Risk Registers – documented records of risks identified. This includes a description of risk, mitigation controls, risk levels, treatment plans and residual risk.
 - Risk Likelihood and Consequence definitions, measures and matrix
 - Risk Classification, Escalation and Acceptance
 - Relevant information, training and educational activities for the ongoing improvement of risk awareness and management processes.
- Informed decisions will be made based on a comprehensive understanding of the risks involved. However, it is acknowledged that some risks must be accepted in the achievement of strategic objectives, as per the Council risk appetite.





DEFINITIONS

Word or phrase	Definition
Risk	The effect of uncertainty on objectives. Risk may be something occurring unexpectedly which impacts negatively upon Council's strategic objectives. Risk is assessed in terms of likelihood and consequence.
Operational Risk	Risks stemming from internal functions, processes, people, and systems that could impact Council's ability to deliver services and achieve its objectives. These risks are typically associated with day-to-day operations.
Strategic Risk	Risks that could jeopardize Council's ability to achieve its overarching goals and objectives.
Critical Risk	A risk that has a Likelihood / Consequence Matrix rating of High or Extreme.
Risk Appetite	The overall level of risk that Council is willing to accept in pursuit of its strategic objectives.
Risk Assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk Management	An enabling function which adds value to the organisation, increasing the probability of success in achieving strategic objectives. Risk management aims to decrease the potential for legal liability and managing uncertainty; creating an organisation-wide environment where the unexpected is minimal and, should it occur, the consequences may be managed effectively.
Risk Management Framework	The elements that provide the foundation for designing, implementing, monitoring, reviewing and continually improving risk management within the organisation. Components include the Risk Management Policy and Processes, Risk Likelihood and Consequence definitions, measures and matrix, Risk Classification, Escalation and Acceptance, Risk Registers and Risk Reporting.
Risk Management Process	The systematic and consistent application of policies, processes and practices of establishing the context, identifying, analysing, evaluating, communicating, treating, monitoring and reviewing risk.
Risk Owner	The position with authority and accountability for managing a specific risk and any associated risk controls.
Risk Register	A documented record of risks identified. This includes a description of risk, mitigation controls, risk levels, treatment plans and residual risk.
Risk Tolerance	The acceptable range of variation from Risk Appetite the organisation is willing to accept for specific activities or decisions.





ROLES AND RESPONSIBILITIES

Risk Management is the responsibility of all ŌDC staff. The process of identifying and managing risk should support all council functions to ensure transparency and accountability.

POSITION	ROLES AND RESPONSIBILITIES
Risk and Assurance Committee	<ul style="list-style-type: none"> • The Risk and Assurance Committee provides governance and oversight in the areas of Risk and Assurance to ensure appropriate systems and best practices are delivered throughout the organisation and its activities. • Ensure that strategic planning and business operations are achieved within an effective Risk Management Framework. • Review and recommend approval of risk management frameworks, risk-related policies, the Risk Registers and review risk treatment options for critical risks. • Monitor and review the risk management practices, systems and processes adopted by Council to ensure these remain relevant and appropriate. • Monitor Council's risk appetite and exposure and recommend to Council any pre-emptive or corrective actions in respect of risk management frameworks, the Risk Registers and risk-related policies.
Council	<ul style="list-style-type: none"> • Nominate members for the Risk and Assurance Committee. • Confirm appropriate risk governance and management frameworks are in place, ensuring risks are appropriately managed, aiding in the achievement of Council's strategic objectives as per the LTP. • Receive and evaluate reports from the Risk and Assurance Committee.
Chief Executive	<ul style="list-style-type: none"> • Lead and promote a risk-aware culture across the organisation. • Ensure overall accountability, authority and resources for managing risks within management and operational areas. • Champion a strong risk management culture across the organisation. • Report critical risks to Council with treatment options.
Leadership Team	<ul style="list-style-type: none"> • Oversee the development and implementation of the Risk Management Policy and Risk Management Framework. • Ensure that the Risk Framework and Risk Registers are regularly reviewed and maintained and inform the development and effectiveness of risk controls and management plans implemented.
Activity Managers	<ul style="list-style-type: none"> • Identifying, reporting, assessing and planning the response to risks within their specific area of responsibility. • Promoting a risk aware culture within their teams.



