

Waimakariri District Council

Audit and Risk Committee

Agenda

Tuesday 20 October 2026

9am

Council Chambers
215 High Street
Rangiora

Members:

Cr Jason Goldsworthy (Chairperson)

Cr Tim Bartle

Cr Wendy Doody

Cr Tim Fulton

Cr Bruce McLaren

Cr Joan Ward

Mayor Dan Gordon (ex officio)

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A MEETING OF THE AUDIT AND RISK COMMITTEE WILL BE HELD IN THE COUNCIL CHAMBER, RANGIORA SERVICE CENTRE, 215 HIGH STREET, RANGIORA ON TUESDAY 20 OCTOBER 2026 AT 9AM.

Recommendations in reports are not to be construed as
Council policy until adopted by the Council

BUSINESS

Page No

1 APOLOGIES

2 CONFLICTS OF INTEREST

Conflicts of interest (if any) to be reported for minuting.

3 CONFIRMATION OF MINUTES

3.1 Minutes of the meeting of the Audit and Risk Committee held on Tuesday 22 September 2026

6 – 21

RECOMMENDATION

THAT the Audit and Risk Committee:

- (a) **Confirms**, as a true and accurate record, the circulated Minutes of the meeting of the Audit and Risk Committee, held on 22 September 2026.

3.2 Matters Arising

4 PRESENTATION/DEPUTATION

4.1 Treasury Update – Miles O'Connor (Manager Corporate Services, Bancorp)

5 REPORTS

5.1 2027/37 Long Term Plan Audit Engagement Letter – Chris Genet (General Manager Finance and Business Support)

22 – 50

RECOMMENDATION

THAT the Audit and Risk Committee:

- (b) **Receives** Report No. 261008305501.

AND

THAT the Audit and Risk Committee recommends:

THAT the Council:

- (c) **Approves** the Audit Engagement Letter for the 2027/37 Long Term Plan audit, with the Mayor to sign the letter on behalf of the Council.

5.2 **Corporate Risks Update** – Sherrienne Nation (Senior Quality and Risk Advisor)

51 – 63

RECOMMENDATION

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260921285997.
- (b) **Notes** the current Corporate Risks.
- (c) **Notes** the new Corporate risk 'MGT15: Council [staff and governance] may be unable to effectively deliver community outcomes, strategic priorities, and legislative obligations where strategic decision-making, organisational priorities, resource allocation, and operational delivery are not sufficiently aligned'.
- (d) **Notes** that the Health, Safety and Wellbeing risk register is reported separately to the Management Team and Council, and is managed and overseen by the Health, Safety and Wellbeing Manager.
- (e) **Notes** a copy of this report is provided to the Council for information.

6 PORTFOLIO UPDATES

6.1 **Audit, Risk, Annual / Long Term Plans – Councillor Joan Ward**

6.2 **Communications – Councillor Shona Powell**

6.3 **Customer Services – Councillor Wendy Doody**

6.4 **Procurement (Efficiencies and Savings) – Councillor Tim Bartle**

7 QUESTIONS

8 URGENT GENERAL BUSINESS

9 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be), it is moved:

That the public be excluded from the following parts of the proceedings of this meeting:

- Item 9.1 Minutes of the Public Excluded portion of the meeting of the Audit and Risk Committee held on Tuesday, 22 September 2026
- Item 9.2 Application for Rating Sale

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	Subject	Reason for excluding the public	Grounds for excluding the public-
CONFIRMATION OF MINUTES			
9.1	Minutes of the Public Excluded portion of the meeting of the Audit and Risk Committee held on Tuesday, 22 September 2026	Good reason to withhold exists under section 7	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) LGOIMA Sections 7(2) (i).
REPORT			
9.2	Application for Rating Sale	Good reason to withhold exists under section 7	To protect the privacy of natural persons. LGOIMA Section 7 (2) (b).

NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled for Tuesday 15 December 2026 at 9am to be held in the Council Chamber, Rangiora Service Centre, 215 High Street, Rangiora.

WAIMAKARIRI DISTRICT COUNCIL

MINUTES OF THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBER, RANGIORA SERVICE CENTRE, 215 HIGH STREET, RANGIORA, ON TUESDAY, 22 SEPTEMBER 2026, AT 8.45AM.

PRESENT

Councillors J Goldsworthy (Chairperson), T Bartle, Cairns (via Audiovisual Link), W Doody (arrived at 8.50am), T Fulton, B McLaren, J Ward and Mayor D Gordon (left 9.20 am),

IN ATTENDANCE

J Millward (Chief Executive), C Genet (General Manager Finance and Business Support), C Brown (General Manager Community and Recreation), S Hart (General Manager Strategy, Engagement and Economic Development), D Young (Senior Engineering Advisor - Project Delivery Unit), P Christensen (Finance Manager), S Docherty (Strategy and Business Manager), T Kunkel (Governance Team Leader) and T De Rooy (Governance Support Officer).

1 APOLOGIES

There were no apologies.

2 CONFLICTS OF INTEREST

There were no conflicts declared.

3 CONFIRMATION OF MINUTES

3.1 Minutes of the meeting of the Audit and Risk Committee held on Tuesday 16 June 2026

Moved: Councillor McLaren

Seconded: Councillor Bartle

THAT the Audit and Risk Committee:

- (a) **Confirms**, as a true and accurate record, the circulated Minutes of the meeting of the Audit and Risk Committee, held on 16 June 2026.

CARRIED

3.2 Matters Arising

There were no matters arising from the minutes.

4 PRESENTATION/DEPUTATION

Nil.

5 REPORTS

- 5.1 Capital Works Report Year Ending June 2026** – J Eggleton (Project Planning and Quality Team Leader), D Young (Senior Engineering Advisor), K Simpson (Acting General Manager Utilities and Roading) and C Brown (General Manager Community and Recreation)

D Young spoke to the report and highlighted the completion of the 2025/26 Capital Works Programme. He noted that actual programme expenditure during the 2025/26 financial year totalled \$50.58 million, consistent with delivery levels achieved in recent years. By comparison, expenditure in the preceding three financial years was \$56.03 million in 2024/25, \$54 million in 2023/24, and \$54 million in 2022/23. D Young advised that overall programme delivery outcomes had fallen short of budget expectations, with total expenditure of \$50.58 million being approximately \$31 million below the approved budget of \$81.54 million. D Young further noted that of the \$31 million underspend, \$8.5 million was attributable to project savings and \$13.7 million related to planned budget carry forwards. The remaining \$8.8 million represented budget not expended and not carried forward, as the Council would seek new annual budget provisions for a significant portion of that work.

Councillor McLaren raised concerns about potential health and safety risks associated with the recommendations and sought clarification on how the Council would mitigate those risks. D Young advised that the identified risks related to the specific limitations and constraints of individual projects. He noted that the Council undertook all works subject to appropriate health and safety measures and implementation processes.

Councillor Goldsworthy questioned the difference between the Capital Works Report and the Financial Report, noting that the financial report included expenditure relating to Housing for the Elderly, but the Capital Works Programme did not. D Young explained that the current reporting approach had been established approximately five to six years earlier and was based on reporting processes already in place at that time. The organisation may not have discussed whether to incorporate additional works into the Capital Works Programme, and the current approach may reflect historical reporting practices.

Councillor Goldsworthy further questioned the inclusion of additional housing complexes and other property portfolio projects within future capital works reporting. J Millward noted that there was no reason why such projects could not be incorporated into future reporting. Historically, some expenditure funded through the Incidentals Fund did not meet the criteria for inclusion in the Capital Works Programme. However, staff could amend reporting practices to better align capital works reporting with financial reporting, including by providing this information through the Audit and Risk Committee.

Councillor Bartle referred to the reported sustainable savings in the Capital Works Programme, noting that the department identified savings totalling \$8.5 million. He observed that the report included a breakdown of items such as interest savings and queried whether these results were attributable to the efficiency improvements implemented in recent years. D Young advised that performance was reported against the approved budget. During the financial year, projects faced a range of factors and risks, and at year-end, the team compared what was originally planned with what was delivered, excluding approved multi-year projects. He noted that this was the first year the team provided more detailed reporting, enabling clearer identification of the reasons for underspend. D Young explained that some underspend related to work that had not been completed, while other underspend reflected genuine savings where the intended outcomes had been achieved at a lower cost. However, the majority of savings were attributed to market pricing, with tendered prices often varying significantly from original estimates.

Councillor Bartle also raised the issue of Cycle Path Renewals where tenders had been released to the open market, but no submissions had been received and queried whether this was a cause for concern. Staff advised that some projects, such as Cycle Path Renewals, did not always align with the work programmes of larger roading contractors and may not attract sufficient interest from smaller operators. D Young noted that a recent contractor briefing had attracted approximately 40 to 50 attendees, compared with the usual attendance of 80 to 90 contractors. Staff considered this reflected the high level of activity across the construction sector, with many contractors fully committed and a strong programme of work available in the market.

Councillor Ward sought clarification on the factors driving the current competitive market environment and whether savings from favourable tender pricing were likely to continue in future years. D Young advised that such savings were not expected to continue indefinitely. In some cases, the Council's estimates and budget provisions did not align with actual market pricing. The construction and contracting market fluctuated, with contractor demand and workload influencing pricing. While general market trends could inform estimates and budgets, it was difficult to accurately predict year-by-year market variations. Consequently, future budgets should not assume ongoing savings at the level achieved during the year.

Councillor Ward noted the positive savings achieved during the year. He observed that, of the 421 projects being tracked, 125 projects had not been completed as originally planned but were supported for carry forward, many of which appeared to relate to minor safety works. She queried how the delayed projects would be completed efficiently during the current financial year. D Young responded that the number of projects reported as a category that staff monitored closely; however, project numbers could be misleading as a single budget could be divided into multiple projects for tracking purposes. As an example, a line safety budget may be split into several individual projects to ensure expenditure is accurately monitored and reported. The number of projects being managed was flexible and reflected operational requirements.

J Millward advised that the Council had previously requested staff to review all projects that had been delayed or carried forward. That review found that only a small proportion, approximately 5% or less, were attributable to matters within staff control. The majority of delays arose from external factors, such as land acquisition processes, where negotiations could extend over many months. He noted that some land purchase negotiations undertaken during the year had continued for more than ten months, reflecting the Council's preference to secure agreements through negotiation rather than resorting to the provisions of the Public Works Act, which could result in additional delays and costs. J Millward further advised that capital projects often did not align neatly with the financial year ending on 30 June. As a result, Council sometimes needed budget carry forwards to complete projects. He noted that a project could be substantially complete, for example 90% complete, with only minor components remaining in the following financial year. Although the physical works may have been largely finished, Council could not formally capitalise the asset until it received, entered into Council systems, and verified all required documentation. Staff continued to work closely with developers and contractors to ensure information was provided on time and to support completion within the required timeframes.

Councillor Fulton referred to long-term, multi-year projects involving multiple business units, such as Arohatia te Awa (Cam River Walkway). He queried how budget shortfalls and project delays were allocated where delivery depended on several units working in alignment. D Young advised that major projects of this nature were generally established as multi-year projects from the outset. At the end of each financial year, budgets and expenditure associated with these projects were treated as planned carry forwards, with no adjustment to the overall project budget. He explained that the project budget was set at the start of the project and carried forward throughout its duration. At the same time, expenditure was recorded as work in progress and reported against the approved budget. D Young further explained that where a project experienced delays, the unspent portion of the budget could be carried forward into the next financial year. For example, if a project had an approved budget of \$1 million and \$200,000 had been spent during the year, the remaining \$800,000 could be carried forward to enable completion of the project. As a result, both budget and expenditure remained aligned with the overall project scope rather than the individual financial year in which expenditure occurred.

Moved: Ward

Seconded: Fulton

THAT the Audit and Risk Committee:

(a) **Receives** Report No. 260906269316.

- (b) **Notes** the actual achievement across all tracked capital expenditure, with 70% of projects either on track or completed at the Financial Year End (FYE).
- (c) **Notes** that of the \$81.54 million total capital spend, \$50.58 million (62%) has been completed.
- (d) **Notes** that the previous March Quarterly Report predicted completion of 70.1%.
- (e) **Notes** that progress towards achieving the 26/27 Capital Works Programme has begun, and staff will report on this after the September quarter.

CARRIED

Councillor Fulton acknowledged staff efforts and noted the complexity of delivering the Capital Works Programme across multiple workstreams and business units. Referring to Councillor Ward's earlier comments, he observed that the report provided assurance that funding allocations were appropriately tracked, measured, and not lost through the delivery process. While acknowledging that project delays could occur from time to time, Councillor Fulton noted that the report appeared to provide clear rationale, oversight, and communication regarding those delays. Councillor Fulton, therefore, supported the motion.

Councillor Goldsworthy expressed appreciation for the level of detail provided in the report. He advised that he would welcome further discussion with staff on whether any additional activities, projects, or information may not currently be captured in the report and could appropriately be reported to the Audit and Risk Committee in future.

5.2 **Financial Report for the year ended 30 June 2026** – P Christensen (Finance Manager)

P Christensen spoke to the report and presented the Financial Report for the year ended 30 June 2026. He advised that the Council recorded a surplus of \$25.7 million, compared with a budgeted surplus of \$33.7 million, and noted that the report outlines the reasons for the variance. He advised that the most significant contributing factor was lower-than-budgeted Development Contributions revenue.

P Christensen reported that the Council's external debt at 30 June 2026 was \$225 million, representing an increase of \$5 million compared with the previous financial year. He noted that while debt increased by only \$5 million, the Council delivered approximately \$50 million in capital expenditure during the same period. Referring to debt management, P Christensen advised that the Local Government Funding Agency (LGFA) debt-to-operating revenue ratio continued to provide a useful measure of the Council's debt position. He noted that the ratio improved from 1.34 times operating revenue in the previous year to 1.29 times operating revenue at 30 June 2026, reflecting that operating revenue grew faster than debt. P Christensen further advised that interest costs for the year totalled \$7.6 million, compared with a budget of \$10.9 million. He explained that this favourable variance was mainly due to lower-than-forecast borrowing requirements, as debt levels did not increase as much as previously anticipated, along with lower interest rates during the year. In conclusion, P Christensen drew attention to the Cash Flow Statement, noting that it provided a useful indication of actual cash generated by Council operations by excluding accounting adjustments. He advised that the Council generated \$42.4 million in cash from operating activities during the year. This operating cash flow provided a significant funding source for capital expenditure. It was a key reason the Council could invest approximately \$50 million in capital projects while increasing external debt by only \$5 million over the same period.

Councillor Fulton queried how revenue growth was reflected in the Council's balance sheet, noting that there was often an assumption that revenue growth was driven solely by housing growth. P Christensen advised that the Council determined revenue through the budget-setting process, where anticipated costs were calculated, revenue from fees and charges was applied, and the remaining funding requirement was recovered through rates.

He noted that housing growth did not necessarily increase revenue unless it also generated additional costs. Generally, residential growth required investment in new infrastructure and services, which in turn created ongoing operating and depreciation costs. It was further noted that new growth areas typically generated increased demand for services such as recreation facilities, libraries, and other community infrastructure.

Councillor Fulton observed that while the Council was expected to continue growing overall, growth also created a range of cost pressures that needed careful management. P Christensen noted that work undertaken at a national level had identified concerns that the full costs incurred by councils in providing infrastructure and services to support growth were not always fully recovered from developers. As a result, growth could create financial pressures that councils needed to manage through a combination of funding mechanisms.

Councillor Fulton also sought clarification regarding the Government's proposed Development Levy Framework. P Christensen advised that the recent Government announcement had contained limited detail and that the implications for councils were not yet fully understood. The methodology for calculating any future levies remained unclear, and Council was awaiting further information and guidance, including details expected from the Commerce Commission, before assessing potential impacts on Council funding and growth-related infrastructure provision. C Genet added that, based on the Government's earlier consultation, the proposed Development Levy framework intended to help councils recover a greater proportion of the infrastructure and growth-related costs associated with development, similar to Development Contributions. He noted that the policy intent appeared to be to improve cost recovery from growth rather than relying on existing funding arrangements, which may not fully capture those costs.

