

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, 19 MAY 2026, AT 9AM.

PRESENT

Councillors J Goldsworthy (Chairperson), T Bartle, W Doody, T Fulton, B McLaren, J Ward and Mayor D Gordon (arrived at 9.18am).

IN ATTENDANCE

Deputy Mayor P Redmond, Councillors B Cairns and S Powell and.

C Genet (General Manager Finance and Business Support), G Cleary (General Manager Utilities and Rooding), C Brown (General Manager Community and Recreation), S Hart (General Manager Strategy, Engagement and Economic Development), P Christensen (Finance Manager), H Street (Corporate Planner), D Young (Senior Engineering Advisor), J Eggleton (Project Planning and Quality Team Leader), K Blake (Health, Safety and Wellbeing Manager), T Kunkel (Governance Team Leader) and K Rabe (Governance Advisor).

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 17 March 2026

Moved: Councillor Fulton

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 17 March 2026.

CARRIED

3.2 Matters Arising

Nil.

4. PRESENTATION/DEPUTATION

4.1 Audit New Zealand - Dereck Ollsson

D Ollsson was in attendance and spoke to the Audit New Zealand Audit Plan. He introduced himself and provided a brief overview of his professional background. He also outlined the documentation included in the agenda, noting that the interim audit had identified no material findings and that there had been no requirement to report any significant deficiencies within the Council's control environment.

Deputy Mayor Redmond asked what percentage increase was being applied to the fee for audit services, and D Ollsson advised that the increase was 3%.

Councillor Bartle, noting that he was a new Councillor, requested background on the discount provided in previous years and why it had been removed. D Ollsson explained that there had been a significant increase in fees due to historically low fee levels and, to mitigate the impact, the increase had been phased in over three years, resulting in a discounted fee structure during that period. As the three-year period had expired, the discount had been discontinued.

Councillor Goldsworthy questioned whether the fee structure was designed to charge similar councils the same fee, or whether it was based on the time spent undertaking the audit. D Ollsson replied that this depended on the size and complexity of the audit, and that fees were benchmarked against councils of similar size or complexity.

Councillor Goldsworthy referred to the section specifying the items excluded from the fees, in particular the implementation of the Council's financial management system, and sought clarification as to whether this exclusion was due to the matter falling outside the scope of the audit. C. Genet confirmed that this was correct.

Deputy Mayor Redmond noted the changes being introduced by the Government and the proposed amalgamation plans and asked whether these would lower audit fees in future. D Ollsson replied that he did not expect amalgamation to reduce audit fees, noting that larger amalgamated entities would also be more complex to audit, which would offset any benefit arising from a reduced number of organisations requiring audit. J Millward added that, historically, audit fees had increased during periods of amalgamation when district and regional council functions were combined into a single entity.

Councillor Ward observed that the Council was changing its data systems and enquired whether this would improve the information obtained and affect the time required for the audit. D Ollsson replied that he was unable to answer that question, as it depended on the data and reporting that could be extracted from the system.

Councillor Goldsworthy sought clarification on the potential impact of Artificial Intelligence (AI). In response, D. Ollsson advised that Audit New Zealand was actively exploring opportunities to integrate AI into its operations. He noted that AI was already proving beneficial for document management, that a trial of a financial statement-checking tool was yielding promising results, and that several additional projects were currently under consideration.

The Chair thanked D Ollsson for his presentation.

Item 5.1 "2026 Audit Planning Letters from Audit New Zealand" was taken at this time. The agenda order was retained in the Minutes to mitigate confusion.

4.2 **Bancorp Treasury** – David Waker

D Walker attended the meeting and provided the quarterly Treasury update. Matters covered included the impact of oil prices, with a particular focus on oil and urea; market monetary policy expectations; global inflation measures; New Zealand business confidence; the labour market; and the projected cost of funds.

In response to a question from Councillor Fulton regarding diesel as an indicator of business growth, D Walker advised that almost all industrial and agricultural sectors were reliant on diesel, making it a significant factor. Councillor Fulton further queried whether government subsidies would ease current pressures. D Walker responded that subsidies were not considered a sound long-term strategy, as they could send inappropriate signals to the market from a supply and demand perspective.