Item 91 Outstanding Management Letter Points from 2023/24 Annual Report

To Risk and Assurance Committee

From Brendan O'Callaghan, Manager Finance

Type **INFORMATION REPORT**

Date 9 June 2025



1. Purpose | Te kaupapa

- 1.1. This report updates the Committee on the actions and status of actions that arose from the 2023/24 Annual Report audit.

2. Executive summary | Whakarāpopoto matua

- 2.1. 16 items were identified during the 2023/24 Annual Report audit.
- 2.2. Of these, 5 have been addressed with 7 in various stages of being addressed.
- 2.3. The remaining 4 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 2023/24 Annual Report' (document number 814341).

4. Discussion | He kōrerorero


- 4.1. As part of the audit of the 30 June 2024 Annual Report, our auditors issue an opinion and raise 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. 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 2023/24 Annual Report audit. Orange


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

4.3. Overall, a total of 16 items were identified by Deloitte. Of these, Council believes that 5 have been addressed. 7 are in the process of being addressed and 4 are not likely to be addressed.

4.4. The items not likely to be addressed have been removed from the table of progress below, but are listed to keep them recorded within this report:

- Payment signatory restrictions through online banking
- Formalising the Process for Identifying and Managing Legislative Matters
- MagiQ Support users with access to the MagiQ Database Server
- Finance personnel with access to modify system configuration.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
 Items Completed Since last report (subject to Deloitte sign-off)				
Insufficient Segregation of Duties in Payroll Processing	As part of payroll controls testing that a Finance team member has access to the Payroll module within MagiQ and that team member is also a reviewer of payroll reports.	We recommend that access to certain payroll functions should be restricted to read-only to ensure that there is appropriate segregation of duties between the preparer of information and the reviewer.	We agree with the recommendation and will look at amending access rights where possible.	<p>The plan is to remove the Finance Manager access to make changes, which will resolve this issue. We are currently checking that this will not create any potential issues before making that change.</p> <p>June Update: The Finance Managers payroll change access rights have been removed, and they are now undertaking the checking of changes made and reports</p>
Utilisation of Asset Addition and Disposal Forms	<p>Fixed asset additions forms and disposal forms are not being utilised by Council.</p> <p>In addition to this, all assets are currently captured into a work in progress account during the year and these assets are only capitalised at year end.</p>	All additions and disposals should be appropriately supported by a fixed asset addition or disposal form. These forms should provide further details on the transaction such as the date of the transaction, depreciation rates and evidence of approval. Assets recorded in work in progress should be capitalised frequently throughout the year. Generally, entities would be expected to capitalise assets monthly.	We agree with this and are happy that the process that has been developed just prior to year end will resolve these issues.	<p>Forms are now being used, and monthly capitalisation is being processed now.</p> <p>June Update: The process is working as intended, with Finance and Asset Management teams working together on improving the process as it gets used.</p>
Masterfile changes	During our testing of controls in the current year we noted that exception reports providing detail of changes to the Masterfile for payroll, creditors and debtors for the month are produced and checked for reasonableness, however there is a risk that the report is not always reviewed by someone independent of the process. Through our testing we noted that the Finance Manager is the primary reviewer but also has access to make changes to details which is to be reviewed by the GM Business Enablement. The GM Business Enablement does not review the	<p>Deloitte recommends that an independent person to the preparer of the exception reports, reviews these reports on a monthly basis. The report should be signed off by the reviewer or appropriate evidence is maintained that the review has occurred by the appropriate reviewer.</p> <p>Management should also ensure that the established processes for controls are adhered and if required appropriate adjustments in processes are made for the</p>	We agree with the recommendation and will look at amending access rights where possible.	<p>As discussed above, we are looking at the payroll access rights to resolve that issue. We are also looking at removing the change access rights for debtors and creditors and are currently considering all the implications of making that change.</p> <p>June Update: The access rights have been amended, meaning that the Finance Manager is now able to sign-off these reports as they cannot make any changes.</p>

