

Ōtorohanga District Council's Risk and Assurance Committee

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, 21 October 2024 commencing at 9.00am.

Tanya Winter, Chief Executive

15 October 2024



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
Wharepūhunga 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.

Opening formalities		Ngā tikanga mihimihi	
Commencement of meeting		Te tīmatanga o te hui	4
Apologies		Ngā hōnea	4
Late items		Ngā take tōmuri	4
Declaration of conflict of interest		Te whakapuakanga pānga taharua	4
Confirmation of minutes		Te whakaū i ngā meneti	5

Decision reports		Ngā pūrongo whakatau	
Item 64	Meeting dates for 2025		19
Item 65	Risk and Assurance Committee 2024/25 workplan		22
Item 66	Insurance renewal update		25
Item 67	Land and Buildings valuation adoption		27
Item 68	Annual Report: Recommendation on adoption		45

Information only reports		Ngā pūrongo mōhiohio anake	
Item 69	Health, Safety and Wellbeing quarterly report		49
Item 70	IANZ audit update – August 2024		54
Item 71	Capital Projects Report for the month ending 30 September 2024		56
Item 72	Organisational Strategic Risk Register update		61
Item 73	Outstanding debtors report		69
Item 74	Update on network redundancy options		72

Public excluded		Take matatapu	
Item 75	Resolution to exclude the public for Item PE6: Ōtorohanga Kiwi House		76

Closing formalities**Ngā tikanga whakakapi**

Meeting closure

Katinga o te hui

78

Workshops**Hui awheawhe**

Quarterly discussion with the Chief Executive

Public excluded

This Open Agenda was prepared by Manager Governance, Kaia King and approved for distribution by Chief Advisor, Ross McNeil on 15 October 2024.

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 12 June 2024 (document number 752286).

OPEN MINUTES



Risk and Assurance Committee

Te Komiti Mōrearea me te Whakaū

Open Minutes of an ordinary meeting of the Risk and Assurance Committee held in Waikōwhitiwhiti (Council Chamber), Ōtorohanga District Council, 17 Maniapoto Street, Ōtorohanga on Wednesday, 12 June 2024 commencing at 10.00am.

Tanya Winter, Chief Executive

14 June 2024

Register of attendance

Independent Chairperson	Peter Stubbs	Attended
Deputy Chairperson	Kit Jeffries	Attended
Ōtorohanga District Mayor	Max Baxter	Attended
Councillor	Steve Hughes	Apology
Councillor	Cathy Prendergast	Attended

Quorum

A majority of members (including any vacancies).

Senior staff in attendance

Chief Executive	Tanya Winter	Attended
Group Manager Business Enablement	Graham Bunn	Apology
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

ORDER OF BUSINESS

OPENING FORMALITIES

Commencement of meeting Te tīmatanga o te hui	4
Apologies Ngā hōnea	4
Late items Ngā take tōmuri	4
Declaration of conflict of interest Te whakapuakanga pānga taharua	4
Confirmation of minutes Te whakaū i ngā meneti - (20 March 2024)	4

DECISION REPORTS | NGĀ PŪRONGO WHAKATAU

Item 52: Response to letter of expectation from Taumata Arowai in relation to the Arohena Rural Water Scheme	4
Item 53: Annual Report engagement letter and Audit plan	5
Item 54: Fair value vs carrying value assessment	6

INFORMATION ONLY REPORTS | NGĀ PŪRONGO MŌHIOHIO ANAKE

Item 55: Health, Safety and Wellbeing quarterly report	7
Item 56: Building Consent Authority International Accreditation New Zealand audit update	7
Item 57: Key information services, risks and current strategic improvements	8
Item 58: Capital projects report for the month ending 31 May 2024	8
Item 59: Fixed asset 'addition and disposal process' update	9
Item 60: Ōtorohanga climate change response plan – proposed corporate action plan	9
Item 61: Outstanding management letter points from 2022/23 Annual Report	9
Item 62: Outstanding debtors report	10

PUBLIC EXCLUDED | TAKE MATATAPU

Item 64: Resolution to exclude the public for Item PE5: Ōtorohanga Kiwi House loan update	10
---	----

INFORMATION ONLY REPORTS | NGĀ PŪRONGO MŌHIOHIO ANAKE

Item 63: Insurance renewal and insurance update	11
---	----

CLOSING FORMALITIES

Meeting closure Katinga o te hui	12
--	----

WORKSHOPS | HUI AWHEAWHE

Public liability for events

Open

Quarterly discussion with the Chief Executive

Public excluded

OPENING FORMALITIES**Commencement of meeting | Te tīmatanga o te hui**

Chairperson Stubbs declared the meeting open at 10.00am.

Apologies | Ngā hōnea

Resolved R59: That the Risk and Assurance Committee receive and accept the apology from Councillor Steve Hughes for non-attendance.

Chairperson Stubbs | Councillor Prendergast

Late items | Ngā take tōmuri

There were no late items.

Declaration of conflict of interest | Te whakapuakanga pānga taharua

There were no declarations made. Councillor Prendergast noted she was a member of the Arohena Water Scheme but did not have a conflict in relation to the matter on the agenda.

Confirmation of minutes | Te whakaū i ngā meneti

Resolved R60: That the unconfirmed open minutes of the Risk and Assurance Committee meetings held on 20 March 2024, having been circulated, be taken as read and confirmed as a true and correct record of that meeting.

Chairperson Stubbs | His Worship the Mayor

DECISION REPORTS | NGĀ PŪRONGO WHAKATAU**Item 52: Response to letter of expectation from Taumata Arowai in relation to the Arohena Rural Water Scheme**

ODC's Mark Lewis noted the report was to clarify ŌDC's response to the letter and was not to make any decision on the future of the water schemes. In response to a query from Chairperson Stubbs on the boil

water notice and the intention to shut down the drinking water component of the scheme, Mr Lewis advised the boil water notice was a short term measure while the future of the scheme was determined.

In response to a query from Deputy Chairperson Jeffries, Mr Lewis confirmed a property owner declaration would be sought to confirm that households would no longer consume the water. He stated that not classifying as drinking water meant the scheme would require the disclaimers as is the case with all other non-potable water supplies in New Zealand.

In response to a second query regarding clause 4.12 of the staff report, Mr Lewis stated the matters to be resolved to comply as a drinking water supply included securing appropriate land within the vicinity of the plant for the settling pond, upgrading the power supply which was an estimated cost of \$100k.

In response to a query on clause 5.5, Mr Lewis stated the boil water notice was imposed by the Ministry of Health and ŌDC were legally obliged to comply with that direction.

Resolved R61: That the Risk and Assurance Committee recommend to Ōtorohanga District Council that:

- a the Arohena Rural Water Scheme (comprising of three separate water supplies: Huirimu, Kahorekau and Taupaki) remain under permanent Boil Water Notices.
- b staff use Section 131 of Local Government Act to initiate a process that would close down the Arohena Drinking Water Scheme and enable the three supplies to continue as non-drinking water supplies.

Chairperson Stubbs | Deputy Chairperson Jeffries

Item 53: Annual Report engagement letter and Audit plan

ŌDC's Auditors, Deloitte's Matt Laing and Ben McLeod, joined the meeting via Zoom.

Mr Laing advised a qualification would be included in Deloitte's Long Term Plan (LTP) Audit report. The qualification is due to a significant revenue deficit as a consequence of the change in funding from the New Zealand Transport Agency (NZTA) compared to what has been budgeted in the LTP. The details are still to be confirmed as Deloitte were discussing with the Department of Internal Affairs on what the qualification might look like. Chairperson Stubbs noted the qualification wording should reflect that the very late notification of the decision of the reduction in funding from NZTA was the cause of the qualification and should not be a reflection on ŌDC's planning or decision-making.

Mr Laing advised revaluations remained a focal point for the 2024 audit review. He noted the category 'land and buildings' were due for revaluation but there was no expectation of any changes out of the ordinary arising from those revaluations. ŌDC's Brendan O'Callaghan also confirmed that the Audit plan was as expected and noted the interim visit by Auditors the previous week had been undertaken. Staff were awaiting feedback, but no issues had been flagged during the review whilst Deloitte staff were onsite.

In response to a query from Chairperson Stubbs, Mr O'Callaghan advised there were no material differences between the proposed Audit plan and the work undertaken in the 2023 Audit. He noted the nature of the revaluation of Land and Buildings was different with an independent valuer being used as ŌDC did not have in-house expertise to undertake the revaluation as there were components, such as sales

data analysis, for which Council has no in-house expertise. He noted that by using an independent valuer, no peer review was required.

In response to a query from Chairperson Stubbs, Mr Laing commented on the inclusion of Council's climate change response noting the impacts of climate change may affect the performance and useful lives of assets. He noted an example was the size of culverts to cope with the increasing frequency and volume of storm events.

Chairperson Stubbs referred to page 53 of the agenda, Prior year unadjusted differences, and queried if the \$45,000 was actually charged. Mr O'Callaghan advised he would need to obtain that information and undertook to provide via email to the Committee.

In response to a query from Chairperson Stubbs, Mr Laing noted Deloitte try to make the audit process as efficient as possible. He acknowledged there had been a significant shift in audit requirements from the Office of the Auditor General over time.

Resolved R62: That the Risk & Assurance Committee:

- a Authorise His Worship the Mayor to sign the Engagement Letter for the audit of the 2023/24 Annual Report.
- b Receive the audit plan for the audit of the 2023/24 Annual Report as presented by Deloitte.

Chairperson Stubbs | Deputy Chairperson Jeffries

Item 54: Fair value vs carrying value assessment

In response to an email query from Deputy Chairperson Jeffries, ODC's Brendan O'Callaghan (Manager Finance) advised the roading asset adjusters were provided by the New Zealand Transport Agency (NZTA) based off Statistics New Zealand information. He noted that the highest rates of cost increases had already peaked resulting in the current 'tailing off' of cost increases for roading assets.

In response to a query from Chairperson Stubbs, Mr O'Callaghan advised the percentage of funding of depreciation was amended to align with the proportion of roading funding by Council. The depreciation covered all roading assets including street signs, marking etc.

Resolved R63: That the Risk & Assurance Committee agree that the carrying values of the Ōtorohanga District Council's Roading and 3 Water Infrastructure assets are not materially different from the fair value of those assets.

Chairperson Stubbs | Councillor Prendergast

INFORMATION ONLY REPORTS | NGĀ PŪRONGO MŌHIOHIO ANAKE

Item 55: Health, Safety and Wellbeing quarterly report

ŌDC's Noah Lockett-Turton (Manager People & Capability) noted the near miss incidents were higher than previous years but advised this was due to an awareness of staff to report incidents rather than an increase in safety issues.

In response to a query from Chairperson Stubbs, Mr Lockett-Turton advised the priority was to focus on the induction of the new People & Capability Advisor prior to a review of health and safety key performance indicators (KPIs). He advised that staff could prepare the draft KPIs for consideration at the Committee's next meeting in September 2024.

In response to a query from Deputy Chairperson Jeffries, Mr Lockett-Turton advised the hazard identified by staff at Memorial Park was in relation to the removal of bollards for the ANZAC parade to enter the Park. The removal of the bollards left a metal hole in the ground. The agreed solution was to put matting over the holes which would provide better footing and highlight the area of concern.

Resolved R64: That the Risk and Assurance Committee receive the report 'Health, Safety and Wellbeing quarterly report' (document number 761121) from Noah Lockett-Turner, Manager People & Capability.

Chairperson Stubbs | His Worship the Mayor

Item 56: Building Consent Authority International Accreditation New Zealand audit update

In response to a query from Chairperson Stubbs, ŌDC's Phil Saunders (Manager Building Control) advised staff had a focus on process improvements and were confident that ŌDC is well prepared for the August 2024 review. ŌDC's Tony Quickfall endorsed the sentiment and noted a project steering group had been created to put discipline around process adoption by staff and to set key performance indicators for delivery. Mr Quickfall spoke to the IANZ audit process and the feedback from the Waikato Building Cluster to the Ministry of Business, Innovation and Employment around concerns about the quality of the audit and training of the auditors.

In response to a query from Deputy Chairperson Jeffries, Mr Quickfall advised a business case was being developed to assess a shared service for building services across Waipā, Ōtorohanga and Waitomo District Councils. Once prepared, the business case would be presented for Chief Executive review prior to consideration by the three councils.

Resolved R65: That the Risk and Assurance Committee receive the report 'Building Consent Authority International Accreditation New Zealand audit update' (document number 760043) from Phil Saunders, Manager Building Control.

Deputy Chairperson Jeffries | Councillor Prendergast

Item 57: Key information services, risks and current strategic improvements

In response to a query from Chairperson Stubbs, ŌDC's Billy Michels (Manager Information Services) advised the only option for an enhanced network connection and redundancy for Council offices was to establish a Starlink connection. He noted this had recently been installed for the Kāwhia Community Hall. Mr Michels spoke on the recent civil defence emergency management staff exercise where the main WIFI network became overloaded. A Starlink connection would alleviate this issue.

Chairperson Stubbs congratulated Mr Michels on winning the most improved cyber security award from the Association of Local Government Information Management.

Mr Michels advised the significant focus for the next financial year was the document and information management system which had been in use for a number of years but was not well used by staff. He noted this was due to a variety of reasons, such as limitations in search functionality. The team would improve functionality, amend the file structure for relevancy, and set policies and guidelines before undertaking staff training.

Resolved R66: That the Risk and Assurance Committee receive the report 'Key information services, risks and current strategic improvements' (document number 760253) from Billy Michels, Manager Information Services.

Chairperson Stubbs | Councillor Prendergast

Item 58: Capital projects report for the month ending 31 May 2024

ŌDC's Robbie Whiteman (Manager Projects) spoke to the staff report. Chairperson Stubbs thanked staff for making the requested changes to the executive summary portion and noted the good result for capital project delivery overall. ŌDC's Mark Lewis noted the final year's figures would be available for the Committee's next meeting noting the one project currently offtrack was a timing issue and was being actively managed by staff. Mr Lewis noted a mistake in the staff report appendix but advised it did not change the context of the report.