Mayor Gordon left at 9.20 am.

Councillor Goldsworthy referred to the breakdown of Business Units and sought clarification on how internal and external debt works. P Christensen explained that internal debt represented the borrowing a Business Unit would otherwise be required to undertake if the Council did not have surplus cash available from other sources. He noted that where Council held available cash balances, it could utilise those funds instead of raising the equivalent amount through external borrowing. An example provided was depreciation funding, where rates were collected to fund depreciation costs, although depreciation itself did not involve an immediate cash outflow. This created cash reserves that could be temporarily utilised to reduce the need for external borrowing. Business Units were charged an interest cost equivalent to the cost that would have been incurred had the funds been externally borrowed. This approach ensured Business Units appropriately reflected the true cost of capital and discouraged the premature use of cash reserves that may be required for future asset replacement. P Christensen noted that depreciation funding effectively operated as a non-cash expense and provided capacity to fund future renewals and capital expenditure.

Councillor Goldsworthy also sought clarification regarding the increase in the current portion of borrowings from \$55 million to \$76 million, noting the reference to 91-day commercial paper. P Christensen advised that the proportion of borrowings held through 91-day commercial paper had increased because it was a more cost-effective funding option under prevailing market conditions. He noted that the Council adopted the shorter-term borrowing strategy in response to the current interest rate environment and expectations about future interest rate movements.

J Millward further clarified that, while borrowing was often referred to in general terms as being from banks, the Council's debt was primarily sourced through the LGFA. He noted that the LGFA had a stronger credit rating than many commercial banks and could offer local authorities more favourable borrowing rates. As a result, the Council benefited from lower financing costs. He further advised that no margin was applied to internal borrowing arrangements, as these were internal accounting allocations designed to attribute borrowing costs across Council activities appropriately.

Councillor Ward noted that Council borrowings had increased by approximately \$5 million during the year despite capital expenditure of around \$50 million. She sought confirmation of the loan principal repaid during the financial year. P Christensen observed that, based on the Cash Flow Statement, the Council had settled \$55 million of borrowings during the year and had subsequently renewed or raised \$60 million of borrowings. He noted that this resulted in a net increase in borrowings of approximately \$5 million over the financial year.

Moved: Councillor Ward

Seconded: Councillor Bartle

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260907270618.
- (b) **Notes** the surplus for the period ended 30 June 2026 is \$25.7 million. This is \$8.1 million under budget.
- (c) **Notes** that a significant variance to budgeted surplus is due to development contributions revenue, which is \$9.1 million less than forecasted. This revenue is dependent on the progress of developments. The current slow economic cycle has reduced the progress of developments in the Waimakariri district.
- (d) **Notes** external debt at 30 June 2026 was \$225 million, which was \$31.6 million under forecast. The Council uses debt to fund capital expenditure including three waters, roading, recreation and community buildings and the earthquake recovery and regeneration programme.

CARRIED

Councillor Ward supported the motion, thanked staff for their work, and acknowledged the forward planning undertaken for the Council's borrowing strategy and financial management.

Councillor Bartle also supported the motion, noting that the report provided a comprehensive overview of the Council's financial position and programme delivery.

5.3 **Non-Financial Performance Measures for Financial Year ending 30 June 2026 – H Street (Corporate Planner)**

S Docherty took the report as read and noted that one performance measure had not yet been reported, as the measure was still in draft form. She advised that the Committee would consider the Council's Annual Report the following month, which would include the final result.

S Docherty also drew attention to an error in the year-on-year comparison table contained within the report. He advised that the percentage figures reported for the 2024/25 financial year should have shown 77% of performance measures meeting target and 23% not meeting target. She noted that, once corrected, the comparison showed performance measures meeting target decreased from 77% in 2024/25 to 71% in 2025/26, rather than from 89%, as stated in the report.

Councillor Goldsworthy sought clarification on the occupancy performance measure, noting that several housing units had been withdrawn from supply during the year. S Docherty advised that the occupancy calculation was based on the units available at the time of assessment and was subject to ongoing review. It was noted that a forthcoming workshop on performance measures (KPIs) would provide an opportunity to review existing measures and consider potential changes. Staff advised that this would enable further discussion with Council regarding the appropriateness of current measures and the information being reported.

J Millward advised that he would not recommend changing the occupancy measure solely for reporting purposes, as the associated budgets had been established based on the current measure. However, he noted merit in further examining the wider works programme and ensuring the most appropriate performance measures were used. J Millward suggested that occupancy rates measured over a longer period, together with additional supporting information and trend data, could provide a more meaningful assessment of performance.

Moved: Bartle

Seconded: McLaren

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260803222506.
- (b) **Receives** the Waimakariri District Council Quarterly Non-Financial KPI Report April to June 2026 (TRIM 260507110994).
- (c) **Notes** that 64 (71%) of performance measures for the last quarter of the 2025/26 financial year were achieved, and 23 were not achieved.
- (d) **Notes** that 25 (28%) of the measures did not meet target, but five were within 5% of being achieved.
- (e) **Notes** that one measure is still to be reported; this measure has to be reviewed by an external party and then approved.
- (f) **Notes** that 24 of the 31 mandatory measures met target, three were within 5% of being achieved, 4 measures did not meet target, and one is yet to be reported.

CARRIED

Councillor Bartle commented that the report generally contained positive results. He noted that maintaining fuel reserves was encouraging and considered it a positive outcome as at 30 June. He further observed that national progress appeared positive in diesel and fuel supply resilience and considered the overall direction favourable. Councillor Bartle therefore supported the motion.

Councillor McLaren noted that asserting there were no risks was a significant statement, especially given that the report also identified legislative reform programmes as a significant strategic and operational risk for the Council. Despite those broader risks, Councillor McLaren advised he was comfortable that, in the context of the report, staff considered no additional risks arising from adopting the recommendation. He, therefore, supported the motion.

5.4 **Reporting on LGOIMA Requests for the period 1 April 2026 to 30 June 2026 –** T Künkel (Governance Team Leader)

T Künkel spoke to the report, highlighting that the Council had received 97 official information requests during the quarter, representing an increase of approximately 26 requests compared with the same period in the previous year. She noted that this increase likely reflected several fast-track applications within the district, along with interest in bylaw reviews and related matters. T Künkel further reported that 87 official information requests had been responded to during the reporting period, with an average response time of approximately 11.25 working days. Staff spent around 183 hours processing and responding to these requests.

T Künkel further advised that staff had implemented a practice of engaging with requesters where a request was estimated to require substantial collation and research to process. During the quarter, staff referred five requests back to requesters for refinement or clarification. Some of those requests had subsequently been revised and resubmitted, while others were not pursued further.

T Künkel noted that the six-month Ombudsman report was due to be published in September 2026. She advised that two complaints related to the Waimakariri District Council during the reporting period. One complaint concerned the Council's decision to withhold information requested by the media under Section 7(2)(a) of the Local Government Official Information and Meetings Act 1987, to protect the privacy of natural persons, including deceased persons. The Ombudsman upheld the Council's decision to withhold the information, and the matter has been closed. The Ombudsman referred the second matter to the Office of the Privacy Commissioner for investigation.

Councillor Ward referred to the reported 183 staff hours spent responding to official information requests and asked how much of that time reflected support and input from Managers, noting that responding to requests could disrupt normal work programmes and add pressure on staff responsible for delivering other projects. T Künkel confirmed that the reported staff hours included all staff involvement in the official information process.

Councillor Bartle noted the overall 169% increase in official information requests since the 2021/22 financial year. He questioned how the Council was managing this increase, whether it might require additional resources, and what future demand was expected to look like. T Künkel observed that each year tended to bring new issues of public interest requiring engagement and information sharing with the community, which in turn generated additional official information requests. She confirmed that resourcing requirements were currently under review. The Governance Team Leader's role has also evolved significantly over time, becoming increasingly focused on Governance, Official Information Management, and associated legislative responsibilities. As a result, the position description would be updated to reflect better the duties and responsibilities now being undertaken.

J Millward acknowledged the significant work undertaken by T Künkel in coordinating official information requests and overseeing the associated processes across the organisation. He noted that the Management Team had discussed the increasing volume of enquiries and requests the Council was receiving, observing that this was likely attributable, in part, to a growing tendency for members of the public to challenge Council decisions, processes, and regulatory requirements. J Millward acknowledged that the nature and scope of the role had expanded over time as the number of enquiries, information requests, and associated correspondence had increased. He noted that Council had consistently responded to these requests and inquiries in accordance with its legislative obligations and commitment to transparency.

In relation to official information requests, J Millward acknowledged that submitting such requests remained an important mechanism available to the public. He also noted that the Office of the Ombudsman monitored and reviewed the volume of requests councils received, and that the Council was increasingly receiving multiple requests from individual requesters, which increased the overall workload. While responding to these requests was part of the Council's responsibilities, he advised that the increasing demand continued to challenge staff.

Responding to a question from Councillor Bartle, T Künkel advised that approximately a third of the official requests received were from media and groups outside the Waimakariri District.

Councillor Fulton expressed a concern that the increasing volume and complexity of official information requests were diverting senior staff expert resources from their daily priorities. J Millward explained that it was important that the official information requests were centrally coordinated. However, the requests often involved highly technical subject matter and required input from a wide range of staff across the organisation. He noted that responding to such requests required an understanding of Council activities, legislative obligations, and the risks associated with releasing information. Accordingly, staff involved in the process needed appropriate knowledge and training to undertake this work effectively.

J Millward further advised that the Council needed to carefully consider information released under official information legislation, as requesters could seek a review from the Ombudsman if they were dissatisfied with a response. In those circumstances, the Council had to provide further information and respond to the Ombudsman's enquiries. While such referrals were relatively infrequent, they did occur when requesters disagreed with Council's response. He also noted that some matters were escalated through other channels, including referrals to local Members of Parliament. For example, he advised there were three such instances during the year. While these situations were not uncommon, they reinforced the importance of ensuring responses were accurate, robust, and appropriately reviewed before being released.

Moved: Councillor McLaren

Seconded: Councillor Ward

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260804224467.
- (b) **Notes** that the Council received 97 official requests and responded to 89 official requests for information from 1 April to 30 June 2026, being two more than the 87 official requests responded to in the same period in 2025.
- (c) **Notes** that the Council responded to requests within an average timeframe of 11.25 working days.

CARRIED

Councillor McLaren observed that the official information request process was an important mechanism for ensuring transparency and accountability in local government activities. He noted that the process protected elected members and staff, as members of the public could direct enquiries through established channels and legislative processes. Councillor McLaren further commented that additional safeguards and transparency were provided through avenues such as the Office of the Ombudsman and local Members of Parliament, and that responding to official information requests was a statutory obligation of the Council. He advised that the time spent responding to official information requests should not be viewed as a departure from business-as-usual activities but rather as an inherent part of the Council's normal responsibilities.

Councillor McLaren acknowledged that the volume of requests could not be anticipated with certainty and noted that individuals submitted requests for a wide variety of reasons, including circumstances where some information may already be publicly available.

Councillor Ward thanked the Governance Team for coordinating and managing the official information request process and supporting elected members. She acknowledged the increasing demands of the function and suggested that additional resourcing may help alleviate some of the pressures involved.

Deputy Mayor Redmond congratulated staff managing official information requests and acknowledged the significant increase in request volumes in recent years. He observed that this trend may have been influenced by the growth of social media and a broader decline in public trust in institutions, including central and local government. Deputy Mayor

Redmond suggested these factors may have become more pronounced after the COVID-19 period and have continued to influence community engagement and information-seeking behaviours.

Deputy Mayor Redmond further commented on the growing availability of information through artificial intelligence and other digital tools, noting that it was unclear whether these developments would ultimately reduce the number of official information requests received by the Council. He also noted that proposed amendments to the Local Government Act were intended to improve elected members' access to internal Council information. Deputy Mayor Redmond suggested that, if implemented, these changes may reduce the need for some formal information requests, although it remained uncertain whether they would reduce overall request numbers.

Councillor Fulton noted that the Council was often the front line for community communications and enquiries, and that responding to information requests formed an important part of the service provided to the public. He observed that elected members did not always receive information gathered through official information requests. He suggested that giving members greater visibility into the nature and themes of enquiries being received may be valuable. Councillor Fulton commented that the range of requests outlined in the report demonstrated the breadth of issues of interest to the community. He noted that several matters staff researched and responded to were of particular interest and could help elected members understand emerging issues and community concerns. He suggested providing elected members with additional information or briefings on request trends and significant enquiries, where appropriate, as some requests could provide useful insights relevant to the Council's work.

6 **PORTFOLIO UPDATES**

6.1 **Audit, Risk, Annual / Long Term Plans** – Councillor J Ward

- Long-Term Plan (LTP) 2027-2037
 - The Council had commenced development of the LTP, which would establish the Council's strategic direction, priorities, budgets, and investment decisions for the forthcoming ten-year period.
 - The Draft Community Outcomes had recently been released for public consultation, with the consultation period having closed on the previous Friday.
 - A series of Long-Term Plan workshops and briefings with the Council had commenced on 8 September 2026 and were scheduled to conclude on 8 December 2026. The workshops were intended to assist Council in determining the strategic direction and priorities for the LTP, which would subsequently inform the preparation of the draft LTP and associated budgets.
- Annual report preparation and audit
 - The Annual Report Audit was progressing well and nearing completion.
 - The Audit Opinion was expected to include some reference to the status of our Headstart Proposal. This would point readers to a disclosure the Council made about its status at the time it adopted the Annual Report.
 - The Annual Report was due to be adopted at the Council meeting on 6 October 2026.

Councillor Fulton raised concerns regarding community awareness of, and participation in, the Long-Term Plan (LTP) process. He noted that communication with community groups about opportunities to submit on the Long-Term Plan and associated strategies, including the Recreation Strategy, appeared limited. He expressed concern that some community groups may not be aware of consultation opportunities and, as a result, could miss the

opportunity to provide feedback or advocate for projects and initiatives of importance to them.

Councillor Fulton suggested that staff work with the communications team to promote consultation opportunities more widely to community groups and other stakeholders. He noted that clearly communicating submission timeframes, such as the proposed six-week consultation period between September and October 2026, would help ensure feedback and requests from across the district were received and considered.

Councillor Fulton also sought clarification on the submission process, including whether submissions had to be made verbally or in writing, and the level of detail expected. He queried whether a submission could comprise a brief written statement or whether more comprehensive submissions were anticipated.

Councillor Goldsworthy further asked whether a template was available to help submitters prepare feedback on the LTP. Staff advised that, when the LTP Plan Consultation Document was released in February 2027, a submission template would be provided to assist members of the public in preparing feedback. Each consultation was generally accompanied by a series of questions designed to guide submitters on the matters the Council was specifically seeking feedback on. It was acknowledged that continuing to promote consultation opportunities to community groups would help encourage participation and ensure stakeholders were aware of the process.

6.2 **Communications** – Councillor S Powell

- Current consultations:
 - Draft Waimakariri Play, Active Recreation and Sport Draft Strategy
 - Mandeville Sports Club Draft Concept Development Plan
 - Waikuku Beach skate ramp
 - Gambling Policies
 - Draft North-East Waimakariri Urban Plan – 47 submissions so far
 - Managing and Minimising our Waste – 187 submissions so far
 - Parking at Silverstream Shopping Centre
 - Waimakariri Youth Council Future Voices Survey
- Other recent activities
 - Communications for the above consultations
 - Communications for Youth Action Plan Launch, including video
 - Head Start Pathway Work
 - Work on Long Term Plan ahead of next year
 - Several statutory engagement projects coming up
 - Coming up - opening of the Pegasus Community Centre
- Quarterly Report - April to June 2026 Highlights
 - Media activity remained high during the quarter, with 181 media enquiries and 21 media releases managed during the reporting period. Media coverage was predominantly positive, particularly regarding the Council's approach to balancing growth, infrastructure investment, and affordability, including the decision to keep the average rates increase below 5%. Matters generating significant media interest included Baynons Road, Oxford Health, the Head Start Pathways amalgamation proposal, Pegasus Golf Course, and the proposed Ohoka development.