In response to Councillor Doody's query regarding impacts on the farming sector, D Walker noted that commodity prices had been holding up well, which helped to offset the increased cost of fuel.

In response to Councillor Cairns' query regarding currency exchange rates and the impact on borrowing, D Walker advised that, in his view, once the interest rate differential narrowed, exchange rates were likely to return to more typical levels.

Councillor Ward asked how many interest rate increases might be expected in 2026. D Walker responded that the Reserve Bank was in a challenging position. While its primary tool was to adjust the Official Cash Rate (OCR), New Zealand was experiencing a supply-side issue rather than a demand-driven one, limiting the effectiveness of interest rate adjustments in controlling prices.

Councillor Goldsworthy queried whether traditional interest rate controls had delivered the intended outcomes, or whether the Reserve Bank was exploring alternative tools to smooth economic fluctuations. D Walker responded that controlling inflation remained critical, as rising living costs disproportionately affected different sectors of the population. He noted that while the relationship between inflation and the cost of living was not exact, the key objective was to prevent inflation from becoming entrenched.

The Chair thanked D Walker for his presentation.

5. **REPORTS**

5.1 **2026 Audit Planning Letters from Audit New Zealand** – C Genet (General Manager Finance and Business Support)

C Genet presented the report, which sought the Committee's consideration of the Audit Engagement Letter and the Audit Proposal Letter for recommendation to the Council. C Genet took the report as read and invited questions from members.

In response to Councillor Fulton's question regarding how the Council remained abreast of Government changes and maintained compliance during periods of change, C Genet advised that many of the changes were driven by reporting-based legislation and regulation, particularly in relation to building and water matters. He noted that, during the submission process, the proposed changes were analysed, which assisted the Council to prepare for forthcoming requirements.

Moved: Councillor Ward

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260507111258.
- (b) **Agrees** to the audit plan for the year ended 30 June 2026, as provided by Audit New Zealand.

AND

THAT the Audit and Risk Committee recommends:

THAT the Council:

- (c) **Approves** the Audit Engagement Letter and Audit Proposal Letter for the three years ending 30 June 2028, with the Mayor to sign both letters on behalf of the Council.

- (d) **Notes** the contents of the Audit Plan, including the areas of audit focus and timetable for the audit.
- (e) **Approves** additional budget of \$29,978 for the audit fee in the 2025/26 financial year.
- (f) **Notes** the audit fee has increased \$29,787 from \$285,071 to \$317,158. The increase in audit fee is attributed to a revised staffing mix for the audit, higher charge-out rates for auditors, higher OAG Audit Standards and Quality support fees, and the removal of the previous \$15,004 discount on the audit fee.

CARRIED

Councillor Ward thanked D Ollsson for his work and noted that the Council had a strong team, which helped keep the organisation on track and operating safely. She expressed the hope that increases in audit fees would be limited in the future.

Councillor Fulton stated that the questions had been answered comprehensively and that he was pleased to endorse the report.

Mayor Gordon stated that while he accepted the fee increase reluctantly, he considered the frequency of audits, including long-term plan audits and representation reviews, to have become a financial burden for smaller councils. He expressed the view that a pause during this period of change would have been sensible. He also noted that councils were unable to seek alternative providers for audit services and therefore had to accept the fee structure presented.

5.2 2025/26 Capital Works March Quarterly Report – J Eggleton (Project Planning and Quality Team Leader), D Young (Senior Engineering Advisor), G Cleary (General Manager Utilities and Roading) and C Brown (General Manager Community and Recreation)

J Eggleton presented the report, which provided the Committee with an update on the progress of the 2025/26 Capital Works Programme. J Eggleton noted that a number of projects had been identified as either delayed or at risk, largely due to dependencies and tight scheduling. It was further noted that projects classified as at risk were being actively managed and would be delivered where possible.