Resolved R67: That the Risk and Assurance Committee receive the report titled 'Capital Projects Report for the Month Ending 31 May 2024' (document number 743584) from Mark Lewis, Group Manager Engineering and Assets.

Chairperson Stubbs | Councillor Prendergast

Item 59: Fixed asset ‘addition and disposal process’ update

ŌDC’s Brendan O’Callaghan (Manager Finance) spoke to the staff report noting the work undertaken by the Assets team to streamline processes.

Resolved R68: That the Risk & Assurance Committee receive the report titled ‘Fixed Asset Addition and Disposal Process Update’ (document number 761097) from Brendan O’Callaghan, Manager Finance.

Chairperson Stubbs | Deputy Chairperson Jeffries

Item 60: Ōtorohanga climate change response plan – proposed corporate action plan

ŌDC’s Ross McNeil spoke to the staff report noting it was one part of the Climate Change Response Plan Framework (the Framework) previously endorsed by the Committee. He noted the other part was an externally focused program. He advised some of the Framework elements in this part were also consistent with the community focused portion. He noted there were no current statutory requirements for ŌDC to report or meet targets in relation to climate change but advised the Framework sought to address any new statutory requirements arising from policy changes under the new coalition Government.

In response to a query from Chairperson Stubbs, Mr McNeil confirmed the 2027 timing indicated completion of the 2027-37 Long Term and supporting documents such as asset management plans. He commented on emission reduction and a commonsense approach to cost savings, particularly for energy use. He talked about helping the community build their own resilience (part two of the Framework) as well as the increased resilience needed for infrastructure due to more frequent and extreme weather events.

Resolved R69: That the Risk and Assurance Committee endorse the Draft Ōtorohanga Climate Change Response Plan – Ōtorohanga District Council Organisation Targets and Actions (document number 760999).

Chairperson Stubbs | His Worship the Mayor

The meeting adjourned for a short break at 11.18am and recommenced at 11.28am.

Item 61: Outstanding management letter points from 2022/23 Annual Report

In response to a query from Chairperson Stubbs, ŌDC’s Brendan O’Callaghan (Manager Finance) advised the vacant Business Improvement Analyst position had been filled and the compliance with legislative requirements was part of the newly created prioritised action list. Chairperson Stubbs indicated his

support for ŌDC's management to provide stronger responses to the Audit management letter and for staff to take a critical look at the Audit observations and recommendations.

Resolved R70: That the Risk and Assurance Committee receive the report 'Outstanding Management Letter Points from 2022/23 Annual Report' (document number 761122) from Brendan O'Callaghan, Manager Finance.

Chairperson Stubbs | Deputy Chairperson Jeffries

Item 62: Outstanding debtors report

ŌDC's Brendan O'Callaghan (Manager Finance) noted following the last meeting, staff had investigated the use of the Disputes Tribunal, but their website specifically stated that the process could not be used for rates collection. He advised that further properties had been identified for possible rating sales, but they were currently being investigated to determine the options available, with sale being a last resort.

In response to a query from Chairperson Stubbs, Mr O'Callaghan noted the increase in debtors over 90 days was due to the water billing and subsequent due date at the end of April. ŌDC's Theresa Goulding (Rates Officer) advised ŌDC had changed the debt management collection service to DMC (Debt Management Central) who are owned by the Manawatu-Whanganui Local Authority Shared Service.

Resolved R71: That the Risk & Assurance Committee receive the report titled 'Outstanding Debtors Report' (document number 742781) from Brendan O'Callaghan, Manager Finance.

Chairperson Stubbs | His Worship the Mayor

PUBLIC EXCLUDED | TAKE MATATAPU

Item 64: Resolution to exclude the public for Item PE5: Ōtorohanga Kiwi House loan update

Resolved R72: That the Risk and Assurance Committee exclude the public from the following parts of the proceedings of this meeting confirming:

- a This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act where a risk of prejudice is minimised by the holding of the whole or the relevant part of the proceedings of the meeting in public; and,
- b The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter and the specific grounds for the passing of this resolution are as follows:

General subject of each matter to be considered	Ground(s) under section 48(1) for the passing of this resolution	Interest
Item PE5: Ōtorohanga Kiwi House loan update	Section 9(2)(b)(ii)	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;
Chairperson Stubbs Deputy Chairperson Jeffries		

The public were excluded from the meeting at 11.39am and were re-admitted at 11.48am. The meeting was adjourned at 11.49am as the presenter from Aon Insurance was not available until 1pm (Item 63).

WORKSHOPS | HUI AWHEAWHE

Public liability for events

ODC's Nardia Gower and Nicky Deeley (Manager Community Wellbeing & Development) spoke to a PowerPoint presentation.

His Worship the Mayor left for a media interview at 12.12pm.

The meeting adjourned for the lunch break at 12.23pm and recommenced at 12.48pm. His Worship the Mayor was in attendance following the lunch break.

INFORMATION ONLY REPORTS | NGĀ PŪRONGO MŌHIOHIO ANAKE

Item 63: Insurance renewal and insurance update

ODC's Ross McNeil presented the report in author Graham Bunn's absence. He noted the majority of cover is in place until October 2024 and a process was underway to obtain cover for 24/25. He advised the public liability and professional indemnity quotes were yet to be received.

Resolved R73: That the Risk and Assurance Committee receive the report titled 'Insurance renewal and insurance update' (document number 759815) from Graham Bunn, Group Manager Business Enablement.

Chairperson Stubbs | His Worship the Mayor

Matthew Wilson from ODC's Insurer Broker Aon spoke to a PowerPoint presentation on the insurance market via Zoom.

CLOSING FORMALITIES

Meeting closure | Katinga o te hui

Chairperson Stubbs declared the meeting closed at 1.31pm.

WORKSHOPS | HUI AWHEAWHE

Quarterly discussion with the Chief Executive.

Public excluded

The meeting day concluded at 2.35pm.

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 64 Meeting dates for 2025

To Risk and Assurance Committee

From Kaia King, Manager Governance

Type **DECISION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

1.1. To confirm the meeting dates of the Risk and Assurance Committee for 2025 to the end of the current Triennium.

2. Executive summary | Whakarāpopoto matua

- 2.1. Ōtorohanga District Council (ŌDC) must hold meetings for the good governance of the Ōtorohanga District. Every meeting of ŌDC and its committees must be open to the public. Meetings must be called and conducted in accordance with legislation.
- 2.2. The triennial Local Government elections will be held in October 2025. The Committee will have two meetings before this date.
- 2.3. Ōtorohanga District Council may decide prior to the election to authorise the Committee to continue until the swearing in of elected members is completed following the election. This decision may be made to enable the Annual Report process (or any other urgent business specific to the Committee) to continue during the election period.
- 2.4. Following the election, a decision will be made on the Ōtorohanga District Council committee structure and staff will be recommending all dates for the 2025-28 Triennium be confirmed at its first meeting in November 2025. This will include the Risk and Assurance Committee if retained.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee adopt the following meeting schedule for 2025 to provide the Ōtorohanga District community certainty of the timing to engage and provide input into the matters contained in the agendas:

- 19 March 2025
- 09 June 2025

4. Context

- 4.1. The Chief Executive must give notice in writing to each member of the local authority of the date, time, and place of any meeting. Notice must be given at least 14 days before the meeting unless ŌDC has adopted a schedule of meetings, in which case notice must be given at least 14 days before the first meeting on the schedule.
- 4.2. Where ŌDC adopts a meeting schedule it may cover any period considered appropriate and may be amended. Notification of the schedule, or an amendment, will constitute notification to members of every meeting on the schedule or the amendment.
- 4.3. The Chairperson of a scheduled meeting may cancel the meeting if, in consultation with the Chief Executive, they consider this is necessary for reasons that include lack of business, lack of quorum or clash with another event.

5. Considerations | Ngā whai whakaarotanga

Significance and engagement

- 5.1. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matters in this report have a low level of significance.

Impacts on Maori

- 5.2. There are no specific impacts on Māori other than the general impacts identified elsewhere in the report.

Risk analysis

- 5.3. There are no known significant risks associated with the decisions required for this matter.

Policy and plans

- 5.4. There are no known ŌDC policy requirements on this matter.

Legal

- 5.5. Schedule 6, clause 19(6) of the Local Government Act 2002 states 'where the local authority adopts a meeting schedule it may cover any period that the council considers appropriate and may be amended'.

Financial

- 5.6. The cost of ŌDC's governance structure is provided for in existing budgets.

6. Discussion | He kōrerorero

Option 1: Adopt the proposed meeting dates

- 6.1. This option is consistent with the standard approach within New Zealand local government and provides both elected members and members of the public with confirmation of dates.

Option 2: Do not adopt the proposed dates

- 6.2. To not adopt a meeting schedule provides a monthly administrative burden to send the notification and may cause members of the public to be unaware of any specific meeting if they miss the public notice in the newspaper.

Recommended option and rationale

- 6.3. To adopt the 2025 meeting schedule for the Committee to allow staff to make the appropriate arrangements and provides certainty for the Ōtorohanga community.
-

Item 65 Risk and Assurance Committee 2024/25 Workplan

To Risk and Assurance Committee

From Graham Bunn, Group Manager Business Enablement

Type **DECISION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

1.1. To propose a workplan for the 2024/25 year that will see the work of the Risk and Assurance Committee spread across its quarterly meetings in a planned and balanced manner.

2. Executive summary | Whakarāpopoto matua

2.1. For many items on the workplan the timing is effectively fixed by external accountability cycles, such as for the Annual Report. For others there is greater flexibility and where that is the case the focus has been on ensuring a balance in the workload of the Committee.

2.2. The draft Risk and Assurance Committee 2024/25 Workplan accompanies this report (Appendix 1).

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee approve the 'Risk and Assurance Committee Workplan 2024/25'.

4. Context | Horopaki

4.1. It is important the work of the Risk and Assurance Committee is across its meetings in a planned and balanced manner.

4.2. This will ensure any item that has a timing which is effectively fixed by external accountability cycles is considered at the appropriate time, while other items for which timing is more flexible, are able to be prioritised and spread across the meetings of the Committee in a planned and co-ordinated way.

4.3. Essentially the approach suggested continues the approach of prior years. The Committee will continue to regularly consider items across the programme consisting of:

- Risk Management update and quarterly risk report including emerging risks
- Quarterly Health and Safety Risk update
- Updates on the progress and risks related to the delivery of the capital works programme
- Updates on progress with outstanding Audit Management Letter points

- Input into various policies and strategies as relevant
- Update on Outstanding Debtors.

4.4. A relatively informal session is also planned where the Chief Executive will engage with the Committee on risk matters.

5. Appendices | Ngā āpitihanga

Number	Title	Document number
1	Risk and Assurance Committee 2024/25 Workplan	778401

Risk and Assurance Committee Workplan for 2024/25

Work Stream	Oct-24	Dec-24	Mar-25	Jun-25	Oct-25
Risk Management					
Annual refresh of 'Top Risks' and Risk Appetite Statements				✓	
Risk management update and quarterly risk report	✓	✓	✓	✓	✓
Health and Safety	✓	✓	✓	✓	✓
Legal Risk				✓	
Capital works delivery update/ risks	✓	✓	✓	✓	✓
CE risk discussion	✓	✓	✓	✓	✓
Policy/ strategy input					
Review and input into various policies and strategies	✓	✓	✓	✓	✓
Key financial risks - Insurance					
Insurance Renewal Update				✓	
External audit and external accountability					
Annual Plan 2025-26 Update - assumptions - risks - controls			✓	✓	
Long Term Plan 2027-37 - assumptions - risks - controls					✓
Audit Arrangements Letter				✓	
Annual Report - review of accounting policies - key accounting estimates - update on asset revaluation results				✓	
Annual Report - recommendation that Council adopt the Annual Report	✓				✓
Annual Report - Deloitte Management Report	✓				✓
Outstanding Management Report matters	✓	✓	✓	✓	✓
Outstanding Debtors Report	✓	✓	✓	✓	✓
Other					
Determine Risk and Assurance Workplan	✓		✓		
Review of performance and effectiveness of the Risk and Assurance Committee		✓			

Item 66 Insurance renewal update

To Risk and Assurance Committee

From Brendan O’Callaghan, Manager Finance

Type **INFORMATION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

1.1. To provide the Risk and Assurance Committee with an update on insurance renewal proceedings.

2. Executive summary | Whakarāpopoto matua

2.1. Since the last insurance update given to the Committee, some additional issues have been raised by our Broker. This report provides an update on those issues and the result of the changes made.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk & Assurance Committee receive the report titled ‘Insurance Renewal Update’ (document number 785608) from Brendan O’Callaghan, Manager Finance

4. Discussion | He kōrerorero

4.1. At the June 2024 meeting, an update on the insurance renewal process was provided. Since that report, a number of items associated with insurance have occurred.

Public Liability and Professional Indemnity

4.2. One of the items discussed was around the Public Liability and Professional Indemnity cover, as Marsh (who previously provided this cover), were not able to provide this going forward. At the time of the meeting Aon was looking into the ability to provide this cover for us instead.

4.3. Aon was able to provide this cover for a period of 16 months, from 1 July 2024 (when the previous policy expired) to 1 November 2025, which aligns with the renewal date for all of Council’s other insurance policies. The pricing came in at not much more than what was previously being paid, which was a positive result given the potential for substantial increases.

Infrastructure Insurance

4.4. In early August, staff had a meeting with Aon around the Infrastructure Insurance policy. The purpose of the meeting was to have a discussion around policy and sub-limits within the policy. Aon had a similar meeting with all members of the Co-Lab insurance collective around the same issue.

