



TE KAUNIHERA Ā-ROHE O  
**ŌTOROHANGA**  
DISTRICT COUNCIL

# Open Minutes

## RISK AND ASSURANCE COMMITTEE

9 June 2025

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, 9 June 2025 commencing at 10.00am.

Tanya Winter, Chief Executive

11 June 2025

#### **Risk and Assurance Committee attendance**

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

These Open Minutes were prepared by Manager Governance, Kaia King and approved for distribution by Group Manager Business Enablement, Graham Bunn on 11 June 2025.

**Opening formalities****Ngā tikanga mihimihi**

Commencement of meeting	Te tīmatanga o te hui	5
Apologies	Ngā hōnea	5
Late items	Ngā take tōmuri	5
Declaration of conflict of interest	Te whakapuakanga pānga taharua	5
Confirmation of minutes	Te whakaū i ngā meneti	5

**Decision reports****Ngā pūrongo whakatau**

Item 86	Annual Report Engagement Letter, Audit Proposal and Audit Plan	5
Item 87	Fair Value vs Carrying Value Assessment	6
Item 88	Sensitive Expenditure Policies	7

**Information only reports****Ngā pūrongo mōhiohio anake**

Item 90	Quarterly risk report and updated Risk Management Policy	8
Item 89	Health, Safety and Wellbeing quarterly report	8
Item 91	Outstanding management letter points from 2023/24 Annual Report	9
Item 92	Outstanding debtors report	9

**Public excluded reports**

There were no reports.

**Closing formalities****Ngā tikanga whakakapi**

Meeting closure	Katinga o te hui	11
-----------------	------------------	----

**Workshops**

**Hui awheawhe**

Risk deep dive – Te Tiriti obligations and relationships	Open to the public
Waikato Water Done Well programme risks	Open to the public
Quarterly discussion with the Chief Executive	Public excluded

**Commencement of meeting**

**Te tīmatanga o te hui**

Chairperson Stubbs declared the meeting open at 10.03am. Councillor Prendergast was not present.

**Apologies**

**Ngā hōnea**

There were no apologies tendered.

**Late items**

**Ngā take tōmuri**

There were no late items.

**Declaration of conflict of interest**

**Te whakapuakanga pānga taharua**

There were no Declarations made.

**Confirmation of minutes**

**Te whakaū i ngā meneti**

Resolved R85: That the Risk and Assurance Committee confirm as a true and correct record, the open Minutes of the meeting held on 10 March 2025 (document number 811391).

Chairperson Stubbs | Councillor Jeffries

**Decision reports**

**Ngā pūrongo whakatau**

**Item 86- Annual Report Engagement Letter, Audit Proposal and Audit Plan**

ŌDC’s Brendan O’Callaghan, Manager Finance introduced the new Deloitte partner assigned to ŌDC, Bruno Dente. Mr O’Callaghan spoke on the audit proposal letter covering four years, being the current financial year and the following three years. He noted the pending decision on the Waikato Water Done Well proposal may affect the 2028/29 financial year audit plan and associated audit fee. Mr Dente spoke on the change to a three year letter and contract noting this first proposal covered four years to bring it into alignment with the Auditing cycle.

Resolved R96: 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.

Chairperson Stubbs | Councillor Hughes

Councillor Prendergast joined the meeting at 10.11am.

### Item 87 - Fair Value vs Carrying Value Assessment

ŌDC's Brendan O'Callaghan, Manager Finance noted the assessment had been undertaken relying on the March 2025 adjustors, and that he did not anticipate any material difference would arise from not using the June 2025 adjustors yet to be released.

Chairperson Stubbs queried the methodology, in particular the indices used. Mr O'Callaghan advised of the various indices used for each asset valuation category. He confirmed the indices were the same as the previous year with no changes in the methodology, but staff had yet to confirm with the Auditors that this approach was acceptable.

Councillor Hughes queried the ownership of rural water scheme assets and Mr O'Callaghan advised the assets were included in ŌDCs Balance Sheet and therefore were included in the fair value assessment.

Councillor Jeffries referred to point 4.4 of the staff report and the appointment of Aon to undertake a peer review of our roading valuation. Mr O'Callaghan advised that Aon had a valuation branch and had the relevant experience to undertake the review.

Councillor Jeffries then referred to point 4.8 and Mr O'Callaghan advised the next Water valuation was scheduled for June 2026. He advised if ŌDC made a decision to join the proposed water entity, a valuation would form part of the transfer of assets discussion.

Resolved R97: 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.

Chairperson Stubbs | His Worship the Mayor

**Item 88 - Sensitive Expenditure Policies**

In response to a query from Chairperson Stubbs on the Gifts Policy and the Koha Policy, ŌDC's Brendan O'Callaghan, Manager Finance noted the provision of a koha would be more appropriate than a gift at a tangi.