- Community engagement levels had been exceptionally strong, driven primarily by consultation and engagement activities associated with the Head Start Pathways consultation, the Draft CCTV Policy, the Stock Movement Bylaw, and the Pegasus Youth Space project. Together, these projects generated more than 16,000 engagement page visits and over 1,600 submissions and community contributions.
- The Council's website performance remained strong, with approximately 156,000 sessions and 90,000 users recorded during the quarter. Staff noted that website traffic peaked after the June 2026 launch of the Head Start consultation, reflecting significant community interest in the project. Website traffic was also beginning to decline as members of the public increasingly accessed Council information through artificial intelligence platforms rather than traditional search engines.
- E-news communications continued to perform well, with communications relating to the Head Start project achieving particularly strong reach and engagement across both Subscriber and Ratepayer Databases.
- Social media engagement remained strong, with the Council's Facebook platform generating approximately 1.8 million views during the quarter. The Annual Plan and Head Start consultations were the primary topics of interest, generating significant community discussion and participation. Instagram performance also continued to improve, with steady growth in both follower numbers and engagement levels.
- Demand for communications and design services remained high, with the team receiving 331 internal service requests and completing 307 work programmes during the quarter. This work included communications planning, community engagement support, media management, website updates, graphic design services, and campaign collateral, demonstrating the continued importance of these functions across the organisation.
- The quarter demonstrated strong community interest in key Council projects and decisions, particularly those relating to growth, affordability, and governance, while also highlighting the value of proactive communications, engagement, and design support in helping the Council effectively connect with residents and stakeholders.
- High-level Annual Overview 2025/26:
 - The Council's community engagement platform recorded more than 40,000 page visits and received thousands of submissions and contributions from residents in relation to a range of significant district projects and consultation processes.
 - The Communications Team managed 463 media enquiries and issued 94 media releases during the year, supporting the Council's communications across several high-profile local, regional, and national issues.
 - The Council's digital reach remained strong, with more than 8.4 million impressions generated across Facebook, LinkedIn, and Instagram, together with over 660,000 website sessions recorded during the reporting period.
 - Targeted direct communications continued to be an effective engagement tool. Using the Council's Ratepayer Database alongside weekly electronic direct mail communications, staff directly engaged with more than 15,000 property owners during major strategic projects, including the Head Start consultation. Open rates reached up to 68.5%, significantly exceeding the typical industry benchmark of 28% to 35%.
 - The extensive range of in-house creative and design services provided throughout the year included the production of key corporate and strategic publications such as the Annual Plan, Youth Action Plan 2026-2029, and Community Development Strategy. In addition, the team delivered communications and design support for Local Government Election campaigns, major consultation projects, environmental park signage,

interactive digital content, and a range of videography and photography services.

- The Communications Team had completed 1,143 internal service requests during the year, reflecting the significant demand for communications, engagement, design, and marketing support across the organisation.
- High Visibility Specific Campaigns:
 - Head Start Pathway and Amalgamation Reform - The team ran a major consultation regarding national local government reorganisation. The campaign generated almost 2000 public submissions, yielding strong community direction and providing our elected members with confidence to make decisions
 - Draft Annual Plan 2026/27 - Full communication plan as well as document drafting, editing and design. Highlighting the Council's commitment to core infrastructure and fiscal prudence, keeping rates increases low. The effort included community drop-in sessions across Rangiora, Kaiapoi, Woodend, Oxford, and Pegasus.
 - Rangiora Eastern Link Infrastructure Project - Managed public messaging, route options, and community briefings for the major transport corridor designed to alleviate Southbrook congestion and improve resilience.
 - Do You Know / Local Government Elections Campaign - Designed and delivered an end-to-end promotional campaign across print, digital, and social channels to raise civic awareness of Council services and performance and ultimately drive candidate nominations and voter participation for the upcoming local elections.
 - Policy and Bylaw Consultations - Delivered targeted engagement campaigns for various policy updates, including the Stock Movement Bylaw, Draft CCTV Policy, Woodend/Pegasus Area Strategy survey, and local park/play space developments.

Councillor Fulton referred to the Stock Movement Bylaw consultation and asked about engagement with the rural community, particularly stakeholder management and communication with affected parties. In response, staff advised that farmers and rural community members submitted a significant number of enquiries and questions about the proposed bylaw. The Communications Team actively responded to enquiries, provided information, and addressed concerns raised during the consultation process. The level of feedback received contributed to the decision to extend the consultation period and defer the hearing dates to allow more time for engagement and consideration of submissions. Staff further advised that the Communications Team engaged directly with members of the rural community and other stakeholders throughout the consultation period to ensure concerns were understood and information was communicated effectively. This engagement supported the consultation process and ensured affected parties had an opportunity to participate and provide feedback.

6.3 **Customer Services** – Councillor W Doody

- The Rating Review continued to progress. The Council had received a briefing on 15 September 2026 outlining the work undertaken by the Rating Review Working Party. A report seeking a Council decision on the Rating Review would be presented at the 3 November 2026 Council meeting.
- Work on the Council Enterprise System upgrade continued to progress, with the Customer Services Team remaining closely involved in the implementation of the new system. The remaining modules were scheduled to roll out by the end of March 2027. Staff acknowledged the considerable time and effort invested in the project and recognised the challenges of transitioning to a new system.
- Overview of the Kaiapoi properties portfolio and the associated work programme, including progress on current projects and planned activities.

6.4 **Procurement (Efficiencies and Savings)** – Councillor T Bartle

- Procurement activity remained consistent and continued to review procurement plans, support staff, business-as-usual sourcing and contract activity.
- The officers continue to be focused on efficiencies and cost savings wherever possible, and savings had been achieved through the use of all government contracts review, routine expenditure, and procurement methods which achieved value for money, e.g. early contractor involvement plan (ECI Plan). The Council reviewed matters as they arose and continued business as usual in terms of the review process.

Deputy Mayor Redmond sought clarification on whether the Procurement Officer could quantify the savings in monetary terms. In response, staff advised that certain savings could be quantified, depending on the nature of the procurement activity being assessed. Staff noted that they could measure savings achieved through Government procurement contracts and had obtained information identifying the rates secured and the associated cost savings achieved over the year. Staff advised that this information related to several contracts and that they could provide a monetary value for those savings. However, some benefits from procurement activities arose through process improvements and efficiencies, where the savings were less directly measurable. In these cases, benefits were often reflected through staff time savings and the ability to redirect resources to other activities.

Deputy Mayor Redmond further queried whether additional savings, beyond those generated through Government procurement contracts, could be quantified. Staff advised that they had maintained a Savings and Efficiencies Register for about 18 months, recording a range of initiatives, including expenditure reviews and process improvements across the organisation. It was noted that some savings identified through these reviews could be quantified and reported if required, and that additional detail could be provided regarding the savings and efficiencies achieved.

J Millward added that a six-monthly report could be presented to the Audit and Risk Committee outlining procurement savings and efficiencies. He noted that the Council had increasingly used Government procurement arrangements and had also entered into several new contracts during the period. One benefit of using Government contracts was that existing suppliers could be accessed at pre-negotiated rates, reducing procurement costs and improving efficiency.

J Millward further advised that the Council's Procurement Policy was intended to achieve savings through ensuring expenditure was reviewed and approved at the appropriate level within the organisation, and that reporting on procurement outcomes should occur annually. He noted that using Government procurement arrangements also reduced the need for staff to undertake time-consuming market testing and price comparisons for routine purchases, creating additional operational efficiencies.

Finally, J Millward advised that staff continued to examine opportunities to improve organisational efficiency and business processes. Examples included reviewing the format and reporting requirements of Council reports and assessing the ongoing value of generic information reports that were presented across multiple Community Boards. He noted that while decision-making reports remained essential, opportunities existed to streamline the preparation and presentation of general information reports and memoranda as part of broader efforts to improve how Council conducted its business.

7 **REPORT FOR INFORMATION FROM THE COMMUNITY AND RECREATION COMMITTEE**

7.1 **Update of Management of Waimakariri District Art Collection** – M Foster (Community Development Facilitator – Arts Strategy Implementation)

Moved: Councillor Fulton

Seconded: Councillor Doody

THAT the Audit and Risk Committee:

- (a) **Receives** the information in item 7.1.

CARRIED

Councillor Fulton commended staff for the work undertaken in this area and acknowledged the significant stewardship being exercised on behalf of the community. He noted that the Council was responsible for several valuable community assets and commented that these were well maintained and managed.

Councillor Doody expressed appreciation for the work undertaken and acknowledged the efforts of the staff involved in delivering the programme.

8 **QUESTIONS**

Nil.

9 **URGENT GENERAL BUSINESS**

Nil.

10 **MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED**

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, it was moved:

Moved: Councillor Goldsworthy

Seconded: Councillor Ward

That the public be excluded from the following parts of the proceedings of this meeting:

- Item 9.1 Minutes of the Public Excluded portion of the meeting of the Audit and Risk Committee held on Tuesday, 16 June 2026
 Item 9.2 Insurance Renewal 2026/27

The general subject of each matter to be considered while the public was excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

Item No.	Subject	Reason for excluding the public	Grounds for excluding the public-
CONFIRMATION OF MINUTES			
9.1	Minutes of the Public Excluded portion of the meeting of the Audit and Risk Committee held on Tuesday, 16 June 2026	Good reason to withhold exists under section 7	To protect the privacy of natural persons, including that of deceased natural persons LGOIMA Section 7(2) (a).

Item No.	Subject	Reason for excluding the public	Grounds for excluding the public-
REPORT			
9.2	Insurance Renewal 2026/27	Good reason to withhold exists under section 7	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) LGOIMA Section 7(2) (i).

CARRIED**CLOSED MEETING**

The public excluded portion of the meeting ran from 10.22 am to 10.37am.

OPEN MEETING**11 NEXT MEETING**

The next Audit and Risk Committee meeting was scheduled for Tuesday 20 October 2026 at 9am in the Council Chamber, Rangiora Service Centre, 215 High Street, Rangiora.

THERE BEING NO FURTHER BUSINESS, THE MEETING CONCLUDED AT 10.37 AM.

CONFIRMED

Chairperson

Date

WAIMAKARIRI DISTRICT COUNCIL**REPORT FOR DECISION**

FILE NO and TRIM NO: 261008305501

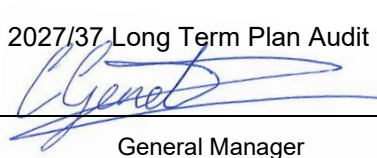
REPORT TO: AUDIT & RISK COMMITTEE

DATE OF MEETING: 20 October 2026

AUTHOR(S): Chris Genet, General Manager Finance & Business Support

SUBJECT: 2027/37 Long Term Plan Audit Engagement Letter

ENDORSED BY:
(for Reports to Council,
Committees or Boards)


General Manager


Chief Executive

1. SUMMARY

- 1.1. The purpose of this report is to present the Audit Engagement Letter for the 2027/37 Long Term Plan Audit to the Committee for recommendation to the Council to approve.
- 1.2. The Audit Engagement Letter outlines the following in relation to the audit engagement:
 - 1.2.1. The Auditor's and Council's responsibilities in relation to the audit,
 - 1.2.2. The areas of focus for the audit, and logistics including the staff assigned to the audit and the audit timetable. The focus areas and logistics have been reviewed by staff and are considered to be appropriate.
 - 1.2.3. The proposed audit fee for the Long Term Plan audit. The proposed audit fee (excluding disbursements) is \$117,480, representing a 10% increase on the 2023/34 Long Term Plan audit fee of \$106,800.
- 1.3. The proposed 10% increase in the audit fee for the Long Term Plan audit caters for inflation over three years since the last engagement was undertaken. This equates to an increase of approximately 3.3% per annum for the three years.
- 1.4. Budget of \$496,370 has been provided for in the Annual Plan for the 2026/27 Annual Report and 2027/37 Long Term Plan audit fees. For context our 2026 Annual report audit fee was \$314,858. Staff expect this to increase with additional effort required in relation to Council's Enterprise System. This will not be confirmed until the fee is provided early next year. It is expected sufficient budget is in place to cover both Annual Report and Long Term Plan audit fees.
- 1.5. Dereck Ollsson (Audit Director, The Audit Office) will be in attendance at the meeting to present the letter and answer any questions the Committee may have on its contents.

Attachments:

- i. The Audit Office Engagement Letter for the 2027/37 Long Term Plan audit (261008305498)
- ii. Letter from Athol Graham, Director Local Government on approach to audit fees (261008305499)

2. **RECOMMENDATION**

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 261008305501

AND

THAT the Audit and Risk Committee recommends:

THAT the Council:

- (a) **Approves** the Audit Engagement Letter for the 2027/37 Long Term Plan audit, with the Mayor to sign the letter on behalf of the Council.

3. **BACKGROUND**

- 3.1. The Local Government Act 2002 (the Act) requires councils to prepare a Long-Term Plan (LTP) every three years. The Act sets out what information needs to be included in the document and requires that it is audited by the Auditor-General.
- 3.2. The LTP sets out the Council's work programme for the next 10 years. It includes the major projects planned over the coming years, explains the activities and levels of service to be provided for the community and shows how the plan will be funded through rates, debt and other funding sources.
- 3.3. The Auditor-General is the auditor of all public entities under statute including the Waimakariri District Council. The Auditor-General allocates audits to audit service providers to conduct audits on his behalf. For the audit of Waimakariri District Council the Auditor-General has allocated the audit for the three-year period ending 30 June 2028 to the Audit Office, and appointed Dereck Ollsson as the Appointed Auditor.
- 3.4. The LTP audit is conducted in two stages, and two separate audit opinions are issued. The first stage occurs in January and February and covers auditing the underlying information and the consultation document. An audit opinion is issued on the consultation document prior to it being released for public consultation. The second stage is the audit of the full LTP document prior to its adoption, which occurs in May and June.

4. **KEY ISSUES**

- 4.1. The Audit Office have supplied the Audit Engagement Letter for the 2027/37 LTP audit. The areas of focus, timetable and audit fees are the matters of most significance within the letter. We have summarised these below.
- 4.2. The areas of audit focus are:
 - 4.2.1. **Sector reforms** – this area of focus recognises that The Council will prepare LTP amid significant legislative and structural reform, including local government reorganisation, rates capping, water services reform, a new resource management framework, changes to development levies and infrastructure funding, and amendments to the purpose and performance requirements of local government. The LTP will need to reflect the best available information on policy direction and legislative intent, align assumptions with adopted delivery plans and emerging statutory requirements, and clearly disclose the potential financial, operational and service-delivery implications of the reforms, together with the significance of associated uncertainty. Audit work will assess whether these assumptions and disclosures are reasonable, appropriately supported and consistent with applicable legislation.