- 4.5. The suggestion from Aon was that given that the value of our assets has risen substantially over the last few years, there is a need to increase both the total programme limit for the insurance for the entire collective, as well as our own individual sub-limit.
 - 4.6. In the current year, Council's sub-limit is \$12.5m, which it has been for a number of years. The value of assets covered by the policy, as Aon pointed out, has doubled since 2018 from \$41m to \$83m.
 - 4.7. The sub-limit represents the maximum amount that Council could claim for any one event under the policy, so it is important that this is sufficient to be beneficial in the event of needing to claim, but not so big that it is more than we are likely to need.
 - 4.8. At the time of the meeting, Aon was wanting some guidance from each of the councils as to what they would like to do with their sub-limits, and they would take this to the market in London and provide the option as to what the impact would be for us to make a decision about whether to adjust the sub-limit or not. There was no ability to do multiple options, just one option or the status quo.
 - 4.9. Staff decided that doubling the sub-limit to \$25m was a prudent decision to make. While the total value covered is \$83m, the spread out nature of the assets throughout the district means that the likelihood of needing to claim for all the assets in the district as part of one event is quite low. Given the bulk of the risk is associated with Ōtorohanga township, where the bulk of the assets would be, \$25m seems like a reasonable sub-limit to have in place.
 - 4.10. As at the time of writing this report, staff are waiting for Aon to come back with the potential impact on premiums of making this change. A verbal update will be provided at the meeting of the outcome of any correspondence received.
-

Item 67 Land and Buildings valuation adoption

To Risk and Assurance Committee

From Brendan O’Callaghan, Manager Finance

Type **DECISION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

1.1. To adopt the Land and Buildings Revaluation.

2. Executive summary | Whakarāpopoto matua

2.1. This report provides the final valuation report for the Land and Buildings assets for review and adoption.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee adopts the Quotable Value Limited (QV) land and building valuation report (document number 785734) included as Appendix 1 of the staff report.

4. Context | Horopaki

- 4.1. Ōtorohanga District Council (Council) undertook a revaluation of the Land and Building assets as part of the year-end processes. This revaluation was undertaken during June to August 2024, valuing the assets as at 30 June 2024.
- 4.2. Quotable Value (QV) was engaged to undertake the valuation on behalf of Council.
- 4.3. Deloitte has undertaken an audit of the revaluation done and is satisfied with the final results of the valuations.
- 4.4. Council classifies land and building assets into two categories, Operational and Restricted.
 - a) Operational are those land and buildings where Council has a range of options for both the usage and the ability to dispose of or lease these assets. These includes things like the Council offices, library building, some community halls, depots etc.
 - b) Restricted land and buildings are those that, as the name suggests, have some restrictions on them, either through the nature of the assets, or through legislation. Some examples of restricted assets include cemeteries, parks and reserves, the closed landfills and public conveniences.

4.5. Within the information provided by QV as part of the valuation, buildings are further broken down into their component parts. These are:

- Structure
- Roof
- Services
- Plant
- Internal fitout.

4.6. Each component is valued separately, and the useful lives for each component are also identified. This information is used for informing depreciation calculations going forward.

4.7. Overall, the value in the land and building assets is \$39,879,000, which is an increase of 17.7% or \$6,009,000 from the 30 June 2021 valuation. The breakdown into the different classes of assets is in the table below.

Asset Class	30 June 2021 ODRC	30 June 2024 ODRC	\$ movement	% movement
Operational Land	\$10,716,000	\$11,443,000	\$727,000	6.8%
Operational Buildings	\$6,256,000	\$10,536,000	\$4,280,000	68.4%
Restricted Land	\$10,178,000	\$9,255,000	(\$923,000)	(9.1%)
Restricted Buildings	\$6,720,000	\$8,645,000	\$1,925,000	28.6%

4.8. The larger percentage movement in the Operational Buildings is partially due to the significant capital spend on operational buildings between the valuations. This is largely a result of the spending on the Council office building, as well as the purchase of the properties at 88 Maniapoto Street and 17 Lawrence Street.

4.9. The negative movement in restricted land is reasonable, given the restrictions usually in place on this land, as well as the fact that the prior valuation was done while the property market was at a higher place in the property cycle.

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 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

6.1. Given the significant value of these assets, and the impact of this revaluation on the balance sheet of the Council, there is a requirement for recording that these values have been accepted by the Council. Our delegation policy does not allow for this acceptance to be delegated to staff, so it is up to the Committee to accept.

Option 1: Adopt the asset valuations

6.2. This decision means that the figures underlying this report will inform Council’s fixed asset register and become the values of our assets as at 30 June 2024. This means the land and building asset values will be adjusted to reflect the new valuation figures.

Option 2: Do not adopt the asset valuations

6.3. This will mean that Council will need to undertake further investigations themselves before they would be able to adopt these revaluations.

Option 3: Adopt some of the valuations

6.4. This option would involve adopting some of the valuations, but not adopting others, such as adopting the land valuation but requiring Council staff to do further work on the buildings valuations. This may lead to additional work by both Council staff and Deloitte in terms of auditing this change.

Recommended option and rationale

6.5. The recommended option is Option 1, adopt the asset valuations. This is the best option in terms of the amount of work involved and accurately reflecting the values of Councils fixed assets.

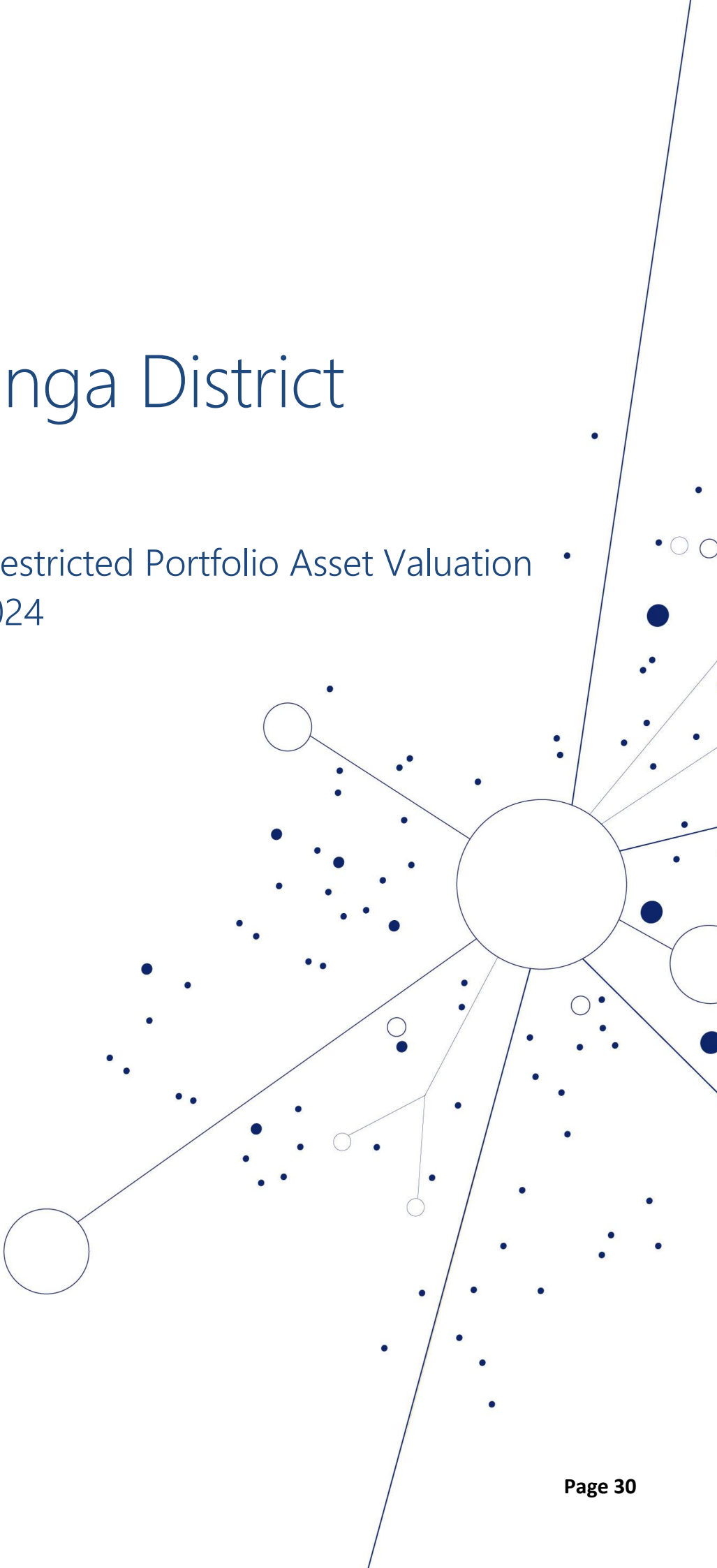
7. Appendices | Ngā apitihanga

Number	Title	Document number
1	Quotable Value Limited (QV) valuation report	785734

Otorohanga District Council

Operational & Restricted Portfolio Asset Valuation
As at 30 June 2024

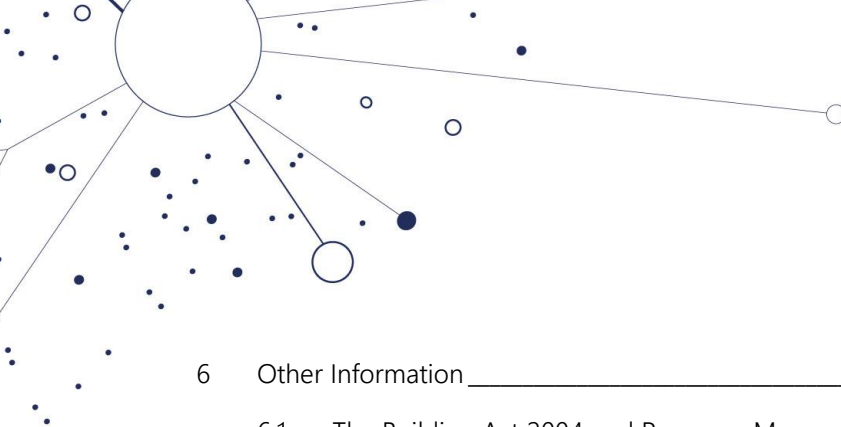
Issued 06-09-2024





Contents

1	Executive Summary	4
1.1	Summary of Portfolio Values	4
1.2	Date of Valuations	5
1.3	Date of Inspections	5
2	Basis of Valuation	6
2.1	Purpose of Valuation	6
2.2	Fair Value "Highest and Best Use"	6
2.3	Highest and Best Use	6
3	Valuation Methodology	7
4	Building Valuation	8
4.1	Data and Assumptions	8
4.2	Data Verification	8
4.3	Building Valuation Process	9
4.3.1	Replacement Cost Approach: (Specialised Assets)	9
4.3.2	Componentisation	9
4.3.3	Adopted Lives	9
4.3.4	Residual Lives	10
4.3.5	Depreciation Method	10
4.3.6	Fair Market Value	10
4.3.7	Optimisation	10
4.3.8	Property Description	10
4.4	Site Improvements (Other Improvements)	11
5	Land Valuation	12
5.1	Data and Assumptions	12
5.2	Data Verification	12
5.3	Land Valuation Process	12



6	Other Information	13
6.1	The Building Act 2004 and Resource Management Act 1991	13
6.2	Computer Register	13
6.3	Tax	13
6.4	Treaty of Waitangi	13
6.5	Engineering Survey	13
6.6	Environmental Factors	13
6.7	Instructions	13
6.8	Personnel Involved	14
6.9	Independence Statement	14
Appendix 1	Otorohanga District Council Land and Buildings Valuation Schedule as at 30 June 2024	15



1 Executive Summary

1.1 Summary of Portfolio Values

Quotable Value Limited (QV) has undertaken Market valuations of the land and buildings for the Otorohanga District Council (ODC) operational and restricted property portfolio.

The valuations have been completed in compliance with:

- Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) and in particular PBE IPSAS 17 – Property, Plant and Equipment.

In addition to the Accounting Standards detailed above, the report is completed in accordance with:

- International Valuation Standards effective 31 January 2022 and with reference to:
 - IVS 101 Scope of Works
 - IVS 102 Investigations and Compliance
 - IVS 103 Reporting
 - IVS 104 Bases of Value
 - IVS 105 Valuation Approaches and Methods
 - IVS 400 Real Property Interests
- Australia and New Zealand (ANZ) Valuation and Property Standards effective 1 July 2021 and in particular NZVGP502 - Valuations of Real Property, Plant & Equipment for use in New Zealand Financial Reports.
- The International Infrastructure Management and New Zealand Asset Management Support Manuals.

QV has complied with these requirements and departures for these standards occur only where listed below:

- Not all persons completing the valuation have signed the report; however section 6.8 lists all personnel involved.
- Each asset is identified in the attached schedules; however, descriptive details of each asset are not stated in this report. These can be provided by QV if required.
- Key inputs and supporting information has not been provided in the report due to the size of the portfolio, however this information is held on file by QV.
- Individual land titles have not been searched for each individual property, we have relied on legal information provided by the council and questioned assets where required.
- The entire portfolio has not been inspected. Building assets with a fair value greater than \$50,000 as at 1 July 2021, and new assets or those with significant works have been inspected. Land assets have been inspected to a level necessary to verify the asset register.



- The market value of the properties as a portfolio or assembled group of properties could be greater or less than the sum of the Market Values of the assets.

The Total Value for the Otorohanga District Council Operational and Restricted Property Portfolio as at 30 June 2024 is reported at:

Portfolio	Improvement Value	Land Value	Total Value
Total	\$23,860,500	\$20,698,100	\$44,558,600

Please refer to the valuation schedule for individual valuations.

1.2 Date of Valuations

The valuations have an as at date of 30 June 2024.

1.3 Date of Inspections

QV conducted inspections on a selection of the Otorohanga District Council operational land and buildings during the month of August 2024.

2 Basis of Valuation

2.1 Purpose of Valuation

QV has been engaged to undertake valuations for financial reporting purposes on the operational and restricted land and buildings of the Otorohanga District Council's property portfolio.