In response to Councillor Fulton's query regarding whether changes in contracts and methodologies were extending overall programme timeframes, C Roxburgh advised that some delays had arisen from external factors, including fuel costs and weather impacts affecting subcontractors. As a result, contractors had, at times, sought to complete work without subcontractors, which could necessitate changes in methodology. Councillor Fulton further asked whether the Council was in a position to accept this approach or whether enforcement options under the contract were being considered. C Roxburgh advised that staff sought to work collaboratively with contractors to improve completion rates, rather than pursuing contractual disputes, and that maintaining strong working relationships remained a priority. Councillor Fulton acknowledged this approach but suggested that the matter be explored further in other forums.

Councillor Goldsworthy queried whether there was a threshold at which the Council would consider enforcement action. C Roxburgh responded that this would depend on which course of action would deliver the best outcome for the Council, and whether the contractor was making every effort to meet its contractual obligations. He added that the fuel crisis had been impacting the industry more broadly and was creating additional challenges for contractors.

Councillor Powell sought clarification on the cycleway between Woodend and Kaiapoi, and D Young advised that this referred to the section along Williams Street to Pine Acres.

Moved: Councillor Fulton

Seconded: Councillor Ward

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260507110626.
- (b) **Notes** the actual and predicted achievement across all tracked capital expenditure.
- (c) **Notes** that of the \$80.91 million total capital spend, \$35.69 million (44%) has been completed and \$56.69 million (70%) is predicted to be completed (subject to weather and other matters outside our control).
- (d) **Notes** that the previous December Quarterly Report predicted completion of 80.1%.
- (e) **Notes** that the % of budget completion reduction from 80.1% to 70.1% is due to being able to better predict at this time of the year when projects have further progressed through their programme, and in the intervening time, approximately 10% of projects have experienced a previously unforeseen delay, leading to the overall completion rate reducing from previous forecasts.
- (f) **Notes** that progress towards achieving the 25/26 Capital Works Programme is well advanced across most areas. However, a number of projects are either delayed or at risk, as reported elsewhere.

CARRIED

Councillor Fulton noted that he looked forward to receiving further information in other forums, including Portfolio meetings and workshops.

Councillor Ward thanked staff for their work and indicated that she looked forward to adjustments to capital expenditure through the Long Term Plan process, which she expected would improve outcomes for at-risk and delayed projects.

Councillor Doody noted that the current economic environment had impacted project delivery, resulting in a number of projects being delayed or identified as at risk. She acknowledged that rising fuel costs had contributed to the closure of some smaller businesses, resulting in job losses.

Councillor Goldsworthy remarked that it was important to recognise that the Council had not achieved all its expected outcomes. However, he noted that this had been a particularly challenging financial period and considered that few would criticise adjustments to the programme under such circumstances. He thanked staff for the report and for their efforts in managing the programme during difficult conditions.

5.3 **Financial Report for the Period Ended 31 March 2026** – P Christensen (Finance Manager)

P Christensen presented the report, which provided the financial results for the period ended 31 March 2026. He highlighted the following:

- A surplus of \$11.6 million, compared with a budgeted surplus of \$17.8 million.
- Both expenditure and revenue were below budget, with revenue particularly affected by lower development contributions and vested assets.
- Debt as at 31 March 2026 totalled \$225 million, reflecting an increase since the previous quarter.
- The Council had raised \$15 million in new debt, which would be the final debt issuance for the financial year ending 30 June 2026.
- Net debt was operating at 128%, consistent with previous years and within policy limits.

- Operating cash flow was \$27.4 million, compared with \$35.1 million for the same period in the previous year.
- Operating cash flow continued to fund renewals and capital works.

Councillor Ward sought confirmation that repayments of \$35 million on existing debt had been made on 15 April and 15 May 2026. P Christensen confirmed that this was correct.

Councillor Fulton asked whether these repayments provided the Council with additional capacity to accelerate debt reduction or undertake further projects. P Christensen responded that this created additional options to be considered through the Long Term Plan, which covered a ten-year horizon. He noted that significant projects were planned in years four and five, including the Rangiora Eastern Link and the library project. Accordingly, a balance was required between further debt repayment, advancing planned projects, and bringing forward new initiatives using the current savings. He added that medium-term planning considerations were an important part of effective debt management.