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
<div>  Items Completed Since last report (subject to Deloitte sign-off) </div>				
	exception report each month and only when notified that the Finance Manager has made a change during that month.	processes to operate effectively in a remote working environment.		
Sensitive Expenditure	<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. These related to the following:</p> <ul style="list-style-type: none"> - An approved expense claim that extended over a 15-month period for over \$7k related to mileage - An expense claim submitted in the financial year related to the 2023 financial year. - Five instances where expenses claims did not follow the correct one-up approval process or were not approved by the appropriate individual. - A single expense for a night's accommodation in Auckland that may have been perceived as excessive. 	<p>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.</p> <p>We also recommend ensuring all members of staff are aware of the one-up approval process and that the claim approvers have the appropriate independence and are not subject to a conflict of interest.</p> <p>For accommodation spend whilst we understand that there may be mitigating circumstances to the spend being incurred but is important that Council ensures that the principles of the sensitive expenditure policy are adhered to.</p>	<p>We agree with the finding. There is mention of timeframes in the sensitive expenditure policies, as well as the requirement for one-up approval. We will reiterate this 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>We have identified some of those responsible for the issues identified through the sample testing and have reiterated to them individually the importance of following the sensitive expenditure policies. We will also reiterate this to all staff in the new year.</p> <p><i>June Update: A reminder to staff about the importance of sensitive expenditure was given at the May all staff meeting as part of the review of the policies. Proposed updated sensitive expenditure policies were included in this agenda for adoption.</i></p>
Metered Water	When completing our understanding of the metered water revenue business process that no audit evidence is maintained for the comparison that is done between the previous and current water meter readings. No evidence is maintained for significant variances or anomalies investigated.	Deloitte recommends that management evidence when a review is performed over the water meter reading to identify any significant variances and also when variances are resolved.	We agree with the recommendation and have developed a process to record review of the reading information.	A Flowingly workflow has been developed and in use when readings are processed. This provides for evidence of the review being undertaken by an independent person. This along with the service requests that are raised when re-readings are required after review of the variances should be sufficient to address this recommendation.

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
<div>  Items Completed Since last report (subject to Deloitte sign-off) </div>				
				June Update: This process has been working for a few billing cycles now, and the review process and evidence should satisfy audit requirements.
Maintenance of the Fixed Asset Register	During our testing of the fixed asset controls, the fixed asset register was not maintained on a regular basis. The fixed asset systems which consists of Assetfinda and RAMM are only recorded into MagiQ at year end. It was also identified the MagiQ functions are not being fully utilised.	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 review of the reconciliation being retained. We also recommend management use MagiQ's functions where possible.	We acknowledge the finding, and with the development of asset addition and disposal forms, we will look at implementing a process for reconciling the two databases.	<p>As the asset forms are getting used, we are now in the process of developing a process for reconciling the MagiQ FAR with the RAMM and Assetfinda databases.</p> <p>June Update: This process is still being worked on. Given that the data within RAMM has recently being updated to a new data standard, which means different categorisation of some assets, it is likely that this process will be held until the revaluation of roading is undertaken effective 30 June 2025.</p>
Lack of Conflicts of Interest Register for Staff	An interest register for staff is not maintained currently by Council. We acknowledge that there is an interest register maintained appropriately for Councillors an Key Management Personnel. This finding s limited to staff only.	Similar to the Councillors and the Executive Leadership Team, a conflicts of interest register should be maintained and reviewed on a frequent basis. This ensures that the register is maintained and up to date allowing Council to effectively manage any potential conflicts that may arise.	We acknowledge the finding and are currently investigating the best method to implement this going forward.	<p>We are in the processing of trailing an option available through MBIE, and if the trial works, then we will look at rolling it out for use by all staff.</p> <p>June Update: A Staff Conflict of Interest register has been developed and rolled out to staff for them to enter any interests that may cause potential conflicts in their role.</p>
Fair Value Assessment – Indices Used	<p>We reviewed the fair value assessment prepared by the Council for roading and three water assets and noted that incorrect indices had been utilised for roading assets. Instead of using June 2023 indices to determine fair value movement for roading assets. Council has used June 2022 indices.</p> <p>We note that an out of cycle revaluation in the prior year has caused Council to use the wrong dates accidentally. While we note this is</p>	It is important for the Council to utilise appropriate indices to ensure the accuracy of the fair value assessment and for the Risk and Assurance Committee to review the assessment in detail as it determines the need for valuation.	We agree with the finding. As discussed, this was an oversight due to the out of cycle revaluation of the roading assets. We will ensure that appropriate indices are used in future fair value assessments.	<p>This recommendation will be considered when the fair value assessment is undertaken for the 2024/25 Annual Report.</p> <p>June Update: The fair value assessment is included within this agenda, and correct indices have been used depending on when the asset class was last revalued.</p>