Councillor Hughes sought an example of reimbursement of professional membership fees. Mr O'Callaghan advised that this included personal memberships of professional bodies such as Chartered Accountants Australia New Zealand. ŌDC was not a member but benefited from the relevant staff being a member. Mr O'Callaghan advised that there were usually annual training requirements to maintain the membership.

Councillor Jeffries referred to page 48 of the Koha Policy scope. ŌDC's Tanya Winter responded that she was comfortable with the wording as in some instances where a koha was provided, food may not necessarily be provided. Councillor Jeffries referred to page 58 of the Staff Purchasing Policy regarding purchasing of Council assets, e.g. motor vehicles and queried if valuations were undertaken independently or using in-house resource. Mr O'Callaghan advised a decision was made depending on the asset. He provided the example of surplus vehicles were valued by an independent auctioneer whereas minor IT equipment are valued by the Manager Information Services who had the required knowledge to value those assets. Councillor Jeffries referred to page 59 and the private use of ŌDC suppliers and if purchases would trigger fringe benefit tax (FBT). Mr O'Callaghan advised the trigger for FBT was if the discount offered was substantially different to somebody outside of ŌDC. He noted purchase information from staff as private individuals were not provided by the supplier, and ŌDC would only be aware of purchases if declared by staff. Councillor Jeffries queried the Travel and Accommodation Policy's reference to 'non-alcoholic beverages. Mr O'Callaghan responded and confirmed a definition would need to be included for non-alcoholic beverages to exclude zero alcohol beer/wine.

Resolved R98: That the Risk and Assurance Committee adopts the following policies, subject to the inclusion of a definition in the Travel and Accommodation Policy for 'non-alcoholic beverages:

- 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

Chairperson Stubbs | Councillor Jeffries

**Information only reports****Ngā pūrongo mōhiohio anake****Item 90 - Quarterly risk report and updated Risk Management Policy**

ŌDC's Graham Bunn advised the Risk Management Policy was being presented for feedback but would be formally presented in September for a recommendation from the Committee to Ōtorohanga District Council. The Policy would be presented with the Risk Management Framework which is currently under development.

Chairperson Stubbs spoke on the Policy's 'Purpose' statement and sought an amendment be considered. Councillor Prendergast queried the adoption process and Mr Bunn confirmed that a recommendation to ŌDC would be sought. Councillor Prendergast suggested a workshop be held with ŌDC to ensure all councillors were familiar with the documents prior to adoption.

Resolved R99: That the Risk and Assurance Committee note the updated Risk Management Policy will be presented to the Ōtorohanga District Council for adoption at a future meeting.

Chairperson Stubbs | His Worship the Mayor

**Item 89 - Health, Safety and Wellbeing quarterly report**

In response to a query from Councillor Hughes, Mr Lockett-Turton advised the event incidents were minor and provided an example with a member of the public being distracted and walking into the glass door at reception. Councillor Hughes then queried if CPR and AED training could be made mandatory. Mr Lockett-Turton spoke on the benefits and disadvantages with that approach. He noted the roles identified as being most likely to be in situations where there may be issues had received compulsory first aid training. Councillor Hughes questioned how bullying events were assessed and Mr Lockett-Turton advised a Threatening Behaviour Register was kept and any repeated or high offenders would be passed onto the NZ Police if appropriate. Staff exposed to bullying behaviour were offered Employee Assistance Programme (EAP) services.

Councillor Jeffries referred to point 4.21 of the staff report and queried what ŌDC's potential liability would be if death or injury occurred with a contractor who wasn't SHE qualified. Following discussion, ŌDC's Tanya Winter confirmed that the expectation was that all contractors and consultants were able to demonstrate that they understood the risks and hazards appropriate to the activities they were undertaking. Mr Lockett-Turton commented on the SHE pre-qualification process and the impact on smaller local businesses. Ms Winter noted that a consultant who exposed Council to a lower level of risk may be subject to a site induction plan whereas a lawnmowing contract, where there is greater risk exposure would be required to be SHE pre-qualified.

Resolved R100: 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.

Chairperson Stubbs | His Worship the Mayor

#### **Item 91 - Outstanding management letter points from 2023/24 Annual Report**

ODC's Brendan O'Callaghan, Manager Finance confirmed Chairperson Stubb's observation that the Executive Summary was not in alignment with the remainder of the report. He apologised for the error as the report contained the previous report's Executive Summary. Chairperson Stubbs noted most of the actions were complete and Mr O'Callaghan advised of the two actions outstanding; one had testing underway and the other was delayed due to additional work relating to the development of an implementation plan. He stated both actions were expected to be signed off by Deloitte as part of the Audit process in September.