In response to Councillor Goldsworthy's question regarding the calculation of petrol tax for local authorities, P Christensen advised that petrol stations within the district submitted returns to the Department of Internal Affairs (DIA), which undertook the calculations and distributed a portion of the tax to the Council. Councillor Goldsworthy also enquired whether seasonal factors, such as the construction period, were considered when budget planning. P Christensen confirmed that, particularly for roading, modelling was informed by data from previous years when setting the budget.

Deputy Mayor Redmond asked whether the Council remained fully compliant with Treasury policy and whether results were tracking more favourably than required by policy. P Christensen confirmed that the Council was fully compliant and was performing slightly below policy thresholds, reflecting the scale of major projects planned in future years.

Moved: Councillor Ward

Seconded: Councillor Bartle

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260504107754.
- (b) **Notes** the surplus for the period ended 31 March 2026 is \$11.6 million. This is \$6.2 million under budget.
- (c) **Notes** that a significant variance to the budgeted surplus is due to development contributions revenue, which is \$6.8 million less than forecasted. This revenue depends on the progress of the developments. The current slow economic cycle has slowed progress on developments in the district.
- (d) **Notes** that a significant variance to the budgeted surplus is vested assets revenue, which is \$2.4m less than forecasted. The value of known water services assets vested in the Council has been recognised.

CARRIED

Councillor Ward thanked P Christenson for the report and believed that under the circumstances, the Council was tracking really favourably.

5.4 **Non-Financial Performance Measures for Financial Year 2025/2026 Quarter Three (January to March 2025)** – H Street (Corporate Planner)

H Street presented the report on the Non-Financial Performance Measures from January to March 2026, which covered the degree to which the Council had achieved what it set out to do and its actual performance.

There were no questions from elected members.

Moved: Councillor Doody

Seconded: Councillor Ward

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260505108755.
- (b) **Receives** the Waimakariri District Council Quarterly Non-Financial KPI Report January to March 2026 (Trim: 260507110994).
- (c) **Notes** 67 (74%) of performance measures for the first quarter of the 2025/26 financial year were achieved, and 23 were not achieved.
- (d) **Notes** 23 (26%) of the measures did not meet the target, but nine were within 5% of being achieved.
- (e) **Notes** 29 of the 41 mandatory measures met the target; two were within 5% of being achieved.

CARRIED

5.5 **Outcomes of the Waimakariri District Council Health and Safety Risk Register Review March 2026** – K Blake (Health, Safety and Wellbeing Manager)

K Blake presented the report outlining the outcomes of the March 2026 Health, Safety and Wellbeing Risk Register Review, along with the associated action plan for high-risk consequence activities.

In response to Councillor Bartle's query regarding harm arising from violent or aggressive members of the public, K Blake advised that there had been instances over a number of years involving physical and verbal abuse, as well as some significant threats. As such, the risk remained valid. However, it was noted that consideration had been given to lowering the risk rating from critical to high.

Moved: Mayor Gordon

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260429104843.
- (b) **Approves** the general updates to the Health, Safety and Wellbeing risk register.
- (c) **Notes** that there has been no significant change in risk assessments during this review; however, there has been an improvement in the quality of the descriptors of current control measures/risk treatments for each risk.
- (d) **Notes** all completed or updated actions have been moved to the controls column.
- (e) **Notes** HS1 - Stress/low wellbeing - Reduced the current consequence to 'major'. This has reduced the current risk rating to 'high' from 'critical'.

- (f) **Notes** HS2 - Harm from violent/aggressive public - Increased the current likelihood to 'likely'. This has increased the current risk rating to 'critical'.
- (g) **Notes** the current Health, Safety and Wellbeing Risks.

CARRIED

Mayor Gordon acknowledged the importance of the report and commended K Blake's professionalism in managing these matters. He emphasised that it was essential for staff to feel safe and noted that the Chief Executive treated risks to staff and elected members with the utmost seriousness.