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
<div> <div></div> <div>Items Completed Since last report (subject to Deloitte sign-off)</div> </div>				
	incorrect, there was not a significant difference in indices during this period. Therefore, the calculations performed by management were not materially incorrect, for the purposes of the assessment undertaken to consider whether the fair value of these roading assets was appropriate.			
Lack of monitoring on the changes made to the database	Council does not have any process in place to test or monitor changes made to the database by the MagiQ vendor.	Management should consider periodically reviewing the changes made to the database layer and assessing its impact on the data stored within the database, as inappropriate modifications to the database could impact the accuracy, reliability, and security of the financial information stored.	We agree with the finding and are investigating the best way to implement this review with MagiQ.	<p>This is currently being worked through with our account manager as to the best way to ensure that there is sufficient review in place.</p> <p>June Update: Staff are reviewing fortnightly release notes of changes being rolled out and undertaking testing of changes that are made. We are still discussing with MagiQ about whether there are improvements to this review process</p>
Lack of Segregation of Duties	<p>During our internal controls testing, in particular Journal Entry Controls, we observed that the Finance Manager and Group Manager Business Enablement both have access to post and review journals. Thus, creating a lack of segregation between the journal creator and the journal approver.</p> <p>Furthermore, within our understanding the financial Accounting Business Process we identified one journal which was Posted and Reviewed by the Finance Manager further confirming the lack of segregation among the finance team.</p>	We recommend the team member posting the journal is different to the team member who is reviewing the journals to ensure council maintain an appropriate level of segregation.	We agree with the finding. While there is no way to prevent someone from approving their own journals, our process is to get one-up approval for any journals processed. To be able to approve journals you also need to be able to create them in the system, which makes removing access to get around this issue difficult. This is something we will discuss as an enhancement with MagiQ.	<p>To provide comfort around this issue, we will develop a report that will be reviewed by someone independent of the journal process, showing the preparer and approver for journals.</p> <p>June Update: A report has been written, and is being reviewed by the Business Improvement Manager, who is independent of the journals process.</p>

Matter	Observation	Recommendation	Ōtorohanga Response	Progress
<div> <div></div> <div>Items in progress</div> </div>				
Policies Overdue Review	<p>During review of policies, it was noted two 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"> -Code of Conduct Policy, while the draft was accepted in February 2023, no final version has been adopted. - Prevention of Fraud and Corruption Policy, due for review in October 2023. 	<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. These were 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>The Prevention of Fraud and Corruption Policy will be reviewed and brought to the Committee at the March 2025 meeting.</p> <p>June Update: The policy has been reviewed, but from discussion with the CE there is some additional work required to be done around this policy, including organising some training with staff, as well as a review of our Protected Disclosures policy. Because of this further work this policy is being held over and will be presented to the September meeting.</p>
Review of Statement of Service Performance Measure Results	<p>We noted through our testing of the Statement of Service Performance measures that there was a lack of evidence of review of the reports and data utilised in the reporting of results of the performance measures. This includes any reports that flow into the performance measures during the year.</p>	<p>We recommend that all reports and calculations for performance measures are reviewed prior to being included in the Statement of Services Performance reporting and the evidence of the review should be retained. It would also be best practice for reviews to occur during the year. This ensures that measures are appropriately reported on and to help ensure that any inconsistencies and errors are identified and corrected. As well as appropriate review process through a one-up approval process.</p>	<p>We agree with the fining. While the reviews are occurring, there is no evidence of this recorded. We will look at developing a workflow to capture this review evidence.</p>	<p>We have identified a process that can be used which will cover this recommendation, as well as improving the general Statement of Service Performance process for the Annual Report. This process will be developed within Flowingly and rolled out prior to the 2024/25 Annual Report.</p> <p>June Update: The process has been developed and is currently being tested prior to being rolled out for staff to use. This testing should be completed and the process rolled out to staff in time for the development of the 2024/25 Annual Report.</p>

Item 92 Outstanding Debtors Report

To Risk and Assurance Committee

From Brendan O'Callaghan, Manager Finance

Type **INFORMATION REPORT**

Date 9 June 2025



1. Purpose | Te kaupapa

- 1.1. To advise the Committee of the value of outstanding rates, water and sundry debtors as at 30 April 2025.

