

# Ōtorohanga District Council's Risk and Assurance Committee

Open Minutes of an ordinary meeting of the Ōtorohanga District Council's Risk and Assurance Committee held in Waikōwhitiwhiti (Council Chambers), Ōtorohanga District Council, 17 Maniapoto Street, Ōtorohanga on Monday, 10 March 2025 commencing at 10.00am.

Graham Bunn, Group Manager Business Enablement

17 March 2025



## OPEN TO THE PUBLIC

### Attendance register

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

### Senior staff in attendance

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

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

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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	4

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

No reports.

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

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

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

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

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

Chairperson Stubbs declared the meeting open at 10.00am.

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

**Apologies****Ngā hōnea**

There were no apologies as all Members were present.

**Late items****Ngā take tōmuri**

There were no late items.

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

No conflicts of interest were declared.

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

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

Councillor Prendergast | His Worship the Mayor

**Matters arising**

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

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

There were no reports.

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

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

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

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

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

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

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

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

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

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

Councillor Jeffries | Councillor Hughes

**Item 82 – Quarterly risk report**

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

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

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

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

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

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

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

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

Chairperson Stubbs | Councillor Prendergast.

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

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

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

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

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

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

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

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

Councillor Hughes | Councillor Jeffries

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

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

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

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

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

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

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

Councillor Prendergast | His Worship the Mayor

### **Item 85 – Outstanding debtors report**

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

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

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

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



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

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

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

Chairperson Stubbs | Councillor Prendergast

### **Public excluded**

### **Take matatapu**

There were no reports.

### **Meeting closure**

### **Katinga o te hui**

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

### **Workshops/briefings/discussions**

The following item was held at 11.04am.

#### **Risk Deep Dive: Legislative compliance**

Open

The workshop concluded at 11.17am.