Councillor Fulton concurred, noting that staff and elected members needed to operate in a safe and supportive environment.

5.6 Reporting on LGOIMA Requests for the period 1 January 2026 to 31 March 2026 – T Kunkel (Governance Team Leader)

T Kunkel attended the meeting to provide an update on requests for information made under the Local Government Official Information and Meetings Act 1987 (LGOIMA).

Deputy Mayor Redmond asked how many requests had been charged since the adoption of the Council's charging policy. T Kunkel advised that no charges had been applied, as requesters who may have been eligible for charging had instead been given the opportunity to refine their requests.

Deputy Mayor Redmond noted he was aware of a request with privacy implications and sought clarification on its nature. T Kunkel advised that staff had received two requests seeking all documentation held by the Council that referred to private individuals.

Councillor Bartle asked whether there was any trend in the types of requests received. T Kunkel responded that most requests related to land use or building consent applications, CCTV footage, or matters involving individuals who were in dispute with the Council. She noted that trends could also be influenced by media coverage.

Councillor Cairns observed that the cost of responding to these requests was approximately \$10,000 and asked whether this included overheads. T Kunkel clarified that this figure reflected only staff time.

In response to a question from Councillor Fulton regarding the time required to process certain requests, T Kunkel advised that upon receipt of a request, she sought an estimate from the relevant department on the time required to respond. She then contacted the requester to outline the scale of the request and offered the opportunity to refine it if necessary.

Councillor Goldsworthy queried why some requests could take up to 30 hours to complete and what types of requests required this level of effort. T Kunkel explained that this depended on the volume of material identified during initial data searches and the extent of review required. She noted that, in one instance, a request had generated approximately 700 documents, all of which needed to be reviewed, assessed, and redacted where appropriate.

Moved: Councillor Bartle

Seconded: Mayor Gordon

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 260505108754.

- (b) **Notes** that the Council received 74 official requests and responded to 71 official requests for information from 1 January to 31 March 2026, 17 more than the 54 official requests responded to in the same period in 2025.
- (c) **Notes** that the Council responded to requests within an average timeframe of 10 working days.

CARRIED

Councillor Bartle noted that it was a statutory requirement to enable the public to make information requests and to respond to them as promptly and effectively as possible.

Mayor Gordon advised that, irrespective of the statutory requirement, he supported continuing this approach as a best-practice measure to promote transparency in Council decision-making. He further observed that local authorities were held to a higher standard of accountability than Parliament in this regard, and acknowledged the efforts of T Kunkel and her team

6. PORTFOLIO UPDATES

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

- Annual Plan
 - Hearings were held on Thursday, 7 May 2026. A total of 59 submissions were received on the draft 2026/27 Annual Plan, with 25 submitters presenting to the Council at the hearings. Feedback on the four areas of consultation (Local Government Reforms, Local Water Done Well, Rangiora Eastern Link, and the Capital Programme) indicated general support for the Council's position.
 - Annual Plan deliberations were scheduled to occur on 26 May 2026, with adoption of the Annual Plan set for 16 June 2026.
- Long-term Plan
 - Community outcomes and strategic priorities had been updated following Council workshop feedback and were presented to the management team for review the previous week. Feedback from that meeting was to be incorporated before the presentation to Council.
 - Asset Management Plans were in development.
 - The review of the infrastructure strategy and significant assumptions was underway.
 - LTP risks had undergone an early review, including consideration of previously disclosed risks.
 - The rating review had commenced, with officers considering options for presentation to the next rating review working group on 27 May 2026.
- A number of workshops were planned with Council (nine in total) from May to December to present key information and receive feedback.
- External Audit
 - Audit New Zealand completed its interim audit visit on 8 May 2026. Feedback from the auditors was that the visit had gone well and that all programmed work had been completed. No significant findings were noted during the visit.