- 4.2.2. **Financial sustainability and prudence** - The LTP must demonstrate that the Council's forecast financial information is prudent and based on reasonable assumptions, taking account of potential rates caps, the presence of water reform, and any revisions to debt covenants or financial strategy limits. Audit work will consider whether these constraints are appropriately reflected in levels of service, asset maintenance and renewal decisions, balanced budget measures and forecast cash flows, and whether material risks are clearly disclosed. Particular attention will be given to the reasonableness of assumptions relating to revenue growth, cost savings, asset sales or recycling, third-party funding, and development levies or contributions.
- 4.2.3. **Asset Planning** – This area of focus recognises that reliable asset condition and performance information is essential to support evidence-based maintenance, renewal and capital forecasts. Audit work will assess the reasonableness of the Council's asset forecasts in light of the reliability of underlying information, any changes in levels of service, and industry capacity constraints affecting project delivery. It also states the expectation that the LTP should also clearly explain any trade-offs between affordability and required asset investment, including the resulting risks and implications for service delivery and the long-term condition of critical assets.
- 4.2.4. **Performance framework** - The Council's performance framework should provide meaningful and proportionate accountability for its significant activities, investment decisions and funding constraints, and should be updated where changes to activities affect performance reporting in the LTP. Audit work will consider how the Council has exercised judgement in selecting, aggregating, measuring and presenting performance information, whether those judgements are appropriately disclosed where required, and whether the framework is clear, provides reasonable coverage of the Council's activities, and addresses the key dimensions of performance for each activity.
- 4.2.5. **Climate change assumptions and response** – This area of focus observes that the 2026 national climate change risk assessment identifies significant risks for local authorities, requiring the Council to consider how adaptation responses are integrated across the LTP, infrastructure and financial strategies, forecasts, levels of service and performance information. It notes that relevant assumptions may include managed retreat, infrastructure capacity and location, asset useful lives and insurability, recovery from severe weather events, and investment in emissions reduction. Audit work will assess whether key climate-related assumptions are reasonable, supportable and adequately disclosed, and whether the LTP clearly explains significant trade-offs between risk, cost and service outcomes.
- 4.2.6. **Financial strategy and infrastructure strategy** - The infrastructure and financial strategies are central to the LTP, setting the Council's long-term investment priorities and funding approach, and should be closely aligned to support effective planning and resource allocation. Audit work on the financial strategy will consider whether the strategy demonstrates financial prudence and a balanced budget, appropriately incorporates demographic and population change and any significant changes to levels of service. Audit work on the infrastructure strategy will consider whether key assumptions are appropriate, any changes to levels of service are clearly articulated, and whether plausible relationships between renewals, depreciation, debt, capital expenditure and service outcomes are reflected. The reasonableness and consistent application of cost and inflation assumptions will also be assessed in both strategies.
- 4.2.7. **Financial model** - The Council's financial model is a key component of the underlying information supporting the financial and infrastructure strategies and the wider LTP. Audit work will place particular emphasis on the model's integrity, internal logic and consistency, including whether key inputs and assumptions are appropriately supported, calculations and linkages operate as intended, and outputs reconcile with the strategies, forecasts and other information presented in the LTP.

4.3. A summary of the timetable for the audit is as follows:

Review of the underlying information and consultation document	11 January 2027
Audit report on consultation document issued	23 February 2027
Review of the LTP document begins	24 May 2027
Proposed LTP for adoption available for Council meeting agenda	8 June 2027
Audit report on adopted LTP issued	15 June 2027

4.4. The proposed audit fee has increased from \$106,800 to \$117,480 (excluding disbursements). The increase in the audit fee is 10% and is consistent with communication received by the Mayor and Chief Executive on the Audit Office's approach to audit fees. This letter is included as an attachment for reference. The increase in audit fee of 10% is solely an allowance for inflation over the three years since the last LTP audit was conducted.

5. **OPTIONS**

5.1. The Audit and Risk Committee has the following options:

5.1.1. Option 1: Recommend the Audit Engagement to the Council for approval (staff recommended option).

This is the recommended option from staff following review of the audit engagement letter. Staff consider the arrangements for the audit can be accomplished within the required timeframes, and audit focus areas are relevant to the audit.

5.1.2. Option 2: Seek to negotiate other arrangements for the audit with the Audit Office

The Committee could instruct staff to seek other arrangements for the audit with the Audit Office. This is not the recommended option following review of the audit engagement letter. The Committee may wish to consider this option if there are matters or terms which they believe need to be considered further.

5.2. The Management Team has reviewed this report and supports the recommendations.

6. **STRATEGIC ALIGNMENT AND COMMUNITY VIEWS**

Mana Whenua Engagement

6.1. The subject matter and/or recommendations contained within this report are likely to be of interest to mana whenua. The annual hui with Ngāi Tūāhuriri in March identified key themes, most of which directly relate to infrastructure, including:

- Flooding, Stormwater & Water Quality (highest priority)
- Essential Infrastructure for Tuahiwi / MR873
- Roads, Traffic & Bypass Impacts
- Planning, Commercial Activity & Waste
- Community Facilities & Wellbeing
- Partnership, Transparency & Governance

Mana whenua are therefore likely to be interested in the presentation and substance of these matters in the Consultation Document and LTP. Discussions have commenced with Whitiara representatives regarding engagement and feedback during the development of the LTP.

Groups, Organisations and the Wider Community

6.2. There are groups, organisations, or members of the wider community likely to be affected by, or to have an interest in, the subject matter of this report.

- 6.3. The contents of the LTP are likely to be of interest to residents, ratepayers, mana whenua, Community Boards, businesses, community organisations, government agencies, and Council-controlled organisations. The LTP includes the major projects planned over the coming years, explains the activities and levels of service to be provided for the community and shows how the plan will be funded through rates, debt and other funding sources. The audit of the LTP provides assurance to users that the information presented meets the statutory purpose and has been based on reasonable assumptions and forecasts.

Implications for Community Wellbeing

- 6.4. There are implications on community wellbeing by the issues and options that are the subject matter of this report as it pertains to the audit of the LTP.
- 6.5. The LTP articulates the long-term aspirations and outcomes sought for the District. They provide a strategic foundation for Council's decision-making, investment, service delivery, advocacy, and partnerships, helping to support the social, cultural, environmental, and economic wellbeing of current and future communities.

Community Outcomes and Strategic Priorities

- 6.6. The Council's community outcomes are relevant to the actions arising from recommendations in this report.

The audit process contributes to the community outcome that "Public organisations make information about their plans and activities readily available".

- 6.6.1. Public organisations make information about their plans and activities readily available.
- 6.6.2. Public organisations make every effort to accommodate the views of people who contribute to consultations".

7. OTHER IMPLICATIONS AND RISK MANAGEMENT

Financial Implications

- 7.1. There are financial implications for the decisions sought by this report. Funding is currently provided for within the Annual Plan.

Community Resilience and Sustainability

- 7.2. The recommendations in this report do not have sustainability and/or climate change impacts.

Risk Management

- 7.3. There are risks arising from the adoption/implementation of the recommendations in this report.
- 7.4. The audit work carried out by The Audit Office provides assurance regarding the accuracy and legal compliance of the Council's Consultation Document and LTP. If the LTP was not accurate, the Council risks making poorly informed decisions, incorrectly setting rates and charges, having different debt levels, and failing to deliver planned services and infrastructure.

Health and Safety

- 7.5. There are no health and safety risks arising from the adoption/ implementation of the recommendations in this report.

8. CONTEXT

Consistency with Policy

- 8.1. This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

Authorising Legislation

- 8.2. The Auditor-General is the statutory auditor of the Waimakariri District Council under section 14 of the Public Audit Act 2001. Audit New Zealand have been appointed under sections 32 and 33 of the Act.
- 8.3. Under section 93 C and 94 (2) of the Local Government Act 2002, the Consultation Document and Long Term Plan are required to include an audit report.

Authorising Delegations

- 8.4. Under Policy S-DM1022, the Audit and Risk Committee has the jurisdiction to "Liaise with and manage the Council's relationship and arrangements with the Council's external auditors".
- 8.5. The Council has delegation to approve the 2027/37 LTP Audit Engagement Letter

2 October 2026

Mayor Dan Gordon
Waimakariri District Council
215 High Street
Rangiora 7440

Copy to: Jeff Millward, Chief Executive
Simon Hart, General Manager: Strategy, Engagement and Economic Development

Tēnā koe Dan

Audit engagement letter: Audit of the consultation document and long-term plan for the period commencing 1 July 2027

This audit engagement letter is sent to you on behalf of the Auditor-General, who is the auditor of all “public entities”, including Waimakariri District Council (the Council), under section 14 of the Public Audit Act 2001. The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of The Audit Office, under section 32 and 33 of the Public Audit Act 2001, to carry out the audit of the Council’s consultation document and long-term plan (LTP).

This letter outlines the terms of the audit engagement, including:

- Council’s responsibilities;
- our responsibilities;
- our approach to the audit;
- areas of audit focus;
- audit logistics;
- professional fees; and
- personnel.

The letter seeks your agreement to the terms of the engagement.

Our audit is carried out in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. We also consider the requirements of the Auditor-General's Auditing Standards where applicable and refer to the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

1 Council's responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for preparing the consultation document and LTP, by applying the Council's own assumptions, in accordance with the Local Government Act 2002 (the Act) (in particular, the requirements of Part 6 and schedule 10) and in accordance with generally accepted accounting practice in New Zealand.

1.1 General responsibilities

The general responsibilities of the Council are consistent with those for the annual report, as set out in the audit engagement letter dated 16 April 2026. The general responsibilities set out in detail in Appendix 1 of that audit engagement letter are:

- responsibilities for compliance with laws and regulations; and
- responsibilities to establish and maintain appropriate standards of conduct and personal integrity.

1.2 Specific responsibilities

In addition to those general responsibilities, the Council is responsible for preparing the consultation document and the LTP including:

- maintaining accounting and other records that:
 - correctly record and explain the forecast transactions of the Council;
 - enable the Council to monitor the resources, activities, and entities under its control;
 - enable the Council's forecast financial position to be determined with reasonable accuracy at any time; and
 - enable the Council to prepare forecast financial statements and performance information that comply with legislation.
- providing us with:
 - access to all information and assumptions relevant to preparing the consultation document and LTP, such as records, documentation, and other matters;

- additional information that we may request from the Council for the purpose of the audit;
- unrestricted access to Council members and employees that we consider necessary; and
- written confirmation of representations made to us in connection with the audit.

We assume that elected members are familiar with those responsibilities and, where necessary, have obtained advice about them.

For clarity, we note the following statutory responsibilities as set out in the Act:

- Section 93 of the Act requires the Council to have an LTP at all times, and Part 1 of Schedule 10 prescribes the information that must be included in the LTP.
- Section 111 requires that information required to be included in the LTP is prepared in accordance with applicable generally accepted accounting practice standards, where relevant standards exist.
- Section 83 (with reference to section 93A) sets out the special consultative procedure that the Council is required to follow to adopt the consultation document and LTP.
- Section 93C(4) requires an auditor's report on the consultation document, and section 94 requires a separate opinion on the LTP.

Please note that the audit does not relieve the Council of any of its responsibilities.

1.3 Publication of the consultation document and adopted long-term plan on the Council's website

The Council is responsible for the electronic presentation of the consultation document and LTP on its website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the presented data.

2 Our responsibilities

2.1 Carrying out the audit

The Act requires us to provide separate reports on the consultation document (under section 93C(4) of the Act) and on the LTP (under section 94(1) of the Act).

For each document, our audit addresses the following overarching objectives:

- Whether the document gives effect to its relevant statutory purpose.
- The quality of the information and assumptions underlying the information included.

Our report on the LTP also addresses:

- The completeness and accuracy of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014.

Our work to assess the quality of underlying information and assumptions is expected to be aligned, as far as practicable, with the Council's programme of work throughout the LTP preparation period.

2.2 Statutory purpose

We assess whether the consultation document and the LTP meet their respective statutory purposes. Given the different purposes of each document, this involves considering different matters for each report.

2.3 Our independence

It is essential that the audit team remain both economically and attitudinally independent of the Council (including management personnel and the elected members). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with integrity, objectivity, and independence.

2.4 Quality of information and assumptions

We obtain evidence about the quality of the information and assumptions underlying the information in the consultation document and LTP. This involves applying professional judgement, including assessing the risks of material misstatement whether due to fraud or error.

Our audit involves performing procedures that examine, on a test basis, evidence supporting assumptions, amounts, and disclosures in the consultation document and LTP, and evaluating the overall adequacy of the presentation of information.

We also review other information associated with the consultation document and LTP to identify whether there are material inconsistencies with the audited consultation document and LTP.

2.5 Materiality

Consistent with the annual audit, the audit of the consultation document and LTP is performed in accordance with the principle of materiality, as applied through the exercise of professional judgement. Materiality is considered across the 10-year period of the LTP (and, where relevant, beyond), recognising that the nature and level of materiality, and the auditor's assessment thereof, may differ between the initial and outer years of the forecast period. This reflects that the initial years are typically informed by more detailed and proximate assumptions, and the outer years subject to a wider range of potential variation due to the longer time horizon.

Materiality is a key factor influencing our judgement about the areas to be tested and the nature and extent of audit procedures performed. In planning and performing the audit, we aim to obtain assurance that the consultation document and LTP, and the information and assumptions underlying them, are free from material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence a reader's overall understanding of the consultation document and LTP.

If material misstatements are identified and not corrected, we will refer to them in our audit report. Our preference is for any material misstatement to be corrected, thereby avoiding the need for such reference.

2.6 What our audit reports *do not* provide

Our reports on the consultation document and LTP:

- do not provide a guarantee of the absolute accuracy of the information in the relevant document;
- do not provide a guarantee that the Council has complied with all relevant legal obligations;
- do not express an opinion on the merits of policy choices;
- in the case of councils that are water organisations, do not express an opinion on any water services strategy adopted under section 230 of the Local Government (Water Services) Act 2025¹; and
- do not include an opinion on whether the forecasts will be achieved.

3 Our approach to the audit

3.1 The content of the consultation document

The Act emphasises the discretion of the Council to decide what is appropriate to include in the consultation document and the associated consultation process. In deciding what to include in the consultation document, the Council must have regard to its significance and engagement policy, and the importance of other matters to the [city/district/region] and its communities.

¹ An opinion on a water services strategy adopted under section 230 of the Local Government (Water Services) Act 2025 may be provided under a separate engagement, if requested under section 239 of that Act.

We will need to understand how the Council has approached the task of applying its significance and engagement policy, and how it has weighed the importance of other matters in deciding what to include in the consultation document. This will help inform our assessment of whether the consultation document achieves its statutory purpose.

3.2 Adopting and auditing the underlying information

Before adopting the consultation document, section 93G of the Act requires the Council to prepare and adopt the information that:

- is relied on by the content of the consultation document;
- is necessary to enable the Auditor-General to issue an audit report under section 93C(4); and
- provides the basis for the preparation of the LTP.

The information to be prepared and adopted needs to be sufficient to enable the Council to prepare the consultation document.

Consistent with the guidance of Taituarā, Local Government Professionals Aotearoa, our view is that the core building blocks of an LTP will be needed to support an effective consultation document. This will include, but not be limited to, draft financial and infrastructure strategies and the information that underlies them, including asset management information, assumptions, defined levels of service, funding and financial policies, and a complete set of financial forecasts at an activity level.

We will work with management to understand the information proposed to be adopted and assess whether it will enable us to issue an audit report under section 93C(4).

From a practical perspective, it will be important that the Council is well advanced with the preparation of the full LTP when it issues the consultation document. Otherwise, you may find it difficult to complete the work and adopt the full LTP before your deadline. The same is true for our audit work. The more audit work that can be completed at the first stage of the process, the less pressure there will be on you and our audit team at the end of the process.

3.3 Controls relevant to the preparation of the consultation document and LTP

The Council is responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the Council). This includes policies and procedures used to prepare the consultation document and LTP, and to provide reasonable quality information and assumptions underlying these documents. We will obtain an understanding of internal control over the preparation of the consultation document and LTP. In addition to talking to Council staff, we will evaluate the design of relevant controls and whether they have been implemented.

Our review of your LTP self-assessment response (see 3.5) and key controls relating to the underlying information and development of the LTP is useful to our initial assessment of audit risk and in designing the nature and extent of our overall audit work.