2. Executive summary | Whakarāpopoto matua

- 2.1. Overall outstanding debts at the end of April 2025 is \$2.339m.
- 2.2. Some longstanding rates issues are being progressed well, with progress made in collecting older debts.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk & Assurance Committee receive the report titled 'Outstanding Debtors Report' (document number 824349).

4. Discussion | He kōrerorero

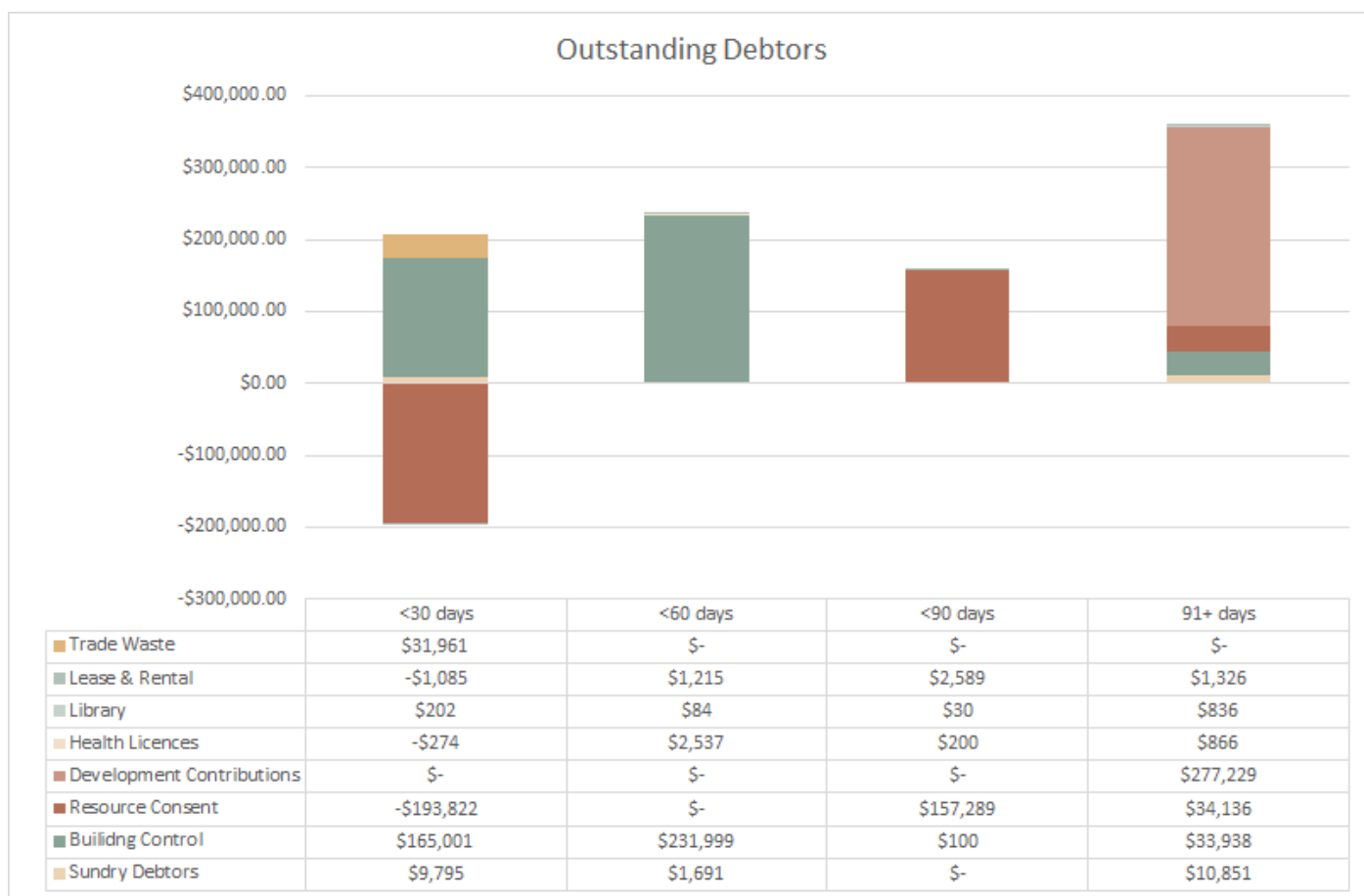
Overall Debtors Information

- 4.1. Overall debtors across the three debtor types (Debtors, Water and Rates) at the end of April is \$2.399m. This compares to the same period the previous year of \$1.315m. A large portion of this increase relates to sundry debtors increases, particularly in the building consent and resource consent debts.