The Otorohanga District Council properties held within the "Property Register" consists largely of pensioner housing, community halls, operational / miscellaneous buildings and public toilets, together with vacant land comprising predominantly closed road and reserves within the Otorohanga District.

The properties that have been included in the valuation include:

- Operational and restricted land and building assets

The properties that have been excluded from the valuation include:

- Any infrastructural/plant building assets.
- All non-building associated plant such as pool filtration plant and water and sewage treatment plant (unless specified).
- All reserves assets such as bollards, rubbish bins, seating and signage.

2.2 Fair Value "Highest and Best Use"

The values of the assets have been considered on a Fair Value basis in accordance with PBE IPSAS 17 under a highest and best use scenario.

"Fair Value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Other commonly used terms to describe fair value include "market value" and "open market value".

2.3 Highest and Best Use

Highest and Best Use is defined as the most probable use of the asset that is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value.

3 Valuation Methodology

In determining the Market Value for the properties included within the schedule, there are typically three approaches that can be employed to provide value parameters, namely the Direct Sales Comparison approach, Income Approach or in the situation where the asset is specialised and no market evidence exists the Optimised Depreciated Replacement approach.

The Direct Sales Comparison approach is an estimate of value based on a comparison of the asset to similar assets that have recently sold. Adjustments are made to allow for factors such as; age of sale, size, location, quality, condition, marketability, age, shape of site, access, contour, aspect and tenure.

The Income Approach is a market value based valuation approach. It reflects what a prudent investor would pay for an asset, given an expected return with consideration of the risks involved in the investment. There are two widely used income approaches, Capitalisation of Income and Discounted Cash Flow.

The Capitalisation of Income approach is the most widely used approach however the Discounted Cash Flow Approach is also used and is particularly used on property with an uneven income stream such as commercial and industrial properties. These approaches look at the relationship between the income of a property and its expected returns. Capitalisation rates and yields are assessed by comparing the subject property to similar properties that have recently sold with adjustments for factors taken into consideration for factors such as tenure, quality of construction, condition, size, lease terms, quality of tenant and security of income. The capitalisation rate must in essence reflect the rates of return actually being achieved for comparable investments in the market.

The Optimised Depreciated Replacement Cost approach is only used when the fair value of an asset cannot be determined by reference to the price in an active market for the same asset or a similar asset. Under these circumstances, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

The Optimised Depreciated Replacement Cost (ODRC) begins with assessing the replacement cost of the assets as at the date of valuation less an allowance for any physical and economic obsolescence to date and for any over-design. The balance of the replacement cost less all forms of obsolescence and over design represents the fair value of the asset.

The replacement cost rates are derived from construction contracts of like assets, reference to publications such as QV Costbuilder, recent costings obtained from construction details and New Zealand Property Institute cost information.



4 Building Valuation

4.1 Data and Assumptions

Kerbside inspections were undertaken for the majority of Council's property portfolio. No internal inspections have been undertaken for residential housing. Where internal access has not been gained we have relied on records held by Quotable Value Limited or provided by the Otorohanga District Council.

QV has relied upon ownership details provided by the Otorohanga District Council.

QV has access to the records held by Quotable Valued Ltd on all property within New Zealand. This information is maintained through Data Management contracts with individual Local Authorities throughout New Zealand. Where QV does not maintain the Council data, it has purchase contracts in place, which provide frequent information updates.

When there is any change to the nature of a property such as a building consent, sub-division, street address change or change of ownership, the Local Authority is notified by the actioning party. In the case of a change in ownership, the acting solicitor will notify the respective Local Authority. This in turn will be amended within Council records and forms part of the frequent updates made to the QV National Property Database. Therefore QV is confident that after checks on its National Property Database, that the property and ownership details are correct.

The valuer should be instructed if an estimate is required of the extra necessary costs (if any) that are required to comply with current regulations or codes, including those related to fire, access, structural strengthening and earthquake proofing.

We understand the Otorohanga District Council has not yet undertaken a review to establish what buildings, if any, may be prone to damage from earthquakes. We have not been made aware of any buildings which are considered earthquake prone and therefore we have not made any specific allowance in our building fair values. Should we be made aware of any buildings which are considered earthquake prone, we reserve the right to review and amend our valuation.

4.2 Data Verification

The base property register has been constructed from the 2021 valuation with the disposals and additions register provided by the Otorohanga District Council and accounted for as accurately as possible.

QV have relied on this information as providing correct ownership detail and have not undertaken individual certificate of title searches. Otorohanga District Council has verified ownership details where information has not been conclusive.

Buildings in the Otorohanga District Council's property portfolio with a 2021 improvement fair value over \$50,000 have been physically inspected with the construction noted. The effective age of the structures has been sourced from the records held by Quotable Value Limited where available otherwise based on the visual inspection.

4.3 Building Valuation Process

All buildings have been valued on either a fair market basis or replacement cost approach.

Where the fair value of an asset can be determined by reference to the price in an active market for the same asset or a similar asset, the fair value of the asset is determined using this information. Where fair value of the asset is not able to be reliably determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of the fair value.

QV have considered the highest and best use of the property when formulating which approach to undertake the building valuation with. Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.

4.3.1 Replacement Cost Approach: (Specialised Assets)

Replacement cost rates are derived from construction contracts of like assets, reference to publications such as QV Costbuilder, recent costings obtained from construction details and Property Institute of New Zealand's cost information.

4.3.2 Componentisation

QV has been requested by the client to adopt the level of componentisation determined below.

QV have complied with this in all circumstances except where the cost of a component or the lives do not differ materially to the entire value of the structure to warrant being componentised, in all these circumstances the building is reported as a structure only and will mostly be under \$50,000 in value.

QV has determined the level of componentisation by taking account of materiality, ease of identification and different lives. The components are summarised for financial reporting purposes as follows:

- Structure – substructure, frame, walls, upper floors, roof, window and doors.
- Roof – roof structure, linings and materials.
- Internal Fit-Out – wall ceiling and floor finishes, internal doors, fixtures and fittings and decoration.
- Services – plumbing, electrics, fire, lab services and lifts.
- Plant – heating, ventilation and air conditioning – does not include heat source i.e. Boiler.
- External Works/Other Improvements – parking, layout, fencing and any other improvement on the land outside the exterior face of the building – excludes planting.

4.3.3 Adopted Lives

Economic lives have been defined for all major buildings.

Generally, assets are replaced either at:

- The end of their physical life due to condition deteriorating such that the asset no longer provides the required level of service, or;

- Some point earlier when economics dictates the need to replace – where the asset ceases to be the lowest cost alternative to satisfy the adopted level of service.

The economic life is applied to assets for the purpose of establishing depreciation for reporting value by comparison with the life consumed at the time of the valuation.

4.3.4 *Residual Lives*

Residual lives have been defined for all properties.

By determining the effective age of the components within each property, this can be removed from the economic life of the improvements to establish the residual life remaining.

As structures near the end of their theoretical lives, minimum residual lives have been adopted to reflect the remaining base value still existing prior to any renovation or upgrading. This base minimum residual life has been set at five years.

4.3.5 *Depreciation Method*

Straight-line depreciation has been applied to all DRC valued assets to establish the depreciated replacement value.

Assets have been depreciated on a straight-line basis to determine DRC.

$$\text{Depreciated Value} = \text{Optimised Replacement Cost} \times \frac{\text{Remaining useful life}}{\text{Economic life}}$$

4.3.6 *Fair Market Value*

Residential dwellings and commercial properties have been valued in relation to market-based evidence.

Market rents and capitalisation rates were applied to reflect market value while considering the highest and best use alternatives.

Market based net rates were sourced from the analysis of recent sales. The analysed added value of the improvements is derived by the area of the asset.

4.3.7 *Optimisation*

Optimisation has been considered as part of the building valuation process when using depreciated replacement cost. Optimisation as a process is intended to define the most efficient set of assets, for the purpose of valuation, that deliver the required services to current customers.

It was considered that most current buildings in the property portfolio are fully utilised.

Optimisation is not considered under a market-derived assessment.

4.3.8 *Property Description*

Individual properties have not been identified and described separately due to the size of the portfolio, however QV can provide details if required.



4.4 Site Improvements (Other Improvements)

Site improvements or other improvements relating to the various land assets have been assessed on a fair market value basis where relevant. In the absence of conclusive market evidence, they have been valued by depreciated replacement cost approach. Items in this group of assets include fencing, landscaping, layout, paving and driveways.

Where market-based evidence exists, structures have been valued on a market basis in relation to market-based net rates per square metre.



5 Land Valuation

5.1 Data and Assumptions

The land valuations have been based on extensive local knowledge, the district rating records, the QV Mapping system and records held by Quotable Value Limited and its predecessor Valuation New Zealand.

We have assumed that all the land is held by Otorohanga District Council in freehold ownership as we have not been provided with any additional ground lease information.

All lessee's (non Otorohanga District Council) owned improvements have been excluded. We have determined ownership of the improvements from the information given and our past dealing with the properties if any.

If the land is held by a private party and Otorohanga District Council is the lessee then the lessee's interest is not recorded in the valuation and should be dealt with under PBE IPSAS 13 Leases.

5.2 Data Verification

The base property register has been constructed from an extract provided by Otorohanga District Council, matched against the 2021 valuation prepared.

QV have relied on this information as providing correct ownership detail and have not undertaken individual certificate of title searches. Otorohanga District Council has verified ownership details where information has not been conclusive.

5.3 Land Valuation Process

Land is valued as vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.

We have assumed an open market "willing buyer willing seller" scenario. This is effectively the price an informed purchaser would have to pay to acquire a similar property.

Where there is a designation held against the land, adjustments have been made to reflect that designation.



6 Other Information

6.1 The Building Act 2004 and Resource Management Act 1991

In assessing the valuations, QV has assumed that all properties comply with requirements of the Building Act 2004 and Resource Management Act 1991. If QV is made aware that any property does not comply with the above acts, we reserve the right to review that valuation.

6.2 Computer Register

It has been assumed that in all cases, computer registers or gazetted notices have been issued and all improvements are situated within the legal boundaries defined by the gazetted notices and computer registers.

6.3 Tax

Values are exclusive of Goods and Services Tax, where applicable, and no allowance has been made for any liability for taxation, registration charges or other costs that may arise on acquisition or disposal. Net market rates used in determining Dwelling values are on a GST inclusive basis.

6.4 Treaty of Waitangi

It is assumed that any implications arising from the Treaty of Waitangi will have no effect on the value of any of the properties detailed in this report.

6.5 Engineering Survey

QV specifically advises that no Land Information Memorandums have been obtained to reveal any contamination or instability problems. No engineering survey of the properties has been undertaken and QV assumes no responsibility in connection with such matters.

6.6 Environmental Factors

Potential environmental liabilities are not within the scope of this valuation, and QV assumes no responsibility in connection with such matters.

6.7 Instructions

On a regular basis QV carry out asset valuations for Local and Central Government, State Owned Enterprises and Corporate Clients. QV is competent in undertaking asset valuation work in accordance with both valuation and accounting standards.

QV are aware that the Auditors will be relying upon their specialist knowledge within this area and know of no reason why reliance should not be placed upon our valuations.



6.8 Personnel Involved

Land and Buildings Valuation:

Valuer	Qualifications	Involvement
Ashley Pont	Registered Valuer, BLPM, MPINZ	Valuation Analysis / Project Management / Report Preparation

6.9 Independence Statement

In completing this Asset Valuation, QV has no interest or relationship with any party that would impair its objectivity or independence.

Compliance Statement (International Valuation Standards):

- The statements of fact presented in the report are correct to the best of Valuer's knowledge;
- The analyses and conclusions are limited only by the reported assumptions and conditions;
- The Valuers have no interest in the subject properties;
- The Valuer's fee is not contingent upon any aspect of the report;
- The valuation was performed in accordance with an ethical code and performance standards;
- The Valuers have satisfied professional education requirements;
- The Valuers have experience in the location and category of the property being valued;
- The Valuers have made a personal inspection of the properties noted as inspected, and
- No one, except those specified in section 6.8, has provided professional assistance in preparing the report.

Thank you for the opportunity to provide valuation services.

Yours faithfully

Ashley Pont
Project Manager
On behalf of Quotable Value Limited



Appendix 1 Otorohanga District Council Land and Buildings Valuation Schedule as at 30 June 2024

Provided separately

Item 68 Annual Report: Recommendation on adoption

To Risk and Assurance Committee

From Brendan O’Callaghan, Manager Finance

Type **DECISION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

- 1.1. To make a recommendation from the Risk and Assurance Committee to Ōtorohanga District Council on the adoption of the 2023/24 Annual Report.

2. Executive summary | Whakarāpopoto matua

- 2.1. The Annual Report 2023/24 audit by Deloitte has been completed. This report gives the Risk and Assurance Committee the opportunity to review the report and recommend adoption to the Council.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee recommend to Ōtorohanga District Council that it adopt the 30 June 2024 Annual Report and authorise His Worship the Mayor, Max Baxter to sign the associated Representation Letter.

4. Context | Horopaki

- 4.1. The audit has now been completed, subject to final clearance processes, allowing Council to proceed with the adoption of the final 2023/24 Annual Report.

Annual Report Document

- 4.2. The Annual Report document attached as Appendix 1 is the latest draft document as at the time. As the audit is still being finalised, there may be additional changes which will be tabled at the meeting.

Fixed Asset Valuations

- 4.3. As discussed in the Land and Buildings Valuation report presented separately to the Committee as part of this meeting, the total movement in the land and building valuations was an uptick in the value of these assets of \$6,009,000 over the 30 June 2021 valuation.

New Accounting Standards

- 4.4. During the year there were no new accounting standards that Council was required to apply to this Annual Report document.