3.4 Project management, reporting deadlines, and audit progress

The development of the consultation document and LTP is a significant and complex project, requiring a comprehensive project plan to ensure they integrate the Council's plans, policy decisions, and assumptions. Successful delivery of an integrated plan on time requires a project commitment throughout the organisation including from the elected representatives.

We will discuss with you the Council's approach to preparing and completing the LTP, including when key information will be available for auditing, and work with the Council to agree the timing of our work.

3.5 Self-assessment

We intend to use a self-assessment to assist our audit planning. The self-assessment asks you to reflect on your most significant issues and risks, governance of the LTP project, the systems and processes you have in place (particularly to meet the purposes in the Act for the consultation document and the LTP), asset management, performance management and reporting, and financial management.

It can also be a useful tool for Council to identify key changes and judgements planned for the LTP, including those that significantly affect levels of service, asset investment, and the Council's long-term financial outlook. The self-assessment will be provided separately, and we ask that you please complete and return this assessment by 30 November 2026.

4 Areas of audit focus

The quality of the Council's financial forecasts is significantly affected by whether the assumptions they are based on are reasonable. The Act requires Councils to clearly outline the significant forecasting assumptions and risks that underlie the forecast financial statements in the LTP (Schedule 10, clause 17). *Prospective Financial Statements* (PBE FRS 42), also require the disclosure of significant assumptions.

We will assess whether the Council's significant assumptions are reasonable, clearly identified, complete, and consistently applied across the LTP, consultation document, and supporting information.

We will also assess whether the level of uncertainty associated with key assumptions is appropriately reflected and disclosed in the LTP.

Based on our planning to date, we have identified several focus areas where the related assumptions involve greater judgement and uncertainty and therefore present a higher risk of material misstatement. We outline these below.

4.1 Sector reforms

The Council will be preparing its LTP during a period of significant legislative and structural change. The Council will need to adopt the most appropriate assumptions based on the best available information about policy direction and legislative intent, with clear disclosure of those assumptions and the associated level of uncertainty.

A summary of the reforms already in place, or expected to affect the LTP, is set out below.

Our audit work will assess whether the Council's assumptions and disclosures reasonably reflect these changes and the associated uncertainty.

- **Structural reform:** Initial Cabinet decisions on reorganisation proposals are expected in 2027 for councils participating in early-stage reform processes. Councils not participating are expected to progress on a longer timeframe after the 2028 elections. While direct impacts on current LTP forecasts are likely to be limited, disclosures about the potential implications, significance, and associated uncertainty will be important.
- **Rates capping:** The Local Government (Rates Capping) Amendment Bill has been introduced to parliament. Final legislation is expected in 2027, and rates caps are proposed to take effect from 1 July 2029. A transitional period is planned from enactment until 30 June 2029. During this period, councils would be expected to have regard to the proposed target rates range of 2% to 4% when setting rates but would not be bound by it. Clear disclosure of the impact on forecasts, assumptions, risks and associated uncertainty will be important.
- **Water services reform:** LTP assumptions should be based on the adopted and approved water services delivery plan and associated investment programme. This includes consideration of transition issues arising from changes to service delivery arrangements, such as overhead allocation, debt and guarantee arrangements, targeted rates collection, and accounting and service level arrangements. For in-house delivery models, the Council should ensure that there is clear documentation supporting the allocation of overheads and shared costs, and that the LTP appropriately includes required information and excludes non-permitted information in accordance with legislative requirements.
- **Resource Management Act reform:** The new resource management legislation is progressing into implementation, introducing a new planning and environmental management framework that councils will need to implement during the LTP period. The reforms, together with the continuing use of fast-track consenting pathways, may affect infrastructure demand, growth patterns, development capacity, and related financial forecasts. Councils should consider the implications of implementing the new planning system, including capability and transition requirements and changes to planning processes. These should be reflected in the council's LTP planning and budgeting where relevant.
- **Development Levies and Infrastructure Funding and Financing Act changes:** The Infrastructure Funding and Financing Amendment Act 2026 has been enacted. Councils

will need to consider whether assumptions appropriately reflect the impact of these changes, including the introduction of new levies from July 2028 where these funding mechanisms are available. Clear disclosure of the resulting impacts and associated uncertainty will be important.

- **Local Government (System Improvements) Amendment Act:**
 - The Local Government (System Improvements) Amendment Act 2026 has amended the purpose of local government, increasing the focus on infrastructure, public services, regulatory functions, and economic growth, and removing reference to the four well-beings. The Council will need to ensure the LTP is aligned to the new purpose.
 - The Act also enables standardised groups of activities and council performance benchmarks to be set through regulations. and provides councils with better tools to recover growth-related infrastructure costs from fast-track developments. It modifies the Secretary for Local Government's powers to make rules related to performance reporting. The Council will need to consider the implications of new regulations or rules and ensure that the LTP appropriately reflects any new or amended performance reporting requirements.

4.2 Financial sustainability and prudence

An important function of a council's LTP audit is concluding whether the forecast financial information is financially prudent and based on reasonable assumptions.

There are several factors that the Council needs to consider when preparing the consultation document and LTP to ensuring the LTP is financially prudent. These include:

- The potential impact of rates caps on revenue over the forecast period.
- The impact on revenue, expenditure, and debt of structural changes (such as the removal of water assets).
- Changes to the Council's debt covenant and financial strategy limits.

Our audit work will focus on how the Council's forecasts have factored in these changes and funding constraints. At a minimum we will focus on:

- whether the constraints have been appropriately reflected in the Council's levels of service;
- the adequacy of disclosures about the risk to critical assets if council defers asset maintenance;
- The consequential impact on financial prudence and balanced budget metrics and forecast cashflows trends; and
- the reasonableness of key assumptions, such as:

- revenue increases;
- cost reductions, including savings assumptions;
- asset sales or recycling;
- revenue assumed from third parties; and
- development levy/contributions.

4.3 Asset planning

Quality asset information is critical to supporting renewals and capital forecasts in the LTP. Sector observations indicate that renewals forecasts continue to be below depreciation on average, while the quality and reliability of condition and performance information for critical assets remains variable. Together, these factors increase the risk of suboptimal investment decisions and highlight the importance of evidence-based renewals and maintenance programmes.

Given the significance of infrastructure investment and management to the Council's activities, we will consider the reasonableness of the Council's asset forecasts in the context of the quality and reliability of asset condition and performance information.

Our work will include considering how Council has:

- explained any necessary trade-off between affordability and asset investment requirements, and the risks and implications of those trade-offs;
- factored in changes in levels of service to the financial forecasts;
- factored in the reliability of underlying asset data about condition and performance; and
- factored industry capacity constraints into assumptions about project delivery timing.

4.4 Performance framework

The Council's performance framework should be meaningful and appropriate in the context of its significant activities, investment decisions, and funding constraints. It is a key mechanism for accountability to ratepayers and other stakeholders over time.

The Council will also need to consider how changes in activities affect the performance framework included in the LTP.

Our work will include:

- Obtaining a high-level understanding of how the council has applied its judgement in relation to the selection, aggregation, measurement, and presentation of the

performance framework (noting that PBE FRS 48 requires disclosure of these judgements in the annual report).

- Considering whether the performance framework is clear, gives reasonable coverage of the local authority's activities, and covers the important dimensions of performance for each activity.

4.5 Climate change assumptions and responses

The Climate Change Commission recently released its [2026 national climate change risk assessment](#). Some of the most significant risks identified directly impact local authorities.

Council may need to develop strategies to adapt to climate change risks and ensure its strategies and plans are consistent with decisions in other key documents, such as infrastructure strategies (regarding managed retreat, infrastructure capacity, and the location of assets), financial strategies, and financial forecasts (regarding useful lives, insurability, and weather event recovery).

Our work will include:

- Assessing whether key climate-related assumptions are reasonable, supportable, and adequately disclosed.
- Understanding how the Council's adaptation strategies have been integrated into the LTP, including the financial forecasts, forecast levels of service, and performance information.
- Ensuring the LTP clearly explains significant trade-offs between risk and cost, including why the Council has adopted certain assumptions in establishing financial forecasts and, where relevant, how performance frameworks reflect investments in greenhouse gas emission reductions.

4.6 Financial strategy and infrastructure strategy

The infrastructure and financial strategies are central to the LTP framework, setting priorities for infrastructure investment and the Council's funding approach. High-quality strategies are essential to effective long-term planning and resource prioritisation.

Our work will include considering how the Council has:

- aligned the infrastructure and financial strategies;
- balanced the budget and been financially prudent;
- integrated the effect of key assumptions about demographic and population changes, and significant changes to levels of service;
- ensured the plausibility of key relationships in the forecasts, such as:

- renewals and depreciation forecasts;
- debt, interest, and capital expenditure relationships; and
- renewals, capital expenditure, and levels of service; and
- developed and applied cost and inflation assumptions.

4.7 Financial model

The Council's financial modelling is a significant component of the underlying information that supports the financial strategy and infrastructure strategy. We will place particular emphasis on the integrity and logic of the Council's financial modelling.

4.8 Council-specific matters

We will consider any matters that are specific to the Council's circumstances, strategic priorities, major projects, or significant risks that may have a material influence on the LTP.

Following our planning discussions and review of supporting information, we may identify additional areas that warrant audit focus. Where relevant, these areas will be incorporated into our audit approach and discussed with the Council.

5 Audit logistics

5.1 Audit timing

The key dates in the audit timetable are as follows:

Self-assessment provided to Council	October 2026
Self-assessment returned to audit team for consideration	30 November 2026
LTP planning	30 November 2026
Proposed consultation document available	11 January 2027
Review of the underlying information begins (including infrastructure strategy, financial strategy, financial model, and other underlying documents)	11 January 2027
Draft report to governors on consultation document engagement	16 February 2027
Audit report on consultation document required	23 February 2027
Finalised report to governors on consultation document engagement	23 February 2027

Review of the LTP and underlying documents begins	24 May 2027
Proposed LTP for adoption available for Council meeting agenda	8 June 2027
Draft report to governors on LTP engagement	8 June 2027
Audit report on adopted LTP required	15 June 2027
Finalised report to governors on LTP engagement	15 June 2027

Should we encounter any significant problems or delays during the audit, we will inform you immediately.

To ensure that we meet agreed deadlines, it is essential that the dates agreed are adhered to.

5.2 Workspace and information

The following should be made available to our staff during our audit:

- A suitable workspace for computer use (in keeping with the health and safety requirements discussed in Appendix 1).
- Electronic copies of key documents.

5.3 Provision of a report to Council

In addition to the audit report, at the end of the engagement we will provide a report to the Council communicating relevant matters that came to our attention. This may include significant weaknesses in the Council's systems and any uncorrected misstatements, as well as any identified and relevant breaches of laws and regulations during the audit.

Please note that the Auditor-General may refer to matters that are identified in the audit of consultation documents and LTPs in a report to Parliament if it is in the public interest, in keeping with section 20 of the Public Audit Act 2001.

6 Professional fees

Our audit fee, covering the consultation document and the LTP for the period commencing 1 July 2027, is \$117,480 (excluding GST and disbursements).

As stated in the Public Audit Act 2001, fees must be reasonable to both parties, having regard to:

- the nature and extent of the services provided;
- the requirements of auditing standards published under section 23;

- the qualifications and experience of the persons necessarily engaged in providing the services; and
- any other matters the Auditor-General thinks fit.

We will discuss the proposed fee with you.

Once we have agreed a fee between us, we reserve the right to recover any costs incurred in good faith should a legislative change alter the audit requirements.

The proposed fee is based on the following assumptions:

- All documents and information required to complete the audit is complete and provided within the agreed timelines. This includes:
 - the draft consultation document;
 - the full draft financial strategy;
 - the draft infrastructure strategy; and
 - the key underlying assumptions and information that supports the draft consultation document.
- All documents provided will be subject to appropriate levels of quality review by the Council before they are submitted for audit.
- The consultation document and LTP will include all relevant disclosures.
- There will be an appropriate level of assistance from your staff.
- We will review, at most, two drafts of each of the consultation document and LTP during our audit.
- We will also review one printer's proof copy of the consultation document and LTP, and one copy of the electronic version of the consultation document and LTP (for publication on your website).
- Other than changes/potential changes known at the time the audit fee was agreed, there are no other significant changes in the structure or level of operations of the Council impacting on the audit – such as the establishment of a CCO to deliver core functions, or a major restructuring of groups of activities.
- The local authority is preparing forecast financial statements for the "Council parent" only, rather than including consolidated forecast financial statements for the Council and any controlled entities in the adopted LTP.

If the scope and/or amount of work changes significantly (such as a change in direction while developing the consultation document, or between the development of the consultation document and the LTP), we will discuss the issues with you at the time.

If information is not available for the visits as agreed, or the systems and controls the Council uses to prepare the underlying information and assumptions cannot be relied on, we will seek to recover additional costs incurred as a result. We will endeavour to inform you as soon as possible should such a situation arise.

This fee is exclusive of any subsequent amendments the Council might make to the adopted LTP under section 93D.

We wish to interim bill as work progresses. We propose the following billing arrangements:

	\$
January 2027	39,160
February 2027	39,160
June 2027	39,160
 Total (excluding GST and disbursements)	 \$117,480

We need to begin our LTP audit work in a timely fashion to ensure that the LTP can be adopted before the statutory deadline. We understand there may be some uncertainty around the 2027-2037 LTP, but at this stage you are required by legislation to prepare an LTP.

If the Government decides to change the requirement for completing the 2027-2037 LTP after we have started our work, the fees we charge will be on a percentage completion basis. The Audit Office will liaise with the Ministry of Cities, Environment, Regions and Transport should requirements change part way through the LTP production process to ensure these costs are considered as part of the legislative change process.

7 Personnel

Our personnel involved in the management of the audit are:

Dereck Ollsson	Director
April Rosales	Manager
Lee Filipe	Audit Supervisor

We have endeavoured to maintain staff continuity as far as possible.

8 Agreement

Please sign and return the attached copy of this letter to indicate that:

- it is in accordance with your understanding of the arrangements for this audit of the consultation document and LTP for the period commencing 1 July 2027; and

- you accept the terms of the engagement set out in this letter that apply specifically to the audit of the consultation document and LTP and supplement the existing audit engagement letter dated 16 April 2026.

If there are any matters requiring further clarification, please do not hesitate to contact me.

Nāku noa, nā

Dereck Ollsson
Director

I acknowledge that this letter is in accordance with my understanding of the arrangements of the audit engagement. I also acknowledge the terms of the engagement that apply specifically to the audit of the consultation document and LTP, and that supplement the existing audit engagement letter dated 16 April 2026.

Signed: _____ Date: _____
Mayor Dan Gordon
Waimakariri District Council

Appendix 1: Other general terms and conditions

Health and safety of audit staff

The Auditor-General and Waimakariri District Council take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015, we need to make arrangements with you to keep our audit staff safe while they are working at your premises.

We expect you to provide our audit staff with a safe work environment that is without risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Confidentiality and data storage

We will keep confidential the information we acquire in the course of the audit engagement. We are entitled to use or disclose confidential information where we have a legal or professional right or duty to do so.

You authorise The Audit Office to use any information we acquire in the course of the audit engagement as necessary to support the Auditor-General in the exercise of their functions, powers, and duties under the Public Audit Act 2001. This may include using information for in-house training, precedents for technical audit issues, benchmarking, and for quality improvement and efficiency initiatives.

The Office adheres to the Government Chief Digital Officer (GCDO) requirements for storing up to and including RESTRICTED material in cloud services, using only the approved five-eyes nations. The GCDO has also provide endorsement for a further four countries, which the Office uses for secondary storage, back-ups or BCP environments. The Office can, based in detailed risk assessment approve other countries to be used, however this is done on a case-by-case basis.

Appendix 2: Respective responsibilities when using the Office's client portal tool

The Office has engaged Audit Dashboard Incorporated to provide a client portal, AuditDashboard.