Debtors

- 4.2. 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

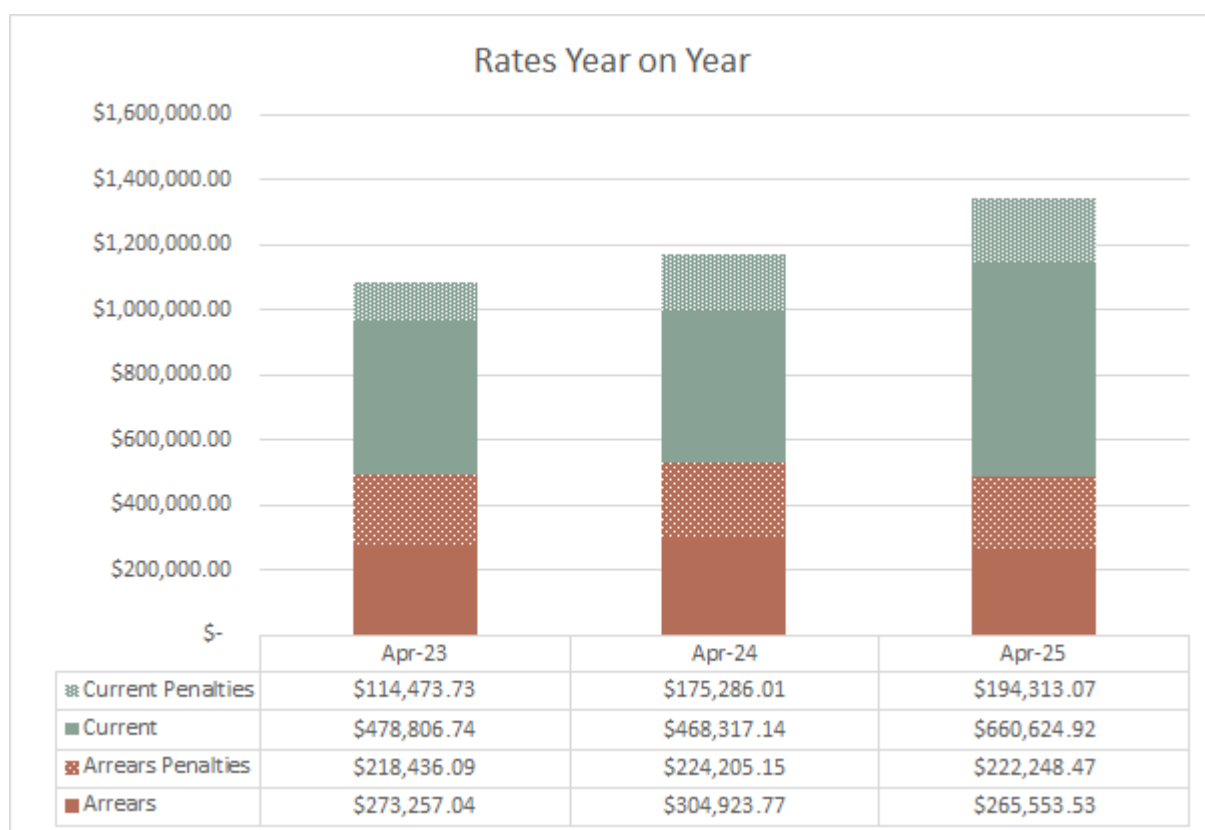


- 4.3. Overall outstanding debtors to the end of April are \$769k. As seen in the graph above, a large portion of these relate to two areas, Development Contribution and Building Consents, which make up about 73% of the amount owing (when removing the credit balances above).
- 4.4. The large amount in Building Consents predominately relates to the Waikeria Prison work, which is being paid on 60 day terms instead of the usual 30 days, which is why there is a large balance in <60 days.
- 4.5. The Development Contributions figure relates to the Westridge development, and payment terms are actively being discussed at this time.

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. This increase in rates can partially be attributed to the increase in ratepayers paying by direct debits. Direct debits payers have increased from 1,526 in April 23 to 1,572 in April 24 and now 1,609 at the end of April 2025. This represents a 5% increase in ratepayers paying by direct debit over the two year period.