5. Discussion | He kōrerorero

- 5.1. Following discussions with Deloitte, no issues that have been identified by the Office of the Auditor General that require emphasis in the audit report.
- 5.2. Deloitte will present their report on the audit as part of this agenda item and will be able to answer any questions the committee may have.
- 5.3. The Committee has the option to make, or not make, a recommendation to Ōtorohanga District Council. The following analysis outlines the options available.

Option 1: Recommend that Council adopt the Annual Report

- 5.4. This option signals to Council that the Committee is satisfied with the Annual Report and the results of the audit process, providing assurance regarding the quality of both
- 5.5. Adoption of the Annual Plan by Council at their 22 October meeting, the day after this meeting, will ensure compliance with the legislative requirement to do so.

Option 2: Recommend to Council that more work needs to be undertaken

- 5.6. This option signals to Council that the Committee believes further work is required on the Annual Report before it can be adopted. It reflects a need for additional review or refinement to ensure the Report fully meets Council's expectations and complies with all relevant standards.
- 5.7. Should the Committee recommend this course of action, the Council may need to delay the adoption of the Annual Report beyond the 22 October meeting. While this would temporarily postpone compliance with the legislative deadline, it ensures the report is accurate and comprehensive before final approval.
- 5.8. Should the Committee recommend this course of action details on specific areas of focus should be provided to staff.
- 5.9. It is important to note that the ultimate decision on either option will be made by the Council taking into account any recommendations from the Committee.

Recommended option and rationale

- 5.10. Option 1: Recommend that the Council adopt the Annual Report 2023/24 and approve the signing of the associated Representation Letter.
- 5.11. No significant issues have been identified as a part of the audit process, and the Annual Report presents a fair and accurate record of the actual results for the 2023/24 financial year.

6. Considerations | Ngā whai whakaarotanga

Significance and engagement

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

Impacts on Māori

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

Risk analysis

6.3. The risks associated with this decision are deemed to be low. In the event of the selection of option 2, this may mean that Council does not adopt within statutory timeframes.

Policy and plans

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

Legal

6.5. There are no legal considerations around this matter, outside of the legislative requirements to produce and adopt an Annual Report each financial year.

Financial

6.6. As this is a financial decision, all the financial considerations are included in the discussion in the report. In the event of the Committee going with Option 2, there may be some additional costs associated with this as a result of the additional audit work that may be required.

7. Appendices | Ngā apitihanga

Number	Title	Document number
1	Draft Annual Report 2023/24 (provided separately)	785888

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 69 Health, Safety and Wellbeing quarterly report

To Risk and Assurance Committee

From Noah Lockett-Turton, Manager People and Capability

Type **INFORMATION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

- 1.1. To provide an update on progress being made to improve health, safety and wellbeing covering 7 June to 4 October 2024.

2. Executive summary | Whakarāpopoto matua

- 2.1. In summary, the report outlines the progress to improve health, safety and wellbeing at Ōtorohanga District Council. The report recommends a new approach to the reports provided to the Risk and Assurance Committee. It highlights the key activities across seven key areas and provides information regarding two noteworthy initiatives.

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 785626) from Noah Lockett-Turton, Manager People and Capability.

4. Discussion | He Kōrerorero

Previous Actions

- 4.1. The previous health, safety and wellbeing report indicated a review of the key performance indicators would be undertaken. It was requested that the review be brought to the Risk and Assurance Committee to review before taking a new approach to the Council for consideration.

“Going forward, a review of the KPI’s will be undertaken to assess the relevance in providing commentary of the health, safety and wellbeing at Ōtorohanga District Council. The result of such a review may be that the KPI’s are deemed as not the most effective method, and as such would not feature in future reports.”

- Health, Safety and Wellbeing Quarterly Report dated 10 June 2024

4.2. The Institute of Directors and WorkSafe have recently come out with a comprehensive guide to 'Health and Safety Governance'. The practice guide highlights seven systems to ensure there is robust oversight of health, safety and wellbeing (HSW) by those that govern. The seven systems are:

- Set expectations
- New officer induction
- Governance processes
- Competency framework
- Continuous improvement
- Assurance
- Records.

4.3. The purpose of this report is to contribute to the assurance system. As such, moving away from key performance indicators (KPIs), which can inadvertently encourage poor behaviour to narratives about compliance with our HSW systems including metrics to support the commentary would be my recommended approach moving forward. The new approach would provide the Risk and Assurance Committee with a more transparent oversight and assurance our systems are working and continuously improving.

4.4. The narratives would focus on the seven core areas of health, safety and wellbeing within Ōtorohanga District Council. The seven core areas are:

- Events – accidents, incidents, near misses
- Risk management
- Audits
- Training
- Hazardous substances
- Contractor management
- Emergency preparedness.

HSW events (accidents, incidents, near misses)

4.5. Over the past quarter we have had four incidents and one near miss. The incidents involved three slips, trips or falls and one medical event.

4.6. The slips, trips and falls incidents were accidents, and just require staff to take more care when operating in low-risk environments.

4.7. The medical event occurred when fewer people were in the building but was handled efficiently and effectively with emergency services being contacted at the first appropriate point to do so. In the handling of the matter, no new learnings came out, but the view of having an Automated External Defibrillator (AED) onsite was formed.

- 4.8. The near miss was due to a member of the public tripping and falling in front of a Council vehicle. No one was hurt in the process, and the employee checked on the person involved. The near miss did not occur due to the actions of the employee.
- 4.9. Overall, the events in the past quarter have been relatively low risk in nature, except for the medical event and near miss. In the instances where the risk has been greater, employees have acted appropriately and effectively to avoid situations worsening. It demonstrates good decision making and employee's having a health, safety and wellbeing focus.

Risk management

- 4.10. The risk register is scheduled next to be reviewed on the health, safety and wellbeing review programme. The Council's previously assessed critical risks are:
- Vehicle crash causing injury, death and/or damage
 - External person assaulting or threatening behaviour causing injury, death or psychological illness
 - Contractors using unsafe work practices causing serious injury, illness or death
 - Working on the road
 - Unsafe practices causing serious injury or death under the influence of alcohol or drugs
 - Carrying out work over/near water.
- 4.11. While the Council has previously identified these as being our six critical risks, some of the controls or the practices around the controls have lapsed or fallen away. Hence, there will need to be a renewed focus on our practices.
- 4.12. Though some controls have fallen away, the remaining controls are sufficient to maintain a healthy and safe work environment.

Audits

- 4.13. The Health, Safety and Wellbeing Committee has recently reviewed the auditing schedule and Ōtorohanga District Council's approach to auditing our sites.
- 4.14. The committee has decided to increase the level of auditing on buildings that are frequently used from quarterly to monthly, and the lesser used buildings to be audited either quarterly or biannually depending on the frequency of use.
- 4.15. The committee's representatives will assume responsibility, with the support of People and Capability, for ensuring their assigned sites are audited by either themselves or another staff member that has completed an audit with the representative prior. The increased frequency will ensure that any identified corrective actions will be monitored to ensure they have been corrected sooner, and increase the awareness for health, safety and wellbeing in our various environments.
- 4.16. The recent audits of the main office, 17 Maniapoto Street, Ōtorohanga and the Ōtorohanga Library identified five and eight corrective actions respectively. The actions were minor in nature, such as moving boxes that could cause egress issues and fastening cabinets to walls.

Training

4.17. Over the past few months, the People and Capability Advisor has been working with respective managers to review and update compulsory training. Once completed, People and Capability will work with managers to confirm everyone has completed compulsory training, and if not book the relevant employee on a course.

Hazardous substances

4.18. The hazardous substances are continuing to be monitored through our Hazardous Substances inventory, with the relevant safety data sheet filed appropriately. The inventory of hazardous substances was last updated in September 2015, and hence will need to be reviewed.

4.19. Chlorine gas would be our most critical hazardous substance to manage. It is being managed closely; most recently with the Group Manager Engineering and Assets sending a reminder to the Water Services Team about our procedures.

Contractor management

4.20. Manager People & Capability has reached out to the managers to review and update which contractors are being used. Once the list of contractors has been updated, it will be rechecked against the list of contractors that have completed their health, safety and wellbeing requirements

4.21. The audits of two of our most heavily used sites have demonstrated a continued commitment to health, safety and wellbeing for our people. It is just subtle reminders that are required to remain compliant.

Emergency procedures

4.22. Ōtorohanga District Council has a robust fire evacuation plan, with clear role clarity and necessary training. Though there are unlikely scenarios that have been identified showing potential gaps in our process. Hence, a desktop review will be completed to fine tune the process.

4.23. Council does not have any tsunami or earthquake procedures, which is a gap in our health, safety and wellbeing system. Such plans will be developed and implemented but are of a significantly lower risk than other required actions so will be prioritised but not to the extent of, say, risk management.

Automated external defibrillator (AED)

4.24. In 2024, we have experienced three medical events in the main office, 17 Maniapoto Street, Ōtorohanga. Though not all three medical events were heart related, it raised whether our Council was in the best position to respond to a heart related medical event. It is especially relevant as we invite members of the public into our building for events such as Council meetings, and we are not aware of any of their medical issues.

4.25. Hence, in September 2024 Health, Safety and Wellbeing Committee voted unanimously to support the acquisition of an AED. Over the next month Councillors will notice the new 'AED located here' sign appear on the outside of the building – the AED will be placed behind the counter (in a visible location) in the reception area.

4.26. The purchase of the AED supports Council's commitment to continuous improvement in health, safety and wellbeing.

Aggressive, abusive and threatening (AAT) behaviour policy and processes

- 4.27. As evident in the news recently, we have seen a rise in abuse and threats being made to political figures and entities. As such, the rise in aggressive, abusive and threatening behaviour has prompted a review of Council's approach in this space.
- 4.28. Staff are currently in the final stages of drafting a policy and procedures for a response to such behaviour, i.e. managing lockdowns, suspicious packages and so on. Following the roll-out and adoption of a policy, we will embark on training staff and Council on the procedures.
- 4.29. The development of the policy and procedures is evidence of Ōtorohanga District Council's commitment to continuous improvement in health, safety and wellbeing.

Item 70 IANZ audit update - August 2024

To Risk and Assurance Committee

From Phil Saunders, Manager Building Control

Type **INFORMATION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

1.1. To provide an update on the outcomes of the International Accreditation New Zealand (IANZ) Building Consent Authority (BCA) audit carried out in August 2024.

2. Executive summary | Whakarāpopoto matua

- 2.1. In August 2024 IANZ conducted a special assessment audit of the Ōtorohanga District Council BCA against the Building (Accreditation of Building Consent Authorities) Regulations 2006.
- 2.2. This audit followed a routine bi-annual audit assessment in 2023 where IANZ found a significant number of general (GNCs) and serious non-compliances (SNCs).
- 2.3. A report outlining the findings was provided to the Risk and Assurance Committee on 20 March 2024.
- 2.4. The focus for IANZ in the August 2024 assessment was on the areas of non-compliance from the 2023 assessment to ensure the BCA had resolved any issues and concerns in the 12 months post 2023 audit.
- 2.5. The outcome was very favourable in that IANZ found much-improved processes and awarded only three minor GNCs and a number of improvement recommendations. Two other GNCs were resolved on site during the audit assessment.
- 2.6. As a result, the BCA went from High-Risk Status to Low-Risk Status and retained full accreditation.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee receive the report titled 'IANZ audit update - August 2024' (document number 784682) from Phil Saunders, Manager Building Control.

4. Discussion | He Kōrerorero

- 4.1. The IANZ audit of August 2023 revealed that IANZ has raised expectations in terms of BCA compliance with the regulations. What was acceptable in 2021 is no longer what IANZ expect to find.
- 4.2. This has prompted a lot of discussion amongst the regional BCA forum and has led to significant improvements in the quality management area for most BCAs including our own.

- 4.3. Ōtorohanga District Council is a small BCA with limited resources aligned to meet all the requirements expected of a BCA and Territorial Authority (TA). We are resourced to meet the level of activity based on the growth in our district.
- 4.4. The quality management of our processes and regulatory requirements is far more complex than in previous years and requires a specific skill set. Our full-time staff do not necessarily have the skill set or capacity to carry out all of the quality work requirements so expertise is contracted in as and when required or we share that resource with our fellow regional BCAs where we can.
- 4.5. With the expertise now at hand to assist when needed staff are assured that our processes and systems remain on track and will pass the test in terms of any IANZ audit.

Item 71 Capital Projects Report for the month ending 30 September 2024

To Risk and Assurance Committee
From Mark Lewis, Group Manager Engineering and Assets
Type **INFORMATION REPORT**
Date 21 October 2024

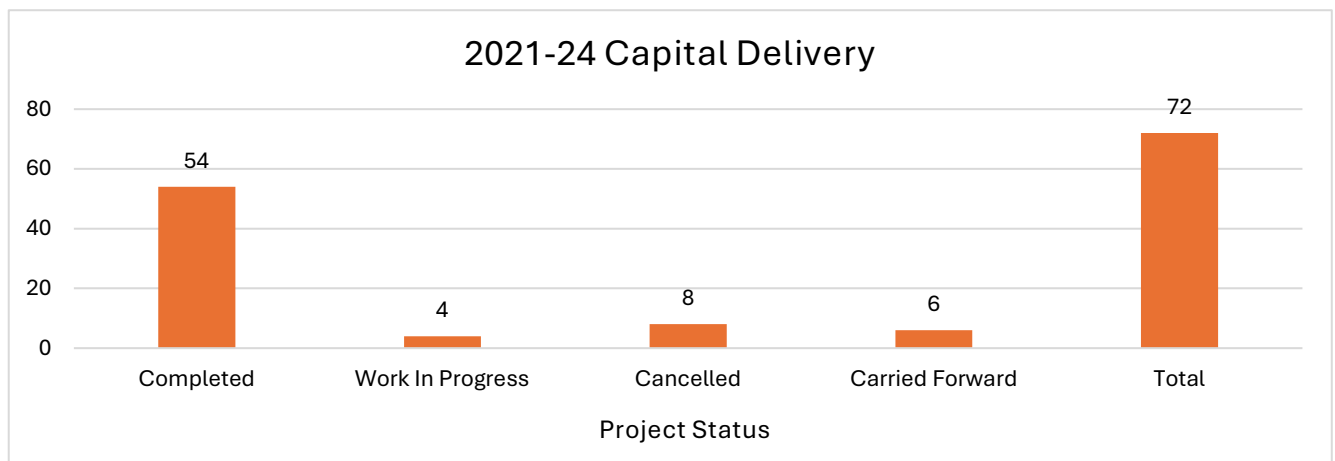


1. Purpose | Te kaupapa

- 1.1. To provide assurance on the delivery of the capital projects programme, outline any material risks that may affect the programme and how the risks are mitigated for the 24/25 financial year. The threshold for this report is projects valued over \$500,000 or where there may be a high level of public interest.
- 1.2. To highlight any other risk areas within the Engineering and Assets activity.
- 1.3. This report also outlines the completion of the 2021-24 capital programme with projects over the value of \$10,000.