AuditDashboard is a secure online tool that will make it easier for files to be shared between the Office and the [abbreviated name of entity] and for your people to work with us. We will request and receive files from your organisation through AuditDashboard.

For more information, please refer to: [Working with your auditor — The Audit Office](#)

Your organisation's obligations when using AuditDashboard

AuditDashboard implements industry standard encryption and security controls to keep your organisation's data safe. However, each user of AuditDashboard is responsible for ensuring these controls can operate. Your organisation is responsible for your users' use of AuditDashboard.

Upon registering, each user will be required to read and accept individual Terms of Use. These are aligned with your organisation's obligations in this letter. The Terms of Use can be viewed at auditdashboard.com/Account/Terms.

We expect you to ensure that AuditDashboard users in your organisation know that they must only access AuditDashboard using devices that have been approved for work purposes by your organisation. By using approved devices in conjunction with complying with your organisation's own policy on computer use, users are more likely to comply with the Terms of Use that each user must agree to.

We expect your organisation to provide an environment that supports AuditDashboard users in your organisation to:

- use a secure network with firewall protection;
- use a modern, up-to-date browser, and an operating system that features integrated anti-virus and anti-malware software;
- use their own unique user account each time they access AuditDashboard, and comply with the password security measures in the Terms of Use;
- take the same precautions when using AuditDashboard as they would with other secure online transactions, such as ecommerce and banking;
- logout of AuditDashboard, lock their system and secure their computer when left unattended; and
- not misuse AuditDashboard.

Your organisation must inform the Office if a user leaves, or if a change in circumstances (for example, a change in role) means that a user should no longer have access to AuditDashboard. Once we have been informed, we will remove access for that user.

Your organisation must inform the Office of any information that should be restricted so it can only be viewed by specified users, such as payroll data.

Your organisation must notify the Office immediately of any unauthorised use of an AuditDashboard account or in the event that a user's account details are compromised.

We expect your organisation to maintain the confidentiality and integrity of the content and technology of AuditDashboard to at least the same level of care required by your organisation in respect of its own confidential information, but in no event using less than a reasonable standard of care.

Your obligations when your agent uses AuditDashboard

Your organisation might engage an agent ("your agent") to perform some financial functions, for example, an external accountant to prepare your organisation's financial statements. In such circumstances, your agent might hold files, on behalf of your organisation, which are relevant to your organisation's audit.

If your organisation requests the Office to add your agent as an AuditDashboard user, your organisation is wholly responsible for your agent's use of AuditDashboard. Accordingly, your organisation must ensure that your agent:

- is aware of your organisation's obligations to the Office;
- is aware that they must agree to and abide by the Terms of Use that apply to AuditDashboard users;
- is required to be subject to a computer use policy, and work in a secure environment, which enables them to comply with the Terms of Use; and
- agrees to notify your organisation immediately of any unauthorised use of an AuditDashboard account.

Our responsibilities

We are responsible for the security of the data provided by you to us for the purpose of an audit engagement. We are responsible for obtaining assurance that AuditDashboard is secure for the classification and sensitivity of data that is involved. When we engaged AuditDashboard, we considered risk, security, privacy, functionality, and business requirements. These are all fundamental requirements for information governance and assurance².

² NZ Information Security Manual v3 – section 4.1.11 & 4.1.12

The Office does not guarantee the availability of AuditDashboard. We reserve the right to withdraw AuditDashboard at our discretion. Where possible, we will notify your organisation in advance.

If our contract with AuditDashboard is terminated, AuditDashboard will delete your organisation's data, except if you request its return, or such data is required by the Office to perform the audit engagement.

9 September 2026

To all Mayors, Chairs and Chief Executives

Tēnā koutou katoa

2027-37 long-term plan audit fees

I am writing to you to explain The Audit Office's approach to audit fees for the 2027-37 long-term plan (LTP) audit round.

By law, every council must prepare and adopt an audited consultation document and long-term plan. This applies even to councils that are likely to amalgamate within the next three years.

Legislation requires us to set audit fees that are fair both for clients and auditors. We recognise that councils are operating in an increasingly difficult and uncertain financial environment and audit fees are one of many costs that councils need to carefully manage.

Audit fees have not, historically, met the true cost of the audit. However, with changes to water service arrangements under way, amalgamations on the horizon, and other substantial reforms in progress, now is not the time to reset audit fees.

Our aim is to provide a fair, reasonable, and transparent framework for discussions that recognises councils' financial pressures and the work needed to complete efficient, quality audits.

Our approach to setting fees

Your proposed LTP audit fee will be based on the 2024-34 LTP fee (the base fee before any recoveries or overruns), with adjustments for inflation since then and changes to water services.

Auditors may propose fees up to, but not above, a cap calculated using the following formula:

2024 LTP fee + 10% increase for inflation since 2024 - reduction for water reform = 2027-37 LTP fee cap.

For councils that did not prepare an LTP in 2024 or 2025, that number will be a moderated number derived from the 2021 LTP. Your auditor can discuss this with you in more detail.

Applying the water reform adjustment

Most LTPs will see a decrease in audit hours due to water reforms. This will be the case when asset management responsibilities shift to a Water Service Provider meaning the financial forecasts and performance information in the LTP exclude one or more of the three water responsibilities.

Discussions in-house and with other audit service providers about the effort required to audit water assets in 2024 gave us a range of 5% to 15%. We have used the midpoint of 10% when determining the fee cap.

The effect of water reform will vary by council:

- Where all three waters are transferred to a council-controlled organisation and are excluded from the audited LTP, the full 10% adjustment should apply.
- Where only stormwater remains with the council, auditors should assess whether stormwater is a material activity. If it is not, the full adjustment should apply. If stormwater is material, auditors will estimate the remaining work required and reflect this in the fee proposal. The adjustment here should fall between 6.67% and 10%.
- For regional councils, and councils where water services remain within the council or an internal business unit, no water adjustment should be applied unless there is a demonstrable reduction in audit effort. This is because the council's forecast information, which we are required to audit, will include financial information related to water services. However, this does not mean we will issue an opinion on the water services strategy itself.

Recoveries and overruns

There may be circumstances where additional fees, or recoveries, are appropriate. This could happen if the scope of the engagement grows, if extra work is needed because information is incomplete or delayed, or if new matters arise that could not reasonably have been anticipated when the fee was agreed. We expect auditors to discuss recoveries with your council as soon as the need is apparent.

What councils can expect from us

The fee proposal should reflect the nature and extent of the audit work required for your council's consultation document and LTP. It should be supported by a clear explanation of the work required, the assumptions made, the effect of water reform, and any matters that could affect the final cost.

A proposed fee is not a final figure until it has been discussed with your council and agreed through the usual process.

It is important that our audits give you value for money. As we develop our audit methodology, our priority is to ensure that our work is directed to the areas of greatest risk. Your auditor will also work with you to identify these risk areas. These steps will support a more efficient audit while continuing to provide assurance for your council and your community.

How councils can help manage audit costs

Your council can help manage costs by providing complete, timely, and high-quality information to your auditor; engaging early on matters likely to affect the audit timetable or scope; maintaining a clear audit trail for significant judgements; and being available to respond to auditors' queries throughout the process.

Next steps

Your auditor will contact you to discuss the proposed 2027-37 LTP audit fee. They will explain the basis for the proposed fee – including how the cap has been calculated and how any water reform adjustment has been applied.

Please raise any concerns about the proposed fee early with your auditor in the first instance so they can be considered before the fee is finalised.

The Office will continue to support a consistent sector-wide approach to LTP audit fees and will work with auditors and councils to support constructive fee discussions. If you have any questions about how the fee cap was set, or any other questions about the process, please contact your Sector Manager or me.

Nāku noa, nā



Athol Graham
Director, Local Government

WAIMAKARIRI DISTRICT COUNCIL**REPORT FOR INFORMATION**

FILE NO and TRIM NO: HMR-11-02-07 / 260921285997

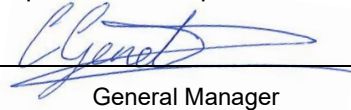
REPORT TO: AUDIT AND RISK COMMITTEE

DATE OF MEETING: 20 October 2026

AUTHOR(S): Sherrianne Nation, Senior Quality and Risk Advisor

SUBJECT: Corporate Risks Update

ENDORSED BY:
(for Reports to Council,
Committees or Boards)


General Manager


Chief Executive

1. SUMMARY

- 1.1. The purpose of this report is to provide the Audit and Risk Committee with an updated summary of the Corporate Risks as at 5 October 2026.
- 1.2. The Corporate Risks register details the organisation's strategic risks that have the potential for high impact on the Council's reputational, financial, or operational outcomes. They are recorded at a high level and are owned and managed by the Management Team.
- 1.3. The Corporate Risks register currently has 13 risks: three 'Critical', six 'High' and four 'Medium'.
- 1.4. The Corporate Risks, along with key insights, risk mitigation activities, trend information and supporting detail, are presented in Appendix 1. The controls and mitigations in place are designed to reduce the likelihood and/or consequences of identified risks. However, some risks continue to retain a high risk rating due to the inherent nature of the activity, factors outside Council control (e.g. natural events or Central Government directives), or because changes to likelihood or consequence do not result in a change to the overall risk rating (refer to the Risk Matrix in Appendix 3).
- 1.5. Since the previous reporting period, one new corporate risk has been added to the Corporate Risk Register; MGT15: Council [staff and governance] may be unable to effectively deliver community outcomes, strategic priorities, and legislative obligations where strategic decision-making, organisational priorities, resource allocation, and operational delivery are not sufficiently aligned.

Minor amendments have also been made to selected risk causes, consequences, controls and treatment actions to improve the accuracy and clarity of risk information. These changes do not alter the overall risk profile, and there have been no changes to the overall risk status or ratings of existing corporate risks.
- 1.6. A heat map illustrating the overall risk profile has been included in Appendix 2.
- 1.7. In addition to the corporate risks, there are currently 185 operational risks being managed and monitored at an operational level.

Attachments:

- i. Appendix 1 - Summary of current Corporate Risks.
- ii. Appendix 2 - Corporate risks rated critical and high - Heat map.
- iii. Appendix 3 - Risk Matrix.
- iv. Appendix 4 - Likelihood Matrix.
- v. Appendix 5 - Consequence Assessment Criteria.

2. **RECOMMENDATION**

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260921285997.
- (b) **Notes** the current Corporate Risks.
- (c) **Notes** the new Corporate risk 'MGT15: Council [staff and governance] may be unable to effectively deliver community outcomes, strategic priorities, and legislative obligations where strategic decision-making, organisational priorities, resource allocation, and operational delivery are not sufficiently aligned'.
- (d) **Notes** that the Health, Safety and Wellbeing risk register is reported separately to the Management Team and Council, and is managed and overseen by the Health, Safety and Wellbeing Manager.
- (e) **Notes** a copy of this report is provided to the Council for information.

3. **BACKGROUND**

- 3.1. The Corporate Risks Register is presented to the Audit and Risk Committee every six months, with the last update provided on 17 March 2026. It outlines current strategic risks and highlights any emerging matters.
- 3.2. The register currently contains 13 risks: three 'Critical', six 'High' and four 'Medium'.
- 3.3. The Management Team undertake a regular review of operational and corporate-level risks, considering both current mitigation actions and the wider operating environment. Both the critical risks and the future economic impacts are reported to the Audit and Risk Committee in this report.
- 3.4. General Managers review risks within their areas with the Senior Quality and Risk Advisor on a regular monthly basis. This is further supported by ongoing operational initiatives led by managers to reduce identified risks.
- 3.5. In addition to the corporate risks, 185 operational risks are being managed across the organisation. Each business unit maintains, monitors, and escalates its register as required, with support from the Quality and Risk Team. Unit Managers meet bi-monthly with the Senior Quality and Risk Advisor to review their risks.
- 3.6. Risk management practices are overseen by the Risk Management Steering Group, which meets quarterly to guide and support the organisation's risk management framework. The group includes the Chief Executive, General Manager Finance and Business Support, General Manager Organisational Development and HR, Health, Safety and Wellbeing Manager, Governance Manager and Senior Quality and Risk Advisor, with additional specialist or management participation as needed.
- 3.7. The Likelihood and Consequence Assessment Criteria are provided in Appendices 4 and 5. Changes to likelihood or consequence may not always alter the overall risk rating, as outlined in the Risk Matrix in Appendix 3.
- 3.8. Definitions:

Term	Definition
Cause	A cause is something that could trigger the risk/risk event. A risk can have multiple causes.
Consequence	Consequences are the result or effect of the risk happening. A risk can have multiple consequences.
Control	A control is something that is already in place that modifies the likelihood and/or consequence of a risk. A control is any process, policy, device, practice, or other action that is repeatable, documented and effects the risk.

Likelihood	The chance/probability of the risk happening.
Risk	An event or set of circumstances that, if it happens, will impact on the achievement of objectives.
Risk Owner	The person responsible for managing the risk. They usually delegate/assign the treatment actions to others but maintain oversight. Risks should only be owned by someone in a position to do something about the risk, including the authority to make decisions and the ability to apply resources (time, money, personnel).
Treatment	Actions being taken to manage the risk (address causes and/or minimise consequences).
Treatment Owner	The person responsible for implementing and overseeing the treatment actions. They keep the Risk Owner informed of progress and any difficulties or changes.

4. **KEY ISSUES**

4.1. **Corporate Risks Register**

4.1.1. The Corporate Risks Register currently has 13 risks: Three 'Critical', six 'High' and four 'Medium'. Having considered all mitigation actions to manage the identified risks, the risks rated are presented in Appendix 1 along with risk insights, key risk responses, trends and supporting information.

4.1.2. The Corporate Risk 'MGT15 is a new risk: Council [staff and governance] may be unable to effectively deliver community outcomes, strategic priorities, and legislative obligations where strategic decision-making, organisational priorities, resource allocation, and operational delivery are not sufficiently aligned'.

This risk was identified through organisational feedback highlighting the significant influence that governance and strategic decisions have on Council's ability to achieve intended outcomes. Effective decision-making relies on the availability of robust information, evidence, analysis, and advice to support strategic direction and resource prioritisation.

Council operates within an increasingly complex environment characterised by competing priorities, legislative requirements, community expectations, financial constraints, and emerging risks. As a result, effective governance and strategic decision-making are critical to balancing these demands and ensuring resources and activities remain aligned with Council's strategic objectives. This risk recognises that decisions made at a governance and strategic level can significantly influence organisational priorities, resource allocation, service delivery, and Council's ability to meet its commitments to the community.

4.1.3. The Management Team continues to monitor the broader operating environment to identify emerging risks and trends that may affect Council and the community. Current central government reforms, particularly Head Start Pathway and Rates Capping, continue to create uncertainty across several areas of Council's operations. The potential impacts of these reforms are reflected across a number of existing corporate risks and are particularly interconnected with:

- MGT2 Ability to deliver and respond to changing service delivery needs (staff resource).
- MGT8 Financial forecasting and planning does not account for the degree of change in the economic, regulatory and legislative environments, meaning Council's funding model is not sustainable.
- MGT10 Reduction in levels of overall customer satisfaction.

As the implications of these reforms become clearer, these risks will continue to be actively monitored and reassessed to ensure Council remains well positioned to respond to any resulting changes in priorities, service delivery requirements, workforce capacity, and financial sustainability.