4.9. The increase in the current year amount outstanding is also a reflection of the rates increases in the current year, which was an average of 10.37%. This can mean that people who pay by direct debit or by automatic payment (as opposed to paying on due date) will have higher balances outstanding compared to the same time last year, assuming their payment as a percentage of their rates stays consistent.

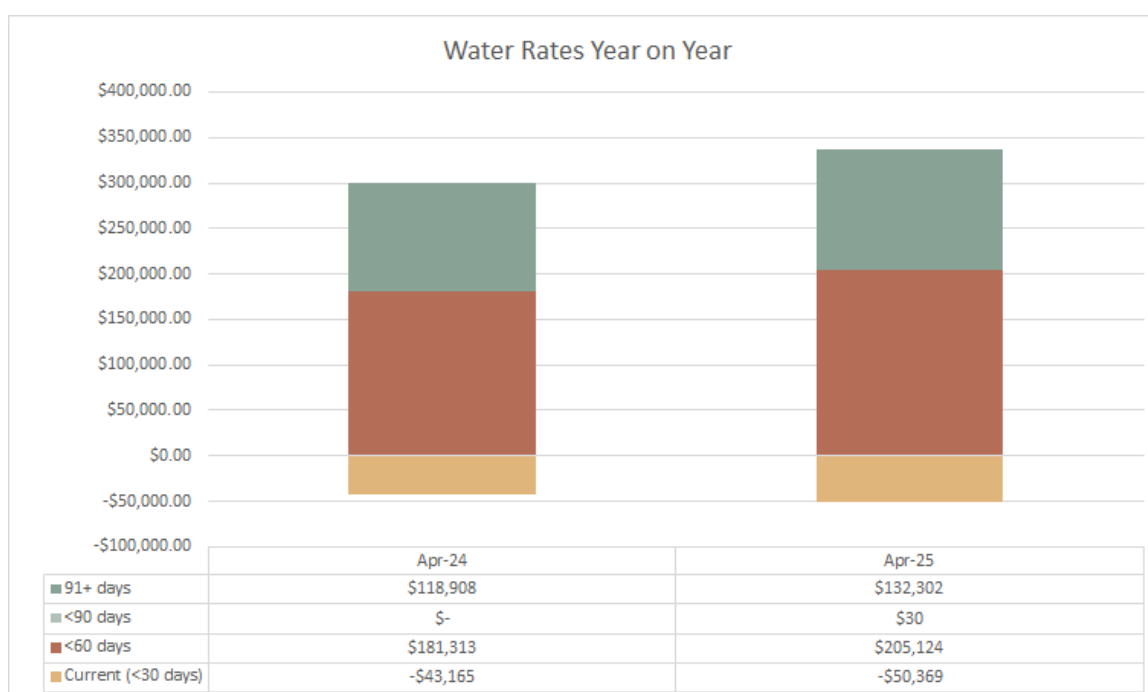
4.10. A pleasing trend with the rates is that the arrears portion of the outstanding is reducing, particularly in the last 12 months. This is reflective of a couple of changes made, one being the move to more

debt collection being done through Debt Management Central (DMC), and the other being the move to commencing legal proceeding under the Local Government (Rating) Act 2002, which has led to success in resolving some long outstanding rates issues.

- 4.11. It is also good to see that even with the arrears coming down, the arrears penalties are not substantially dropping. This shows that while the ability to remit some of the penalties on old debts can be used as an incentive to get payment, this does not appear to have been required as much in the last 12 months and full payment including penalties has been more the norm.

Water

- 4.12. Overall water debtors at the end of April total \$287k, compared to \$257k at the same time the previous year. A large portion of this increase (approx. \$24k) relates to the <60 days figures, which represents the March billing for the Ōtorohanga Community water use since December 24.



- 4.13. This increase as a percentage of the overall water outstanding (13.1%) is lower than the increase in consumption charges for the year (which increased by 17% excl GST). This is pleasing as it shows that at the same time as the prior year, more people had paid their water bills before the due date, which for the Ōtorohanga March billing is 30 May 2025.
- 4.14. There has also been an increase in the credit balance in the current year on year, which reflects a move towards more people paying by direct debit, or increases in the fixed amount paid to reflect the increases in charges during the current year.

Public excluded

Take matatapu

There are no reports.

Meeting closure

Katinga o te hui

The Chairperson will declare the meeting closed.

Workshops

Hui awheawhe

Risk deep dive – Te Tiriti obligations and relationships

Waikato Water Done Well programme risks