2. Executive summary | Whakarāpopoto matua

2.1. Overall, the capital delivery was successful for the 2021-24 capital programme with a total of 72 capital projects (above \$10,000) across the engineering activity carried out over the last three years, this includes the 17 stimulus funded projects that started in 2020 and were completed in November 2022.



2.2. The above chart shows 54 (75%) projects are completed, four (6%) projects are currently work in progress, which includes three Resource Consent Renewals and the Ōtorohanga Wastewater Project. Eight (11%) projects were cancelled for various reasons and six (8%) will be carried forward that have not been started.¹

¹ The table does not divide the roading activity into individual projects. Instead, the activity classes have been coded as one project, for example, Drainage Renewals, Reseals, Rehabilitations.

- 2.3. The Ōtorohanga Wastewater Treatment Plant is improving with compliance which are detailed later in the report.
- 2.4. This report provides a record of the 2021-24 capital projects delivery and the next report will detail the progress on the 2024-27 capital programme as it is still being developed.
- 2.5. All present risks are being mitigated by good communication and early signalling by activity managers. All significant risks are relayed to the Executive Team as and when required and if needed through to Council. All activity managers report quarterly to Council and there should be no surprises.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee receive the report titled 'Capital Projects Report for the month ending 30 September 2024' (document number 785923) from Mark Lewis, Group Manager Engineering and Assets.

4. Discussion | He Kōrerorero

Local Water Done Well

- 4.1. The Local Government (Water Services Preliminary Arrangements) Act became law on 2 September 2024. The act lays the foundation for a new approach to water services management.
- 4.2. Key areas included in the Act are:
 - Requirements for councils to develop Water Services Delivery Plans by 3 September 2025.
 - Requirements that Plans outline future water services delivery arrangements, and for councils to commit to an implementation plan.
 - Requirements for councils to include in their Plans baseline information about their water services operations, assets, revenue, expenditure, pricing and projected capital expenditure, as well as necessary financing arrangements, as a first step towards future economic regulation.
 - Streamlined consultation and decision-making processes for setting up future water services delivery arrangements
 - Interim changes to the Water Services Act, which mean the Te Mana o te Wai hierarchy of obligations in the National Policy Statement for Freshwater Management (NPS-FM) will not apply when Taumata Arowai sets wastewater standards.²
- 4.3. As part of the reform process, Council needs to assess the status quo option as being financially viable and sustainable by June 2028, but also show that other alternatives have been considered, which is the Waikato Water Done Well work we are doing.
- 4.4. Although our 2024-34 Long Term Plan (LTP) shows financial sustainability, we have engaged Beca Consultants to do a full analysis of the status quo of our water delivery services. The analysis will be

² <https://www.dia.govt.nz/Water-Services-Policy-legislation-and-process>

presented to Council in a workshop on 22 October and the full report presented to Council on 26 November to consider along with the Waikato Water Done Well option.

- 4.5. In December 2024 the Government is expected to introduce a third Local Water Done Well Bill (Local Government Water Services) that will establish the enduring settings for the new water services system.
- 4.6. The Local Government Water Services Bill will set out a range of changes to the water services delivery system and to the water services regulatory system. This includes:
 - New water services delivery models for councils to choose from, including new water organisations that can be owned by councils and/or consumer trusts.
 - Minimum requirements for local government water services providers.
 - A new economic regulation regime for local government water services providers, to be implemented by the Commerce Commission.
 - Changes to improve the efficiency and effectiveness of the drinking water regulatory regime, and the approach Taumata Arowai takes to regulating the regime.
 - Change in the approach to applying Te Mana o te Wai, affecting drinking water suppliers as well as wastewater and stormwater networks.
 - A new approach to managing urban stormwater, including changes to improve the management of overland flow paths and watercourses in urban areas.
 - Changes relating to wastewater environmental performance standards and national engineering design standards³

Land Transport (Roading)

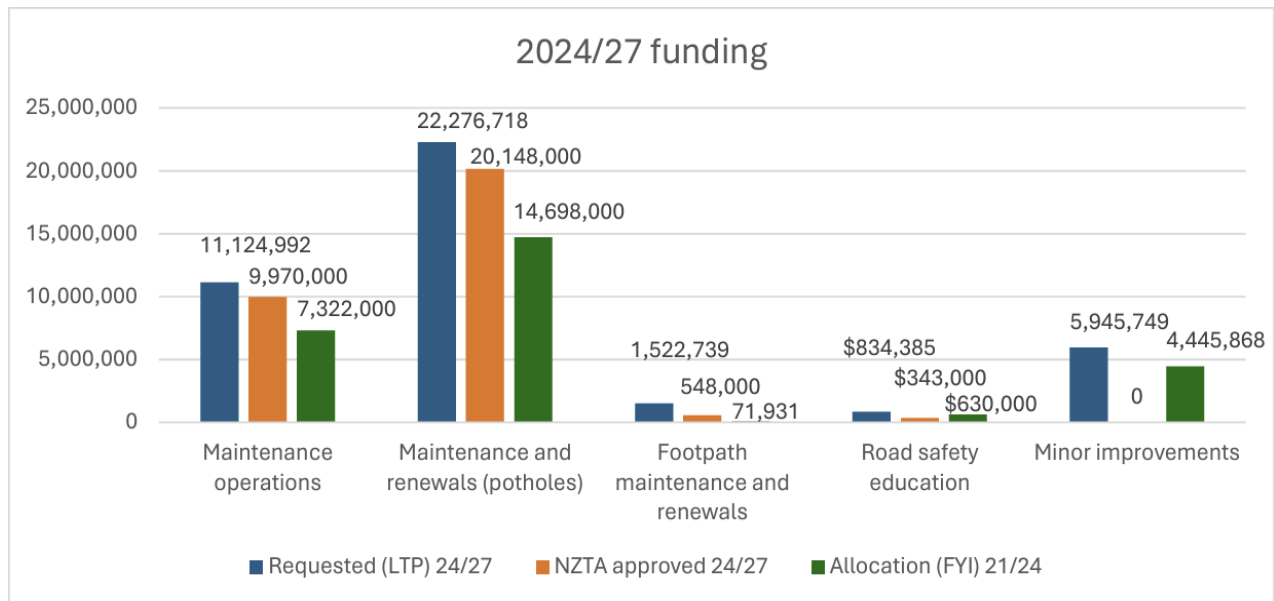
4.7. The roading activity was complete as planned with all roading projects delivered and all subsidised budgets allocated as per the table below, this was a credit to the roading team.

4.8. 2023/24 – Delivered Roothing Programme



³ <https://www.dia.govt.nz/Water-Services-Policy-legislation-and-process>

4.9. As this time the greatest risk to the roading activity for 2024/27 is the substantial reduction in several areas of the funding, the table below shows the approved funding allocation. Funding was historically split between operations and renewals but is now split between operations and potholes.



4.10. Maintenance Operations and Renewals – although less than we requested, it is more than the last LTP and we are confident that we can still deliver a substantial maintenance programme.

4.11. Footpaths – again less than we requested but more than the last allocation, unfortunately the reduction will have an impact on the Town Concept Plan goals.

4.12. Road Safety – there has been a reduction in funding for road safety with the Government’s policy direction moving investment into road policing and enforcement, fixing potholes and increasing the level of road maintenance to make the roading network safer. There is still a reduced education programme addressing alcohol, drugs, fatigue, micromobility (elderly) and restraints.

4.13. Minor Improvements (Low Cost Low Risk) – this is the most significant reduction, with zero funding received from NZTA. This will have an impact on our improvement programme over the next three years. NZTA has provided a \$100 million contestable fund that we can apply for to achieve some of our goals, although this funding is not guaranteed.

4.14. Overall, our reduced level of funding is circa \$10.7 million over three years. A report will be presented to Council on 12 November 2024 outlining the projects that are affected and meeting any shortfall with local share funding contribution.

Three Waters

4.15. The response to the Letter of Expectation from Taumata Arowai (TA) has been sent and I have had one meeting with their regulatory team to discuss our approach in more detail. A request for further information has been made by TA which I am currently collating.

4.16. Proposed Drinking Water Quality Rule changes on supplies less than 500 people are out for consultation and due to close on 18 October.

Wastewater

- 4.17. The Ōtorohanga Wastewater Upgrade: the Harper Avenue portion is complete and the Kakamutu portion is 90 % complete. The Rangitahi Street portion is 90% complete with only a small amount of sewer main left to be installed. However, this is proving to be the most challenging with the contractor having to change their methodology. Contractors are planning to be back onsite on 21 October and completed by the middle of November.
- 4.18. Currently the budget is still sufficient to complete all the work, but it is fair to say that the Rangitahi portion has been the most challenging and will cost more than anticipated with the changes from drilling to open cut, the additional costs have been managed through the change scope of the Kakamutu Road portion.

Ōtorohanga Wastewater Treatment Plant

- 4.19. Staff continue to make improvements to the Ōtorohanga Wastewater Treatment Plant in receipt of the abatement notice in February and are consistently meeting our consent conditions.
- 4.20. Waikato Regional Council (WRC) are currently undertaking a follow up investigation into a bypass issue we had at the plant in March 2024. I have had a meeting with WRC and explained the issue we had and had a site visit with WRC. We are still awaiting the outcome of this investigation.
- 4.21. Recent soil tests on the area where we disposed of biosolids have shown that we have reached our consent limits, and we can no longer dispose of biosolids to land. This process always had a definitive end date and was expected at some stage. Subsequently with the purchase of the new farmland around the pond, staff decided that land disposal is no longer appropriate given the other land use in the area and will now be disposing to landfill every three to five years depending on the desludging programme. Disposing of biosolids to landfill will increase the cost of the activity into the future and will be budgeted within the desludging programme going forward.

Item 72 Organisational Strategic Risk Register update

To Risk and Assurance Committee

From Ross McNeil, Chief Advisor

Type **INFORMATION REPORT**

Date 21 October 2024



1. Purpose | Te Kaupapa

1.1. To consider the annual update on Ōtorohanga District Council’s Strategic Risk Register.

2. Executive summary | Whakarāpopoto matua

2.1. The Strategic Risk Register covers risks relating to Ōtorohanga District Council and is compiled from data sourced through:

- Consultation with key stakeholders,
- Review of previously identified risks,
- Researching risks identified by comparative local government authorities.

2.2. Since the Committee’s last review of the Strategic Risk Register in 2023 it has been reviewed having regard to the above matters. The result is a consolidation of some risks (from 11 to 7) and a refinement of the risk descriptions and mitigation/management actions.

2.3. The revised Strategic Risk Register is appended to this report for discussion and endorsement by the Risk and Assurance Committee. The Strategic Register is reviewed as required by the Leadership Team (LT), and at least annually as part of good practice risk management.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Strategic Risk Register, as reviewed, is endorsed by the Risk & Assurance Committee.

4. Discussion | He kōrerorero

4.1. The Strategic Risk Register supports the ongoing development and review of the Council’s corporate objectives This has been implemented to ensure that:

- Strategic risks are identified,
- Strategic risks are assessed,
- The effectiveness of existing controls is evaluated,

- Residual risk is assessed,
- Risk treatment options are considered, and
- Actions are determined and prioritised.

4.2. Risks in the Strategic Risk Register are assessed for both their likelihood and their impact if they were to happen, which are then combined to give each risk a severity score. Once all ongoing and planned mitigating actions are taken in consideration, each risk’s “residual severity score” is recorded. The higher the severity score, the more significant the risk is.

4.3. Since the Committee’s last review of the Strategic Risk Register in 2023 the Leadership Team have undertaken a review of the Register. This review has had regard to:

- the relevance and significance of the risk
- whether the likelihood and impact of risks have changed
- the nature and effectiveness of measures/actions that have been undertaken to mitigate/manage the risk having regard to Council’s risk appetite
- whether there are any emergent (new) risks that need to be addressed.

4.4. In completing the review, the Leadership Team are satisfied that the mitigation/management actions in place, underway or proposed will be effective in managing risks within Council risk appetite levels.

4.5. The review has focused on those risks assessed to have a high or extreme inherent risk. This has resulted in some risks ‘dropping off’ the register. Note that these risks are still given attention in the organisation. The review process has also identified opportunities to consolidate risks, but without losing any key risk attributes or elements. For example, inflationary (cost) pressure was presented as a separate risk area in 2023 but as these impacts relate primarily to the capital programme it is suggested they are better reflected as part of that strategic risk area.

4.6. In undertaking this review consideration has been given to the approach taken by other similar Councils, particularly Rangitīkei District Council. In conjunction with the review an opportunity to work more closely with a specialist risk advisor through a local councils (CoLab) shared service arrangement has been taken.

The revised version of the Strategic Risk Register is attached as Appendix 1. Appendix 2 contains the Risk Register as it was last reviewed by the Committee in 2023.