4.2. Operating environment overview

- 4.2.1. The Infometrics Regional Quarterly Economic Monitor¹ provides insights into the economic, labour market, housing, and social conditions within the Waimakariri District and enables comparison with national trends. It is the primary source used to inform the operating environment overview.
- 4.2.2. The latest Infometrics Quarterly Economic Monitor indicates that Waimakariri District continues to operate within a generally positive economic environment, supported by broad-based economic growth, strong consumer confidence, increasing business activity, and a resilient labour market. District GDP grew by 2.6% in the year to June 2026, exceeding the national growth rate of 1.7%, while business numbers, consumer spending, and traffic flows also increased, reflecting sustained economic activity across the district.
- 4.2.3. Waimakariri's housing market continues to strengthen, with house values increasing by 3.8% and house sales rising 4.0% over the year. However, a reduction in new listings (- 5.3%) is contributing to housing supply pressures. While residential construction activity has increased significantly, with new dwelling consents up 31%, demand for housing assistance continues to outpace growth in public housing stock, indicating ongoing housing affordability and access challenges for some households².
- 4.2.4. While the district's economic outlook remains positive, employment growth remains modest at 0.4%. Although unemployment is low at 3.2%, increasing Jobseeker numbers among young people, Māori, and Pacific communities indicate ongoing socioeconomic pressures that may increase demand for Council and community services over time.
- 4.2.5. The national and international environment continues to present a mix of opportunities and risks for Waimakariri. New Zealand's economic recovery is progressing, supported by growth in economic activity, business confidence, and consumer spending. However, the outlook remains vulnerable to global geopolitical tensions, trade uncertainty, and fluctuations in fuel and commodity prices, which may affect inflation, investment, employment, and household spending. For Waimakariri, these conditions may contribute to increased infrastructure and operating costs, pressure on Council budgets, reduced business investment, and ongoing affordability challenges for households.
- 4.2.6. Housing affordability and cost-of-living pressures also remain significant challenges despite improving economic conditions. Strong housing demand, increasing housing assistance needs, and continued population growth suggest ongoing pressure on housing availability, community support services, and growth-related infrastructure. These factors may increase expectations on Council to support growth planning, infrastructure provision, and community wellbeing outcomes³.
- 4.2.7. Climate change, infrastructure demand, and growth pressures continue to represent significant long-term risks for local government. National assessments highlight increasing risks from extreme weather events, flooding, drought, and sea-level rise, with implications for infrastructure resilience, emergency management, community wellbeing, and local government finances. At the same time, population growth, ageing infrastructure, rising construction costs, and funding constraints are increasing pressure on the delivery and affordability of transport, three waters, community facilities, and resilience infrastructure. For Waimakariri, these factors are likely to remain key considerations for infrastructure planning, financial sustainability, asset management, and climate adaptation initiatives⁴.
- 4.2.8. In addition to economic, environmental, and growth-related pressures, Council continues to operate within a rapidly evolving policy and regulatory environment. Ongoing central government reform has the potential to significantly influence local government responsibilities, funding arrangements, planning frameworks, service delivery models, and infrastructure investment requirements. While the full scope and timing of many changes

¹ Infometrics: Quarterly Economic Monitor | Waimakariri District. Retrieved from <https://quarterly.infometrics.co.nz/waimakariri-district>

² Reserve Bank of New Zealand: Measuring foreign and domestic macroeconomic uncertainty and their impact on the New Zealand economy. Retrieved from <https://www.rbnz.govt.nz/hub/publications/analytical-note/2026/measuring-foreign-and-domestic-macroeconomic-uncertainty-and-their-impact-on-the-new-zealand-economy>

The Treasury: Budget 2026, Budget at a Glance. Retrieved from <https://budget.govt.nz/index.htm>

³ Infometrics: Quarterly Economic Monitor | Waimakariri District. Retrieved from <https://quarterly.infometrics.co.nz/waimakariri-district>
The Treasury: Budget 2026, Budget at a Glance. Retrieved from <https://budget.govt.nz/index.htm>

⁴ Climate Change Commission: 2026 National climate change risk assessment. Retrieved from <https://www.climatecommission.govt.nz/reports-and-evidence/publications/2026-national-climate-change-risk-assessment/>
New Zealand Infrastructure Commission: National Infrastructure Plan. Retrieved from <https://tewaihang.govt.nz/national-infrastructure-plan>

remain uncertain, the cumulative effect of multiple reform programmes creates strategic uncertainty and may result in new obligations, altered priorities, increased compliance requirements, and changes to how Council plans, funds, and delivers services.

- 4.2.9. For Waimakariri District Council, the primary risk lies not only in the reforms themselves, but in the level of uncertainty surrounding their final form, implementation timeframes, and long-term implications. This uncertainty may impact long-term planning, financial forecasting, infrastructure investment decisions, organisational capacity, and the ability to effectively prioritise resources. Continued monitoring and adaptability will be required to ensure Council remains well positioned to respond to emerging legislative and policy changes while maintaining service delivery and progressing strategic priorities.

5. OPTIONS

- 5.1. As this report is for information only, we ask that the Audit and Risk Committee review the information and provide any feedback as required.
- 5.2. The Management Team has reviewed this report and supports the recommendations.

6. STRATEGIC ALIGNMENT AND COMMUNITY VIEWS

Mana Whenua Engagement

- 6.1. The subject matter contained within this report may be of interest to mana whenua. Specifically, the Management Team have identified that there is a risk that a lack of collaborative relationships with iwi limits the ability to partner on decision-making of important council services and the wider wellbeing of the community.

Groups, Organisations and the Wider Community

- 6.2. There are groups, organisations, or members of the wider community likely to be affected by, or to have an interest in, the subject matter of this report. Should the organisation not manage its risks appropriately, there are potential consequences that could have implications for our community.

Implications for Community Wellbeing

- 6.3. There are potential implications on community wellbeing by the issues and information that are the subject matter of this report. A large majority of the risks identified have a public-facing aspect which could negatively impact on the health, safety or wellbeing of our communities if these are not managed or monitored appropriately.

Community Outcomes and Strategic Priorities

- 6.4. The Council's Community Outcomes and Strategic Priorities are relevant to the information presented in this report. If organisational risks are not identified or managed appropriately, this may impact the Council's ability to achieve these outcomes and priorities.

7. OTHER IMPLICATIONS AND RISK MANAGEMENT

Financial Implications

- 7.1. There are no financial implications for the decisions sought by this report; however, there are several identified risks that may have significant financial consequences for Council if the identified risks are not managed appropriately.
- 7.2. Funding is currently provided within the Annual / Long Term Plan for the operational expenses related to risk management, primarily for staff resources.

Community Resilience and Sustainability

- 7.3. The recommendations in this report do have sustainability and/or climate change impacts. The Management Team have identified that there is a risk that failure to act in a timely manner may exacerbate climate risks and mitigation/adaptation costs, reducing the benefits arising from new opportunities and increasing dissatisfaction from members of the community.

Risk Management

- 7.4. There are no risks directly arising from the information presented in this report. Each of these risks has been assessed on its consequence and likelihood and includes any mitigation measures put in place.
- 7.4.1. The expectation for risk management at the Council is that it will be applied and implemented by staff at all levels throughout and across all council-related activities. This expectation is set out in the Risk Management Policy.
- 7.4.2. Risk management reporting plays a crucial role in identifying potential issues before they become significant problems. Regular reviewing and acting on the reports ensure our organisation remains safe, compliant, and efficient. Risks that are not managed can escalate, potentially causing more severe issues, such as:
- Unaddressed Risks: Critical risks may go unaddressed, leading to potential incidents or accidents that could have been prevented.
 - Reputational Damage: Incidents arising from ignored risks can harm the organisation's reputation, affecting stakeholder trust and customer confidence.
 - Operational Inefficiencies: Without addressing identified risks, operational inefficiencies may persist, leading to delays and increased costs.
 - Legal and financial consequences: Unmanaged risks can lead to significant financial losses due to accidents, legal penalties, or operational disruptions.
 - Employee wellbeing and safety: Neglecting risk management can create an unsafe work environment, lower employee morale, and increase turnover.
- 7.4.3. Waimakariri District Council's approach to risk management is governed by the approved Risk Management Policy and supported by the Risk Management Framework, which provides a consistent methodology for identifying, assessing, managing, and reporting risk across the organisation.

Health and Safety

- 7.5. There are no health and safety risks arising from the information presented in this report; however, there are identified risks that may have health, safety and wellbeing consequences for our staff if the identified risks are not managed appropriately.

8. CONTEXT

Consistency with Policy

- 8.1. This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.
- 8.2. The matters presented in this report and the reporting requirements for risk within the organisation are detailed in the Risk Management Policy and Risk Management Framework.

Authorising Legislation

- 8.3. Nil.

Authorising Delegations

- 8.4. Under delegation S-DM 1022, the Audit and Risk Committee is responsible for reviewing corporate risk assessments and internal risk management practices.

APPENDIX 1: Summary of Corporate Risks

Please note:

- The risks presented below are as of 5 October 2026.
- Risks are presented in order of severity (likelihood x consequence).
- While upward (increasing) or downward (decreasing) trends typically suggest changes in risk, the overall risk rating can stay the same due to offsetting factors (likelihood vs. consequence) or effective mitigation measures. Continuous monitoring and assessment are required to understand the impacts of these trends.

Risk ID#	Risk Description (theme and impacts) <i>Brief description of the risk theme and the associated impacts</i>	Risk Response (key treatments [actions]) <i>What additional actions are we taking to reduce the risk?</i>	Risk Rating 17/03/2026	Risk Rating 12/10/2026	Trend	Notes <i>Updates, comments, important information. How is the risk trending?</i>
MGT11	Challenges related to the scale and impact of responding to and recovering from a major adverse event in which an emergency operations centre is required Impacts: Financial cost to repair/rebuild; Widespread community displacement; Ongoing community disruption; Community well-being (social, economic, environmental, cultural) negatively impacted by prolonged recovery; Negative impact on Council BAU service levels; Staff work overload (and unknown recovery time) leads to burnout/stress; Legal implications (liability, negligence, compliance etc.); Economic loss (unemployment, decline in revenue); Loss of community confidence/ support (reputation).	1. Appropriate response plans and frameworks are created/updated for both EOC and BAU.	Critical	Critical	↔	• The risk remains stable. • As this risk is considered to be outside of Council control, the ability to reduce the likelihood, consequence and overall risk rating is low. It is likely to remain 'Critical'. • Current and draft response plans and frameworks are in place. CDEM review has been completed, and recommendations received highlight opportunities for improvement. Implementation of report recommendations is underway. BCP plans are to be updated starting September 2026.
MGT3	Central and Local Government reform inhibits the Council's ability to deliver services and functions to the community. Impacts: Reputational damage; Funding model is not sustainable: need to reduce or discontinue services (trade-off decisions); Loss of specialist staff; Work programmes not able to be sourced by specialist staff; Increased workload for staff; Rework of Long Term Plans; Loss of community confidence/support; Loss of oversight, compliance and information (e.g. non-consented stand-alone dwellings); Misalignment between funding and growth; Loss of sense of localism/identity; Strained working relationships between key partners; Increased risk of opposition to legal process; Growth related strategy rework (strategic, regulatory, approvals framework).	1. Ensure representation and participation in next steps (e.g. regional spatial plan) 2. Seek the most cost-effective ways to meet and reprioritise new statutory requirements. 3. Maintain, and reprioritise where appropriate, cross-council resourcing (reform readiness team) to analyse and interpret ongoing reform proposals to ensure appropriate advice and options are provided to the Management Team and Elected Members. 4. Remain alert to the local impacts and ensure community awareness 5. Implement Water Services Delivery Plan 6. Identify key messages and impacts to effectively engage with communities to obtain their views on [relevant] legislation changes.	Critical	Critical	↑	• The risk is trending upward. • The scale and pace of central and local government reform and legislative change continue to create significant uncertainty for Council. Key initiatives, including Head Start, rates capping, and resource management reform, remain subject to ongoing policy development and, in some cases, the potential for deferral until after the Central Government election. As a result, the potential impacts on Council's strategic priorities, financial sustainability, service delivery, and resource requirements remain uncertain and will continue to be closely monitored.
MGT13	ERP upgrade not achieved on time or in line with business requirements Impacts: Vendor unable to provide a solution that enables the business to operate in a way that meets regulatory requirements and agreed levels of service; Vendor unable to provide a solution before the current platform licence expires, leaving the Council with no ERP solution; Inadequate staff resource/capability; Unclear or evolving business requirements (incl. scope creep); Vendor delays (external dependency); Integration issues; Competing organisational priorities (BAU priorities v. ERP programme); Financial constraints; Ineffective delivery of project (internal and external).	1. Continuous Improvement Fund and governance group (post Go Live).	Critical	Critical	↔	• The risk remains stable. • Risk identifies the potential impact on strategic and operational objectives relating to the development, roll out and functionality of the new Datascope enterprise software. • The risk is monitored regularly and updated as the programme of work progresses.

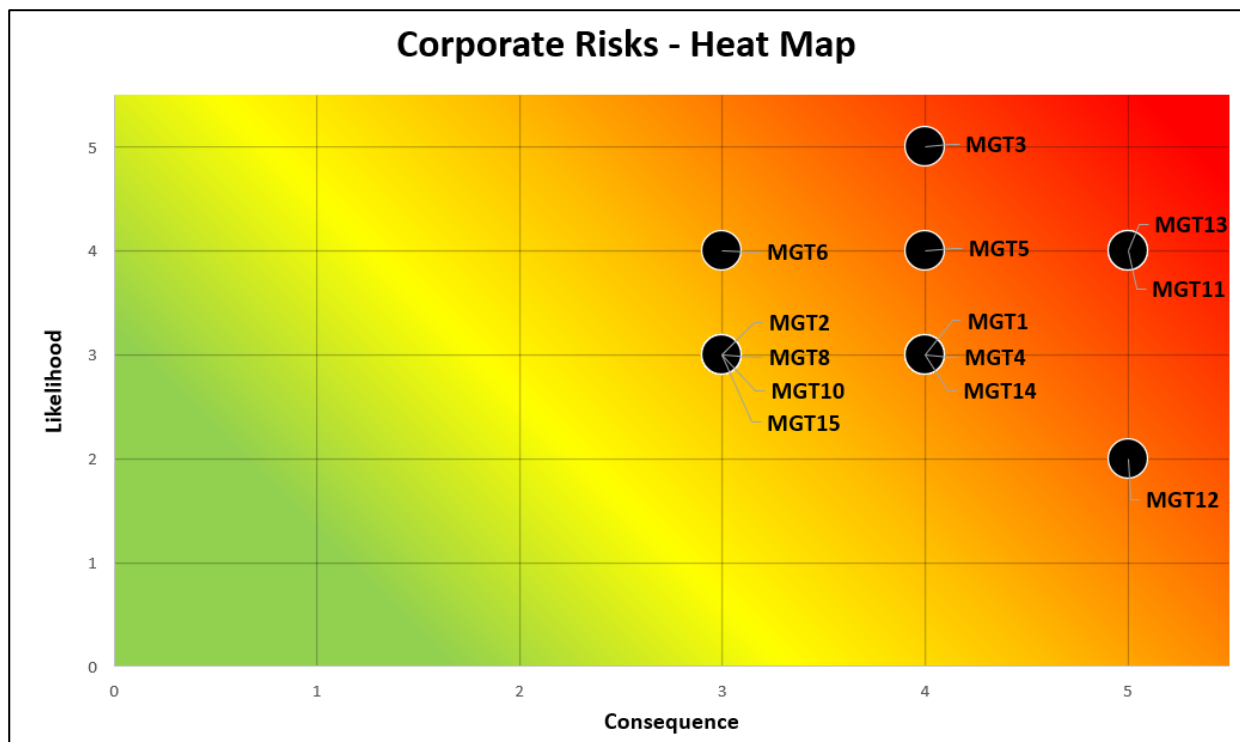
Risk ID#	Risk Description (theme and impacts) <i>Brief description of the risk theme and the associated impacts</i>	Risk Response (key treatments [actions]) <i>What additional actions are we taking to reduce the risk?</i>	Risk Rating <i>17/03/2026</i>	Risk Rating <i>12/10/2026</i>	Trend	Notes <i>Updates, comments, important information. How is the risk trending?</i>
MGT5	Climate change poses escalating threats to the district's infrastructure, economy and wellbeing. Impacts: Potential for increased climate change related litigation; Increased exposure of communities to climate risks, including increased frequency and severity of storm events, flooding, wildfire, drought, sea level rise and saltwater inundation; Downstream impacts can include decreased wellbeing/public health, biodiversity and ecosystem services loss, food insecurity and disruption to business. Climate events can also displace communities and lead to social unrest; Financial impact of changing mandates from central government and potential withdrawal from partnerships to compensate owners for storm event property losses; Strain on infrastructure and emergency services; Economic strain arising from costs associated with disaster response, infrastructure repair and implementing adaptation measures; Reputational damage from failing to act in a timely manner.	1. Increased climate literacy within both the organisation and community. 2. Climate disruption considerations embedded into Council decision making and day to day operations. 3. Increased focus on reducing emissions. 4. Roll out of enhanced CDEM emergency response plans. 5. Land use planning to support a reduction in the current level of exposure and promote climate resilient development. 6. Conservation efforts and sustainable land use practices promoted and supported.	High	High	↔	• The risk remains stable. • Objective is to reduce the impacts and harm to residents in the district. Climate issues are beyond control of the Council and actions are to adapt rather than control.
MGT6	Competing community aspirations create conflict between urban and rural expectations on environmental issues (e.g. land management, water supply/use), creating additional demands on the council to resolve. Impact: Additional workload for staff dealing with complaints/disputes; Inability to meet community expectations for water supply/access; Health issues in the community (impact to community wellbeing); Regulatory compliance failure (water quality issues); Pushback from community where changes are not seen as welcome/achievable.	1. Ensure new and revised consenting requirements set by Regional Plans are responded to. 2. Progress appeals on partially operative District Plan. 3. Develop and maintain awareness of how wider legislative reform will emphasise these issues. 4. Consideration of potential user-pays water service options to align with evolving government legislation and regulatory requirements. 5. Participate in regional spatial plan working group.	High	High	↔	• Risk remains stable. • 3-4 FTE staff have been committed to contribute to the Regional Spatial Plan (RSP) working group on the four workstreams of the RSP.
MGT4	Lack of collaborative working relationship with Iwi limits the ability to partner on decision-making of important council services and wider wellbeing of the community Impacts: Breakdown of strategic partnership; Reputational damage; Constrained ability to move forward with developments/agreements; Aspirations defined by mana whenua are not reached (e.g. MR873 land potential remains undeveloped); Limited commitment to achieving results; Future central government funding opportunities and legislation/policy changes will be more difficult without a functional relationship with Iwi.	1. MoU with Ngai Tuahuriri runanga to be re-written. 2. Enhance cultural competence (basics) of staff. 3. Put in place pre-emptive planning activities to enable development, infrastructure and future infrastructure provision for MR873 land.	High	High	↓	• Risk is trending downward. • Partnership and Service Level Agreements between Whitiara, working on behalf of Te Ngai Tuahuriri Rūnanga, and Council have supported a stronger partnership.