6.2 **Communications** – Councillor Shona Powell

- **Immediate Priorities:**
 - Work was underway on a draft consultation document for Head Start Engagement.
 - Communications support was provided in relation to the Pegasus Golf Course sale, including media advice and responding to queries from multiple news outlets.
 - The Annual Plan 2026/27 process was ongoing, with deliberations scheduled for the following Tuesday.
 - Preparations were being made for upcoming engagement activities ahead of the next Long Term Plan. This included updates to a number of plans, bylaws, and policies (e.g., Significance and Engagement Policy, Waste Minimisation, and Stock Movement), all of which would require public engagement and were expected to generate high volumes of submissions.
 - Media enquiries remained high, with 55 queries received to date for the month, covering topics such as the Pegasus sale, Oxford Hospital, Head Start pathway, Baynons Road, the Annual Plan, and Woodend insurance matters.
- **Highlights from the Previous Two Quarters:**
 - **October to December 2025:**
 - A total of 84 media enquiries were received, and 28 media releases were issued. This period followed the local government elections and was marked by a high level of public interest in the District Plan.
 - Nine engagement projects were undertaken, generating approximately 5,000 visits, with 3,900 people aware of the projects and 722 actively engaged. Projects included the Beach Users Survey, customer surveys, and planning for Woodend Beach Domain.
 - Website activity included approximately 186,000 sessions and 111,000 users. Compared with the previous quarter, this represented an increase of 24,000 sessions and 25,000 users. Notable spikes in website traffic occurred during states of emergency and following the declaration of local government election results.
 - **January to March 2026:**
 - A total of 84 media enquiries were received, and 17 media releases were issued. This period coincided with the early stages of the Annual Plan process, with a focus on prudent budgeting, infrastructure delivery (including roading and water), managing growth, and responding to central government reforms such as rates capping, water services, and Resource Management Act changes.
 - Six engagement projects were delivered, generating significant interest, with approximately 13,500 visits to engagement pages, 10,400 people aware of the projects, and 1,600 actively engaged.
 - Website activity totalled approximately 168,000 sessions and 97,000 users. This represented a decrease of 18,000 sessions and 14,000 users compared with the previous quarter.

6.3 **Customer Services** – Councillor Wendy Doody

- **Council Enterprise System**

The Customer Services Team remained closely involved in the upgrade to the new system. Testing was currently being undertaken on many modules, including Cemeteries, Animal registrations, Kerbside Collection, LIM's and Rates.

- Rating Review
 - The Rating Review Working Group met on 29 April 2026. Feedback provided direction to staff on principles for the review and scope areas.
 - Staff were working on options for water services, kerbside collection, and the Pegasus services rates for presentation at the next working group meeting on 27 May.
 - A briefing on the Revenue and Financing policy would be held on 20 May.

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

- All-of-Government (AoG) Contracts
Staff continued to review the use of AoG contracts. The management team approved the Council's participation in the syndicated AoG contract for waste removal, which applied to waste collection from Council facilities (excluding kerbside collection services). The contract was expected to provide stronger commercial protections through an established framework and deliver modest savings of approximately \$1,700 per annum.
- Procurement Activity
The Procurement Coordination Group (PCG) continued to experience high activity, with multiple procurement plans reviewed weekly. The Rangiora Eastern Link (REL) main physical works and design services contracts represented the most significant recent procurement initiatives. The procurement strategy for the REL was scheduled to be presented to Council for approval at the 2 June meeting.
- Procurement Resources for Staff
Procurement resources on the Council's intranet were updated to better support staff. These updates aimed to improve access to relevant processes, policy documents, and contract templates, as well as to address frequently asked questions.

7. **QUESTIONS**

Nil.

8. **URGENT GENERAL BUSINESS**

Nil.

9. **NEXT MEETING**

The next meeting of the Audit and Risk Committee was scheduled for Tuesday, 16 June 2026, at 9am to be held in the Council Chamber, Rangiora Service Centre, 215 High Street, Rangiora.

THERE BEING NO FURTHER BUSINESS, THE MEETING CONCLUDED AT 10.46AM.

CONFIRMED



Chairperson

16 June 2026

Date