5. Appendices | Ngā āpiti hanga

Number	Title	Document number
1	Ōtorohanga District Council Strategic Risk Register October 2024	785933
2	Ōtorohanga District Council Strategic Risk Register 2023	785933

Appendix 1 - Ōtorohanga District Council Strategic Risk Register October 2024

	STRATEGIC RISKS	INHERENT RISK	CURRENT MITIGATED RISK
	1. Iwi Liaison and obligation to honour Te Tiriti o Waitangi	Extreme	Moderate
	2. Organisational Capability/ Capacity	High	Moderate
	3. Capital programme delivery failure	High	Moderate
	4. Financial loss (internal)	High	Low
	5. Effects of climate change	Extreme	Moderate
	6. Health, safety and wellbeing of our people	Extreme	Moderate/ High
	7. Compliance to changes to governmental legislation	Extreme	Moderate

Each strategic risk is weighted using the following matrix assessment:

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

RISK	WHAT IS THE RISK (AND ITS CONSEQUENCES)?	HOW TO ADDRESS THE RISK?
1. Iwi liaison and commitment/obligation to Te Tiriti o Waitangi	<ul style="list-style-type: none"> - Elected members and staff are unclear as to the appropriate processes and pathways in the expression of Treaty partnership, causing offence and disrespect to the original customs and tikanga (protocol) of the whenua (land) and the desire/obligation of councils to uphold those. - Uninformed decision making that does not uphold the obligatory role as stewards of Treaty partnership. - Māori Advisory having no presence in governance and leadership spaces - Leaders making decisions void of subject matter expertise - An unfounded negative approach to Treaty partnership 	<p>Current strategies to address this risk include:</p> <ul style="list-style-type: none"> - Formalised partnership agreements between Iwi and Council - Iwi induction pathway alongside mana whenua for all new staff. - Facilitate more Council business on local marae or Māori community group settings - Maintain an Iwi/Māori Advisor within Council staff with appropriate delegation and role clarity. - Regular dialogue at Strategic/Governance level between Council and Iwi - Maintaining Māori wards. - Develop/Maintain the frameworks, policies and guidelines relating to Māori engagement/ responsiveness and assist staff in the implementation of those.
2. Organisational capability / capacity	<ul style="list-style-type: none"> - Council doesn't have the appropriate composition and number of skilled staff required to fulfil current and future commitments, e.g. inability to attract talent, failure to appropriately train existing staff, inability to retain skilled staff, failure to undertake appropriate workforce planning. - An associated risk comes from a change in Elected Members and the potential loss of knowledge and experience. 	<p>Current strategies include:</p> <ul style="list-style-type: none"> - Having a culture and employee experience that attracts a high calibre of applications and increases the retention of staff. This includes mechanisms for meaningful staff feedback such as staff surveys and exit interviews. - A learning and development programme that targets future skill requirements and enables staff to grow in the areas that we need them to. - Identify key roles and develop succession and/or continuity plans for those roles and functions. - Undertake strategic workforce planning to identify skills and numbers required. A high quality and comprehensive orientation and induction for all new staff and for Elected Members after the triennial elections. - Realignment project has increased organisational staffing capability/capacity in line with Council priorities; Comprehensive induction programme underway for new Council following elections. - Council has undertaken a major recruitment programme. There are still a few vacancies, but most

		significant roles have been filled.
3. Programme delivery failure	<p>Council is unable to achieve its capital works programme because of:</p> <ul style="list-style-type: none"> - Lack of overall capacity in the market to deliver nationally and regionally - Lack of capacity and capability of staff to deliver capital programme - Uncertainty around processing timeframes from other agencies regarding resource consents and other approvals - The increasing dominance of larger contractors - The cost of delivery is higher than allocated budget (materials and land value prices greatly exceed inflation) - The impact of an unexpected event e.g. pandemic, natural disaster or other adverse occurrence - This situation may lead to failure of major infrastructure, failure to deliver our capital programme, reduction in investment and frustration in the community 	<p>Current strategies to address these risks:</p> <ul style="list-style-type: none"> - Capital works to be prioritised, realistic and achievable - Ongoing forecasting of delays or potential issue - Strategies for staff attraction, retention - Efficient Project Management framework based on best practice with standard templates to achieve consistent quality of project management - Establish/maintain good relationships with local iwi and hapu - Establish/maintain good relationship with the regional council and seek early feedback on project approach - Establish/maintain early engagement and a future programme of works with contractors - Establish/maintain mutually beneficial and long-lasting relationships with contractors - Consider alternative procurement strategies - Regular review of capital expenditure by Leadership Team (LT) and reported to Council meetings - Transparent reporting to Council with early notice of significant potential time or cost overruns
4. Financial loss (internal)	<ul style="list-style-type: none"> - Council's financial projections, in terms of operating expenditure and revenue, prove substantially incorrect or insufficient; or - Council's projections highlight financial problems that are not properly addressed. This could require a substantial increase in rates and increase the level of borrowing. 	<p>The following initiatives are in place:</p> <ul style="list-style-type: none"> - The Long Term Plan 2024-34 and subsequent Annual Plans demonstrate Council will achieve a sustainable balanced budget. - Ongoing financial management and oversight is a critical responsibility of the LT. - Budget managers proactively take responsibility for continually managing their respective budgets and provide forecast information. - Maintain external stakeholder relationships with key funding partners. - Maintain resilience with all financial systems, processes and controls. - Current and accurate asset and infrastructure management information is maintained.

		<ul style="list-style-type: none"> - Requests for significant unbudgeted expenditure are thoroughly scrutinised and considered by LT. - Rates modelling is effective and well informed. - Ensure the impact of Three Waters Reforms is maintained and fully understood. - Ensure appropriate insurance cover is maintained.
5. Effects of climate change	Council does not take sufficient steps to mitigate and respond to the impacts of climate change which could negatively impact the Ōtorohanga community.	<ul style="list-style-type: none"> - Climate change impacts are factored into some asset management activities, such as stop banks and flood control. - ŌDC has commercial insurance cover on above and below ground council owned infrastructure and assets. However, no overall risk or response strategy/plan to date in respect of climate change adaptation. - CDEM plans are in place for natural disasters which may be exacerbated by climate change - A Climate Change Response framework has been agreed and a Corporate Mitigation/Response Plan is in place. A Community focused Response Plan (Adaptation) is to be developed once a District-level risk assessment has been completed.
6. Health, safety and wellbeing	<ul style="list-style-type: none"> - Staff, contractors, volunteers or visitors to ŌDC worksites are fatally or seriously harmed due to a hazard and/ or loss of control within the work environment. This includes harm to mental health and wellbeing. - An associated risk is damage to Council plant or property as a result of a hazard/loss of control. <p>ŌDC's most critical hazards are those where the potential consequences (based on the worst credible scenario) remain significant, even with controls in place. Examples of critical hazards include driving, working around vehicles and machinery, working alone and violent/aggressive behaviour.</p>	<ul style="list-style-type: none"> - The Leadership Team have an unrelenting focus on the health, safety and wellbeing of staff, contractors, volunteers and visitors and are committed to establishing and maintaining a strong health and safety culture within the organisation. This commitment is visibly expressed through ŌDC's Health, Safety and Wellbeing Leadership Charter and improvement programme. - Active employee participation frameworks are in place to encourage employee engagement and leadership in health, safety and wellbeing matters. - Risks to health, safety and wellbeing are identified. - Risk control methods are in place, and these are regularly reviewed and verified. This includes maturing H&S approach/culture; Flexible working arrangements; Major investment in physical work environment; Regular staff wellbeing surveys - ŌDC has sufficient dedicated resources to deliver quality

		health, safety and wellbeing frameworks and practices throughout ŌDC
7. Compliance with changes to government legislation	<ul style="list-style-type: none"> - New or amended legislation, reforms, regulations or policy statements cause changes that negatively impact affordability: - Ratepayers' ability to pay. - For Council to deliver services it can afford or resource appropriately. - The speed of change and the cumulative effects may detract from achieving statutory requirements (e.g. the long-term plan) and meeting community expectations. - The change is of a magnitude that considerably impacts Council (Three Waters, Resource Management Act, Future of Local Government) 	<ul style="list-style-type: none"> - Maintain active participation in sector discussions at all levels - Submissions by Council are made to Central Government policy and/or legislative amendments. - Maintain positive engagement with Local and Central Government politicians, officials and lobby groups e.g. Federated Farmers. - Early assessment of likely impact of confirmed changes so that appropriate planning, mitigation and communication can take place.

Appendix 2

ŌTOROHANGA DISTRICT COUNCIL – Top Risks and Management Response – July 2023

Risk Area	Nature of the Risk	Base Risk Profile (no controls)		Initial/Raw Risk Rating	Current Risk Profile (with controls in place)		Residual Risk	Risk Trend	Target Risk Profile (Council Risk Appetite)		Gap? (Residual Appetite)	Comment
		Likelihood	Consequences		Likelihood	Consequences			Consequences	Impact		
Climate Change Response	Failure to prepare for climate change impacts	Almost Certain	Major	Critical	Likely	Major	High		Moderate	Widespread damage to local environment and/or infrastructure taking up to 2 years to recover. Critical service disruption for a least 1 week	Y	Climate change impacts factored into some asset management activities, but no overall strategy/plan as yet. Climate change risk response summary considered and endorsed by Audit & Risk Committee
Cyber Attack	Failure to protect information	Almost Certain	Major	Critical	Possible	Moderate	Medium		Moderate	Loss of access to critical systems and/or data for up to 1 week	N	Information security programme improvement plan in place. There have been a number of initiatives put in place to reduce risk from/ consequences of cyber-attack.
Organisational Capability/Capacity	Inadequate staffing and/or elected member capability or capacity to meet statutory requirements and/or deliver on Council's objectives	Almost Certain	Major	Critical	Possible	Moderate	Medium		Minor	Minor impact on the quality/delivery of activities or services	Y	Realignment project has increased organisational staffing capability/capacity in line with Council priorities; Comprehensive induction programme underway for new Council following elections. Council has undertaken a major recruitment programme. There are still some vacancies, but most significant roles have been filled.
Health, Safety and Wellbeing	Failure to embed a health & safety culture and provide a wellbeing-focused work environment	Almost Certain	Major	Critical	Likely	Moderate	Medium		Minor	Minor injury and/or wellbeing issues	Y	Maturing H&S approach/culture; Flexible working arrangements; Major investment in physical work environment; Regular staff wellbeing surveys
Financial Loss (Internal)	Risk to financial sustainability and credibility	Possible	Major	High	Unlikely	Moderate	Low		Minor	Minimal financial loss sustained	N	Internal controls in place, including delegation restrictions; independent authorisation and payment requirements; audit review
Programme Delivery (supply chain/contractor availability)	Failure to deliver the programme of capital works	Almost Certain	Major	Critical	Likely	Major	High		Moderate	Delay in delivering infrastructure upgrades may elevate risk of service disruption	Y	Procurement arrangements in place to allow for fixed price contracts; shared procurement/service collaborations; Projects can be reassessed for priority
Inflation/Costs (macro-economic factors)	Risk that inflation/supply constraints make service/programme delivery unaffordable/unachievable	Almost Certain	Major	Critical	Likely	Major	High		Moderate	Annual cost/price increases in the order of 10-20%	Y	Procurement arrangements in place to allow for fixed price contracts; shared procurement/service collaborations; etc
Consent Renewal /National Standards requirements (substantially increased)	Risk that new resource consent requirements/national standards for Council activities/operations are unachievable/ unaffordable	Likely	Major	High	Possible	Major	High		Moderate	Increased risk of non-compliance with new standards/requirements resulting in formal investigation by regulatory body. Fines and/or prosecution may result	Y	3 Waters will become the responsibility of the new Water Services Entity from July 2026. Consent renewals underway for urban stormwater system and sea wall infrastructure/operation.
Sector Reform (incl. uncertainty/change of Government)	Failure to prepare for Government reform and policy changes	Possible	Major	High	Possible	Moderate	Medium		Minor	Minor impact on programmes/budgets (due to unplanned changes)	Y	Sector advocacy/support agencies active in this space, with regular communication; Staff/Council responding as appropriate; Uncertainty remains given 2023 national elections could see a change in Government, and significant policy change;
Business Continuity	Failure to prepare for and respond to business disruption events	Almost Certain	Major	Critical	Possible	Moderate	Medium		Moderate	Some impact on activity/service delivery, with 1 critical service or several non-critical services undeliverable for up to 1 week	N	COVID business continuity plans in plans; Cloud-based systems operational. After lock-downs from Covid and building upgrade, Council is in a strong position to respond to any business interruption. All systems are in the cloud and Council can convert to a remote working environment relatively seamlessly.
Iwi Relationships	Failure to establish/sustain productive relationships with iwi organisations/mana whenua groups	Likely	Major	High	Possible	Moderate	Medium		Minor	Minor effect on the nature/quality of Council's relationship(s) with Iwi/mana whenua	Y	Appointment of Kaitakawaenga - Iwi Relations Advisor has strengthened internal capacity/capability to engage with Iwi/mana whenua. Establishment of a Māori Ward with two iwi elected members has strengthened Council governance capacity/capability. Mana whenua recognised and engaged as partners on key community projects (e.g. Concept Plans).

Item 73 Outstanding debtors report

To Risk and Assurance Committee

From Brendan O’Callaghan, Manager Finance

Type **INFORMATION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

1.1. To advise members of the value of outstanding rates, water and sundry debtors on 30 September 2024.

2. Executive summary | Whakarāpopoto matua

2.1. Overall outstanding debts at the end of September are \$1.09m, compared to \$528k in May 2024, \$938k in February 2024, \$1.13m to October 2023 and \$2.37m to the end of June 2023.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee receive the report titled ‘Outstanding Debtors Report’ (document number 785581) from Brendan O’Callaghan, Manager Finance.

4. Discussion | He kōrerorero

Overall Debtors Information

4.1. Overall debtors at the end of September is \$1.097M compared to \$528k at the end of May 2024. Of this balance, \$785k relates to prior year rates arrears that are now included in the reporting below.