Risk ID#	Risk Description (theme and impacts) <i>Brief description of the risk theme and the associated impacts</i>	Risk Response (key treatments [actions]) <i>What additional actions are we taking to reduce the risk?</i>	Risk Rating <i>17/03/2026</i>	Risk Rating <i>12/10/2026</i>	Trend	Notes <i>Updates, comments, important information. How is the risk trending?</i>
MGT14	Cyber Incident leading to loss of service delivery. Impacts: Loss of confidentiality of information we hold, loss of access to services we provide for a protracted period or financial or other loss; Large reputational damage to the council or costs incurred from recovering or dealing with the malicious activity; Unanticipated workload for ITS; Loss of system access; Potential loss of data and information; Data/privacy breach (publication on the internet); BAU service levels and delivery disrupted; Business Continuity Plan (BCP) event initiated; Reputation damage; Significant financial loss / unbudgeted expenses.	1. Third party assistance contracts are being planned and further controls implemented from the SAM compliance framework.	High	High	↔	- Risk remains stable. - Risk escalated from the Information and Technology Services risk register.
MGT1	Inability to maintain a sustained response during an emergency event in which an emergency operations centre is required Impacts: Implementation of EM/BCP plans (e.g. activate CMP, AF8 response plan, rapid impact assessment procedures etc); Negative impact on Council BAU service levels; Loss of community confidence/ support; Staff work overload (and unknown recovery time) leads to burnout/stress; Ongoing community disruption; Decline of general well-being of the community.	1. Develop CDEM Public Engagement Strategy, including public education programme of works (self-help resources, information, training materials). 2. Review and update all organisational BCPs 3. BCP Exercises to test planning. 4. Undertake CDEM review and implement recommendations. 5. Appropriate response plans and frameworks are created/updated for both EOC and BAU.	High	High	↔	- Risk remains stable. - Most events in which an EOC is required (e.g., localised flooding over a few days) are manageable by current EOC staff and skeleton crews. Therefore, the likelihood of the risk occurring in these events is low. The severity of the event (e.g., Hikurangi, AF8, pandemic, major flooding) increases the likelihood of the risk occurring, raising the overall risk rating. In such cases, WDC would move into risk item MGT11: 'Challenges related to the scale and impact of responding to and recovering from a major adverse event requiring an EOC'.
MGT12	Serious injury, accident or incident as a result of a failed level of service, or mistake/error made by Council (e.g. infected water supply making people sick, roading issue causing accidents, drowning at a pool or stormwater area etc.) Impacts: Serious illness, injury or death; Reputation damage; Legal liability (personal and organisation; Lack of confidence and trust in services; Financial implications.	1. Improve systems to embed requirements on contractors and staff to routinely ensure we are following operational plans. 2. Regular auditing of systems and operations (above). 3. Implement proactive annual inspection of all stormwater urban facilities for hazards.	High	High	↔	Risk remains stable.
MGT8	Financial forecasting and planning does not account for the degree of change in the economic, regulatory and legislative environments, meaning Council's funding model is not sustainable. Impacts: Need to reduce services (trade-off decisions); Increased costs to community; Decreased community wellbeing; Council is not financially viable.	1. Provide greater transparency to Council/Elected Members regarding desired financial/service position v. current position (what are the consequences/tradeoffs to maintain/increase services) 2. Review levels of service across the organisation (to be considered after LTP process) 3. Review insurance costs and balance of affordability. 4. Consideration of rates capping as part of 27-37 Long-Term Plan modelling.	Medium	Medium	↑	- The risk is trending upward. - The scale and pace of central and local government legislative change currently present a significantly greater level of uncertainty and impact for Council, specifically the proposed HeadStart and Rates Capping legislation.

Risk ID#	Risk Description (theme and impacts) <i>Brief description of the risk theme and the associated impacts</i>	Risk Response (key treatments [actions]) <i>What additional actions are we taking to reduce the risk?</i>	Risk Rating <i>17/03/2026</i>	Risk Rating <i>12/10/2026</i>	Trend	Notes <i>Updates, comments, important information. How is the risk trending?</i>
MGT2	Ability to deliver and respond to changing service delivery needs (staff resource). Impacts: Service interruption/non-delivery of services; Loss of institutional knowledge; Increased risk of errors and mistakes resulting in harm, cost, reputational damage etc.; Reduced staff satisfaction and workplace culture; Staff burnout/stress through work overload.	1. Develop a career progression matrix for all of Council.	Medium	Medium	↔	Risk remains stable.
MGT10	Reduction in levels of overall customer satisfaction. Impacts: Loss of community confidence/support; Additional work/stress for staff to address concerns; Community dis-harmony/decreased wellbeing; Increasing costs to address service demand; Need to decrease service levels to reduce cost; Reprioritisation of workloads; Increased need to move into continuous improvement space; Lack of community engagement/ownership (place making).	1. Implement Organisational Development and Business Improvement Strategies to ensure council remains relevant and continues to meet community expectations. 2. Development of Cost Efficiencies and Savings Policy. 3. Consider engagement with communities for all levels of projects.	Medium	Medium	↔	Risk remains stable.
MGT15	Council [staff and governance] may be unable to effectively deliver community outcomes, strategic priorities, and legislative obligations where strategic decision-making, organisational priorities, resource allocation, and operational delivery are not sufficiently aligned. Impacts: Community outcomes and strategic priorities are not achieved; Inability to meet legislative, regulatory, or compliance obligations; Levels of service to the community are compromised or not met; Delivery delays or implementation issues of projects, programmes, and services; Financial inefficiencies, increased costs, and poor value for money; Reduced organisational performance and productivity; Staff fatigue, disengagement, and turnover; Reputational damage and reduced public confidence; Increased disputes or legal challenges; Decisions do not deliver intended benefits or outcomes; Opportunities to improve community wellbeing are missed.	1. Corporate Programmes prioritisation and planning tool. 2. Strategic Risk and Dependency Mapping aligned to the Corporate Programmes prioritisation and planning tool. 3. Organisational reporting and outcome tracking against key organisation metrics (aligned to Treatment 1 & 3 above). 4. Organisational development strategies that address known capability and capacity gaps.	N/A	Medium	↔	- New risk. - Please refer to section 4.1.2 for information regarding this risk.

-  Risk is trending downward (decreasing)
 Risk remains stable
 Risk is trending upward (increasing)

APPENDIX 2: Corporate Risks – Heat map



Key:

MGT11	Critical	Challenges related to the scale and impact of responding to and recovering from a major adverse event in which an emergency operations centre is required.
MGT3	Critical	Central and Local Government reform inhibits the Council's ability to deliver services and functions to the community.
MGT13	Critical	ERP upgrade not achieved on time or in line with business requirements.
MGT5	High	Climate change poses escalating threats to the district's infrastructure, economy and wellbeing.
MGT6	High	Competing community aspirations create conflict between urban and rural expectations on environmental issues (e.g. land management, water supply/use), creating additional demands on the council to resolve.
MGT4	High	Lack of collaborative working relationship with Iwi limits the ability to partner on decision-making of important council services and wider wellbeing of the community.
MGT14	High	Cyber Incident leading to loss of service delivery.
MGT1	High	Inability to maintain a sustained response during an emergency event in which an emergency operations centre is required.
MGT12	High	Serious injury, accident or incident as a result of a failed level of service, or mistake/error made by Council (e.g. contaminated water supply making people sick, roading issue causing accidents, drowning at a pool or stormwater area etc.).
MGT8	Medium	Financial forecasting and planning does not account for the degree of change in the economic, regulatory and legislative environments, meaning Council's funding model is not sustainable.
MGT2	Medium	Ability to deliver and respond to changing service delivery needs (staff resource).
MGT10	Medium	Reduction in levels of overall customer satisfaction.
MGT15	Medium	Council [staff and governance] may be unable to effectively deliver community outcomes, strategic priorities, and legislative obligations where strategic decision-making, organisational priorities, resource allocation, and operational delivery are not sufficiently aligned.

Risk order is based on total risk severity score (likelihood x consequence).

APPENDIX 3: Risk Matrix

Consequences		Routine (1)	Minor (2)	Moderate (3)	Major (4)	Severe (5)
Likelihood	Almost certain (5)	Low	Medium	High	Critical	Critical
	Likely (4)	Low	Medium	High	High	Critical
	Possible (3)	Low	Medium	Medium	High	High
	Unlikely (2)	Low	Low	Medium	Medium	High
	Rare (1)	Very low	Low	Low	Medium	High

APPENDIX 4: Likelihood Assessment Criteria

Category	Description	Probability
Almost Certain	Event is expected to occur in the next 6-12 months. Very low level of confidence/ information in our ability to reduce the risk.	80% or higher chance of the risk occurring
Likely	Event will probably occur in the next 6-12 months	60-80% chance
Possible	Event could possibly occur in the next 1-3 years. A moderate level of confidence/information.	30-60% chance
Unlikely	Event is unlikely to occur in the next 3-5 years. A high level of confidence/information.	5-30% chance
Rare	Event is only expected to occur in exceptional circumstances.	5% chance

APPENDIX 5: Consequence Assessment Criteria

	Health, Safety & Wellbeing	Financial	Legal/Compliance	Service Delivery/ Infrastructure	Environmental	Reputation	Staff Performance /Engagement
Category description	<i>Risks that could improve/ compromise the health, safety and wellbeing of staff, contractors and/or members of the public.</i>	<i>Risks that could improve/ compromise financial stability and reporting, credit rating or lending covenants, and/or the return from our assets/investments.</i>	<i>Risks that could improve/ compromise our compliance with statutory/regulatory obligations or other applicable laws.</i>	<i>Risks that could improve/ compromise service delivery and/or the status or operation of infrastructure and assets.</i>	<i>Risks that could improve/ compromise the natural environment, or impact native plant/animal species.</i>	<i>Risks that could improve/ compromise the trust, confidence and reputation Council has with public, central government and other stakeholders.</i>	<i>Risks that could improve/ compromise the performance and/or the engagement of staff.</i>
Severe	- One or more fatalities or permanent disability - Significant impact on social, economic, environmental and cultural wellbeing.	- Loss to Council >\$20M - Fraud > \$1M.	- Extreme non-compliance with legal / regulatory requirements - Crown managerial intervention or loss of license to operate service(s).	- Extended adverse impact to operations/service delivery - Multiple suburb or critical facility impact to core service delivery >36 hours.	Permanent widespread environmental/ significant ecosystem damage.	- Sustained national and/or international media coverage - Sustained/long-term impact on stakeholder confidence.	- Significant and extended staff disengagement impacting staff on productivity and morale - Extended impact on CDEM response capability.
Major	- Serious illness or permanent injury - Major impact on social, economic, environmental and cultural wellbeing.	- Operational funding loss/cost overrun >\$1M - Capital works/projects over/underspend 50-75% Staff fraud >\$1K.	- Major non-compliance with legal / regulatory requirements - Crown advisory intervention, Judicial Review, or other intervention by a regulator - Civil action or prosecution with potential damages/fine of >\$100K.	Multiple suburb or critical facility impact to core service delivery >12 hours.	- Significant ecosystem impact - Serious environmental damage, costly restoration.	- National media coverage - Significant impact on stakeholder confidence with some long-term effect.	- Significant staff disengagement - Loss of multiple key persons or critical SME staff members - Major impact on staff productivity and morale.
Moderate	- Injury or illness requiring hospital admission for <48 hours - Moderate impact on social, economic, environmental and cultural wellbeing.	- Operational funding loss/ cost overrun \$200-\$1M - Capital works/projects over/underspend 25-50% - Staff fraud <\$1K.	- Moderate non-compliance with legal/regulatory requirements - Civil action or prosecution with potential damages/fine of <\$100K.	Isolated, or single suburb impact to core service delivery <12 hours.	Moderate effects on biological or physical environment.	- District and/or some regional media coverage - Moderate impact on stakeholder confidence.	- Disengagement across groups of staff disrupting business operations - Loss of a number of key persons - Moderate impact on staff productivity and morale.
Minor	- Medical treatment not requiring hospital admission - Minor impact on social, economic, environmental and cultural wellbeing.	- Operational funding loss/ cost overrun \$20-\$200K - Capital works/projects over/underspend 10-25% - Isolated fraud <\$100.	Minor non-compliance with legal/regulatory requirements.	Brief (<4hr) impact/outage to core service delivery.	Minor and/or short-term environmental impact.	- Minor short term media coverage - Minor short-term impact on stakeholder confidence.	- Loss of key person, or a number of team members in short succession - Minor impact on staff productivity and morale.
Routine	- Injury/illness requiring first-aid treatment - Negligible impact on social, economic, environmental and cultural wellbeing.	- Operational funding loss/cost overrun <\$20K - Capital works/projects over/underspend <10%.	Insignificant non-compliance with legal/regulatory requirements.	- No measurable disruption to delivery - Negligible performance impact.	Negligible environmental impact.	Negligible impact on stakeholder confidence.	- Insignificant staffing issues dealt with through normal HR processes - Negligible impact on staff productivity and morale.