In response to a query from Councillor Prendergast, Chairperson Stubbs spoke on the audit process and the subsequent recommendations where ODC management provide a comment. He stated his expectation was that any actions not practical or reasonable for this organisation are clearly expressed in the management comments that the action/s would not be progressed.

Resolved R101: That the Risk and Assurance Committee receive the report titled 'Outstanding Management Letter Points from 2023/24 Annual Report' (document number 814341).

Chairperson Stubbs | His Worship the Mayor

#### **Item 92 - Outstanding debtors report**

ODC's Brendan O'Callaghan, Manager Finance and Theresa Goulding, Rates Officer presented this item. Mr O'Callaghan talked through the new format, including trend information, based on the Committee's feedback at the last meeting.

Chairperson Stubbs queried the 60 days terms for the payment of Waikeria Prison development related invoices and Mr O'Callaghan advised the agreement was made when the project commenced. He advised the Regulatory team had continued to issue consents due to the size of the project, but the payments have been delayed. He noted central Government had announced further additions in their 2024 budget so there would be stronger written agreement around payments for the new development.

Chairperson Stubbs referred to the large development contributions outstanding over 90 days. ODC's Graham Bunn advised the overdue payments related to one subdivision where the developer was yet to provide information around his expectations on what ODC owed him for work undertaken.

ŌDC's Mark Lewis stated staff had been waiting for an indication of what was believed owed to the developer who believed the two matters were related. He noted that was not staff's opinion. Mr Bunn advised the developer had completed stage 2 of the development and ŌDC staff had put a hold on issuing titles for that stage until the development contributions were paid.

Chairperson Stubbs queried if Mr O'Callaghan was confident that ŌDC was undertaking the correct processes to collect the debt. Mr O'Callaghan stated he was. ŌDC's Tanya Winter stated the Leadership Team would review the approach and provide an update to the next meeting.

Chairperson Stubbs referred to point 4.7 of the staff report and sought clarification of the terms used. Mr O'Callaghan provided an explanation of the application of penalties and how that debt was shown in the report. Ms Goulding stated she sought to enter into payment arrangements that ensured a proportion of the arrears was being repaid, as well as the current balance.

In response to a query from Councillor Jeffries, Mr O'Callaghan spoke on the calculation of direct debit payments, application of penalties and timing. Ms Goulding noted communication was sent to ratepayers reminding of the dates for direct debits and what their new Direct Debit amount was for the new Rating year.

Councillor Hughes spoke on water debtors and queried if staff foresaw a possibility of an increase in the number in arrears for the Ōtorohanga township, with a rise in fixed and consumption charges expected to be confirmed at Ōtorohanga District Council's June meeting. Mr O'Callaghan acknowledged this, and a communications plan is proposed for Ōtorohanga ratepayers. Ms Goulding noted there was no application of penalties for overdue water charges. Mr O'Callaghan noted the annual rates resolution gave authority to charge penalties, but this has not been implemented.

In response to a query from Chairperson Stubbs, Ms Goulding advised the focus for 24/25 had been on historic debt and noted she has had some positive discussion from owners of Māori land wishing to address rates arrears. She advised Debt Management Central had been working hard to collect debts with around \$230,000 currently with them for collection.

Resolved R102: That the Risk & Assurance Committee receive the report titled 'Outstanding Debtors Report' (document number 824349).

Chairperson Stubbs | His Worship the Mayor

**Public excluded**

**Take matatapu**

There were no reports.

**Meeting closure****Katinga o te hui**

Chairperson Stubbs declared the meeting closed at 11.34am.

**Workshops****Hui awheawhe****Risk deep dive – Te Tiriti obligations and relationships**

The full Committee was in attendance. Information was pre-circulated to the Committee. The workshop commenced at 11.51am and concluded at 12.48am.

**Capital projects programme 2024/25 update**

The full Committee was in attendance. The briefing commenced at 12.50pm and concluded at 12.56pm.

**Ōtorohanga Kiwi House update**

The Committee was in attendance excluding His Worship the Mayor and ŌDC's Chief Executive. The briefing commenced at 12.57pm and concluded at 1.00pm.

Chairperson Stubbs requested the ŌKH provide a plan for the March 2026 meeting to form basis for recommendation to ŌDC on how to approach payments due in July 2026.

Chairperson Stubbs adjourned the workshop session at 1.00pm for the lunch break and reconvened at 2.00pm.

**Waikato Water Done Well programme risks**

The full Committee was in attendance. Information was pre-circulated to the Committee. The workshop commenced at 2.01pm and concluded at 2.33pm.

**Quarterly discussion with the Chief Executive (public excluded)**

The full Committee was in attendance. The discussion commenced at 2.33pm and concluded at 3.05pm.