Debtors

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

- Building Consents
- Resource Consents
- Licences
- Trade waste
- Water and Sewerage Connections
- Other Sundry Invoices

4.3. The 90 days balance can include unpaid building consent and development contribution invoices for projects that may be ongoing or on hold.

- 4.4. Overall debtors to the end of September are at \$209k, compared to (\$48k) at the end of May 2024.
- 4.5. Within the >90 days balance are a number of debtors who have payment arrangements for large invoices. The debtors listed as being in dispute/on hold relate to development contributions, as a report is going to the October Council meeting regarding the taking of development contributions, so no further action is being taken with these until after that report is presented.

Debtors Report as at 30 September 2024					
	Current Month	Comparison of Previous Report	Comparison of Previous Report	Comparison of Previous Report	Comparison of Previous Report
Aged Analysis report	September	May	February	October	June
Current	-\$133,143.26	-\$178,781.14	-\$173,353.00	-\$152,351.00	\$254,611.04
30 - 60 days	\$26,169.64	\$30,649.51	\$237,975.71	\$15,960.00	\$12,825.52
60 - 90 days	\$852.00	\$8,173.19	\$8,442.02	\$15,397.00	\$2,365.50
>90 days	\$315,574.38	\$91,861.91	\$90,629.69	\$401,616.00	\$453,696.15
Outstanding Debtors Closing Balance	\$209,452.76	-\$48,096.53	\$163,694.42	\$280,622.00	\$723,498.21
Debtors Action Report - Debtors over 90 days with Balance >\$250					
	September	May	February	October	June
With Debt Collection Agency	\$0.00	\$2,296.00	\$23,663.00	\$21,283.00	\$19,737.46
Paying by Arrangement	\$19,951.00	\$71,870.86	\$15,572.00	\$342,690.00	\$429,893.69
Negotiating Payment Arrangement	\$16,003.13	\$12,893.77	\$44,535.00	\$34,100.00	\$0.00
Debts in Dispute/ On hold	\$277,229.00	\$0.00	\$0.00	\$0.00	\$0.00
Payments since month end taken off above amounts	\$0.00	\$0.00	\$90.00	\$0.00	\$0.00
Sub-Total	\$313,183.13	\$87,060.63	\$83,860.00	\$398,073.00	\$449,631.15
Various Debtors with Balances <\$250	\$2,391.25	\$4,821.28	\$6,769.69	\$3,543.00	\$4,065.00
Over 90 days Outstanding Total	\$315,574.38	\$91,881.91	\$90,629.69	\$401,616.00	\$453,696.15

Rates

- 4.6. As at the end of June 2024, a total of \$496k of current rates were outstanding, of which \$137k was penalties charged, including the arrears penalty charged in July 2024 of \$66k. Of these outstanding rates, \$114k has been paid since the beginning of this financial year.
- 4.7. Currently 1,608 ratepayers pay their rates by direct debit, representing 30.9% of rateable properties. The number of direct debits has increased from the previous report, which was 1,580 or 30.4%.

Rate Arrears Aged Balance Report as at 31 September 2024							
Year	Total Arrears (01/07/2024)	Rate Arrears Received Year to Date	Total Arrears (30/09/2024)	Total Arrears (31/05/2024)	Total Arrears (29/02/2024)	Total Arrears (31/10/2023)	Total Arrears (30/06/2023)
2023-2024	\$496,211.44	-\$114,540.00	\$381,671.44	\$0.00	\$0.00	\$0.00	\$0.00
2022-2023	\$142,665.33	-\$20,366.98	\$122,298.35	\$161,222.51	\$191,918.24	\$261,565.41	\$0.00
2021-2022	\$113,194.81	-\$9,629.75	\$103,565.06	\$117,586.03	\$134,636.02	\$160,676.99	\$177,057.62
2020-2021	\$62,197.08	-\$4,273.29	\$57,923.79	\$64,016.21	\$69,462.72	\$75,552.55	\$79,021.84
2019-2020	\$64,279.31	-\$894.95	\$63,384.36	\$66,257.96	\$68,152.55	\$75,099.25	\$78,314.99
2018-2019	\$57,393.11	-\$1,049.80	\$56,343.31	\$58,544.96	\$58,544.96	\$63,184.68	\$62,244.22
2017-2018 & Prior	\$0.00	\$0.00	\$0.00	\$34,052.53	\$34,752.53	\$36,863.42	\$66,160.74
Total	\$935,941.08	-\$150,754.77	\$785,186.31	\$501,680.20	\$557,467.02	\$672,942.30	\$462,799.41

- 4.8. Further progress is being made on getting payment plans in place with ratepayers with outstanding balances, as can be seen from the decrease in rates arrears (excluding the 2023/24 rates arrears) by \$98k between May and September.
- 4.9. Council has commenced rating sale processes through our debt collection agency on previously identified properties. One of these properties has been identified by the debt collectors as being better processed as abandoned land. Some further properties have been identified that are currently being collated for passing onto the debt collection agency to add to the process.

Water

- 4.10. Current water debtors total \$103k, compared to \$75k in May. This is due to the rural invoicing being processed in early June, which is why the greater than 90 days balance has increased. There are also some Ōtorohanga township invoices from June that remain outstanding.
- 4.11. As shown below, the amount with debtors collection has decreased as payments have been received. There are also more people with payment arrangements in place.

Water Billing Debtors Report as at 30 September 2024					
	Current Month	Comparison of Previous Report	Comparison of Previous Report	Comparison of Previous Report	Comparison of Previous Report
	September	May	February	October	June
Aged Analysis report	September	May	February	October	June
Current	-\$ 70,359.54	-\$ 60,107.17	-\$ 16,270.65	-\$ 48,817.92	\$ 697,873.89
30 - 60 days	\$ 205.00	\$ 690.65	\$ 40.00	\$ 122,973.47	\$ -
60 - 90 days	\$ 669.23	\$ 54,318.24	\$ 103,016.62	\$ 190.10	\$ 2.95
>90 days	\$ 172,069.48	\$ 79,879.35	\$ 130,316.18	\$ 103,432.21	\$ 93,103.86
Outstanding Debtors Closing Balance	\$ 102,584.17	\$ 74,781.07	\$ 217,102.15	\$ 177,777.86	\$ 790,980.70
Debtors Action Report - Debtors over 90 days with Balance >\$250					
	September	May	February	October	June
With Debt Collection Agency	\$ 6,882.00	\$ 15,445.00	\$ 14,329.00	\$ 4,130.00	\$ 3,879.00
Paying by Arrangement - excludes Direct Debits	\$ 107,315.67	\$ 31,006.00	\$ 74,301.00	\$ 38,261.00	\$ 24,156.00
Negotiating Payment Arrangement	\$ 50,441.00	\$ 25,128.49	\$ 9,411.48	\$ 53,637.21	\$ 54,462.86
Debts in Dispute	\$ -	\$ -	\$ -	\$ -	\$ -
Payments since month end taken off above amounts		\$ -	\$ 20,212.70	\$ -	\$ -
Sub-Total	\$ 164,638.67	\$ 71,579.49	\$ 118,254.18	\$ 96,028.21	\$ 82,497.86
Various Debtors with Balances <\$250	\$ 7,945.50	\$ 8,299.86	\$ 12,062.00	\$ 7,404.00	\$ 10,606.00
Over 90 days Outstanding Total	\$ 172,584.17	\$ 79,879.35	\$ 130,316.18	\$ 103,432.21	\$ 93,103.86

Item 74 Update on network redundancy options

To Risk and Assurance Committee

From Billy Michels, Manager Information Services

Type **INFORMATION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

1.1. To provide an update on the options analysis for a redundant internet connection for the purpose of business continuity.

2. Executive summary | Whakarāpopoto matua

- 2.1. At the Risk and Assurance Committee meeting in June 2024, staff reported on the need to implement a secondary network connection in the event of the current fibre connection being unavailable.
- 2.2. To provide a fail-over for the network staff would normally look for a diverse fibre connection from another provider. At the meeting in June 2024 the Committee was advised that this option is not available in Ōtorohanga and it was agreed that staff would further investigate the use of Starlink, this being the only viable alternative.
- 2.3. There are three options available: Spark, One.NZ and Starlink direct. Both Spark and One.NZ offer the Starlink platform, the difference between all three being pricing and support options.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee receive the report 'Update on network redundancy options' (document number 785936) from Billy Michels, Manager Information Services.

4. Discussion | He Kōrerorero

- 4.1. All of the Council's critical server environment and applications are in the cloud. Those applications include GIS, Document Management, Contact Centre and Customer Service applications. Consequently, staff rely heavily on the availability of a stable connection to the internet. In the event of an outage on that connection; caused by an outage, weather or human error, then the ability to continue to service our rate payers would be diminished.
- 4.2. For redundancy a second fibre connection would normally be installed. Under ideal circumstances this would be provided by a different vendor and via a different route but there is no alternative fibre available in Ōtorohanga.

- 4.3. Other options included the use of 4G or 5G mobile connections. 4G would have limited bandwidth and 5G is not yet available, reliably, in Ōtorohanga.
- 4.4. The final option is to use the Starlink satellite system, which can be supplied with a small variety of monthly pricing and performance plans depending on the supplier.
- 4.5. Bandwidth and performance are better than the alternative, 4G mobile, but still unlikely to provide sufficient for all staff to stay at the office should fibre be unavailable. This could be mitigated by having some staff work from home.
- 4.6. Starlink direct were not considered beyond this point due to the lack of local support.

5. Financials

- 5.1. One.NZ and Spark were approached for pricing, as follows:

One.NZ

Purchase of Starlink high performance dish	\$3,630	
Site visit for installation evaluation	\$450	
Shipping and installation	\$840	Higher cost may apply if installation is deemed to be complex
Monthly priority data	50GB	
Monthly charge Starlink Go BCP Plan	\$397	Does not apply if plan is unused in any given month
Support fee	\$120	Applies regardless of usage.

Spark NZ

Purchase of Starlink standard kit	\$599	This is a standard domestic kit.
Shipping and installation	\$1,395	Higher cost may apply if installation is deemed to be complex
Monthly data	Unlimited	
Monthly charge	\$174	Does not apply if plan is unused in any given month

5.2. Total costs for these plans would be:

	12 Mths	36 Mths	60 Mths	
One.NZ	\$6,757	\$10,431	\$14,105	Assumes 1 month usage per annum
Spark	\$4,082	\$8,258	\$12,434	

- 5.3. Note that One.NZ have quoted for a business high-performance plan while Spark have quoted for a standard domestic unit. Spark don't believe the use of a domestic unit would be an issue given that the data usage would be minimal.
- 5.4. Download speeds for the business unit are quoted at 90-290mbps while the residential unit would be 90-200mbps. In both cases this is likely to be variable depending on load and weather conditions.
- 5.5. While there is a higher up-front cost for the One.NZ high performance kit and BCP package, that cost becomes less meaningful over time. The monthly support fee seems unnecessary, so staff are seeking to have this removed or reduced.
- 5.6. At the time of writing this report, no response has been received from One.NZ but a verbal update will be provided at the meeting if any further information is received.
- 5.7. It is staff's intention to follow up with One.NZ to confirm if they are willing to remove or reduce the monthly service fee. If not, then discussions would proceed with the offer from Spark NZ.

Public excluded**Take matatapu**

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 75 Resolution to exclude the public for Item PE6: Ōtorohanga Kiwi House update

To Risk and Assurance Committee

From Kaia King, Governance Manager

Type **DECISION REPORT**

Date 21 October 2024



1. Purpose | Te kaupapa

1.1. To exclude the public from parts of the proceedings of the Risk and Assurance Committee meeting.

2. Executive summary | Whakarāpopoto matua

2.1. All formal meetings are open to the public however, there are some parts of the meeting where the public can be excluded. Council must provide a good reason if to exclude the public from a Council or committee meeting - this also includes the media. A resolution must be made at a time when the meeting is open to the public stating the general subject of each matter, the reason for passing that resolution in relation to the matter, and the grounds on which the resolution is based.

3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Risk and Assurance Committee exclude the public from the following parts of the proceedings of this meeting confirming:

- a This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act where a risk of prejudice is minimised by the holding of the whole or the relevant part of the proceedings of the meeting in public; and
- b The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter and the specific grounds for the passing of this resolution are as follows:

General subject of each matter to be considered	Ground(s) under section 48(1) for the passing of this resolution	Interest
Item PE6: Ōtorohanga Kiwi House risk update	Section 9(2)(b)(ii)	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;

4. Context | Horopaki

- 4.1. Public excluded agendas and minutes are not available to the public. Where possible, Council will release public information which has been considered during the public excluded part of a meeting.

5. Considerations | Ngā whai whakaarotanga

Significance and engagement

- 5.1. No community consultation is required under the Significance and Engagement Policy.

Impacts on Māori

- 5.2. Staff consider this report does not have a direct impact on Iwi/Māori greater than any other member of the public.

Risk analysis

- 5.3. This report seeks to reduce the risks associated with protecting the privacy of a person.

Policy and plans

- 5.4. There are no policies or plans relevant to this report.

Legal

- 5.5. Resolutions to exclude the public are made under Section 48 of the Local Government Official Information and Meetings Act 1987.

Financial

- 5.6. There are no financial impacts resulting from the recommendation.

6. Discussion | He kōrerorero

Option 1: To exclude the public from the meeting

- 6.1. This option seeks to reduce the risk of commercial information breaches by the holding of the relevant part of the proceedings of the meeting with the public excluded.

Option 2: To decline to exclude the public

- 6.2. This option may potentially expose Ōtorohanga District Council to greater risk of commercial information breaches.

Recommended option and rationale

- 6.3. To exclude the public for the parts of the meeting outlined in the recommendation.

Meeting closure

Katinga o te hui

The Chairperson will declare the meeting closed.

Workshops

Hui awheawhe

There are no scheduled workshops.