

ORDER PAPER

RISK / ASSURANCE COMMITTEE MEETING

Date: Thursday, 28 May 2026
Time: Following Council Workshop
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: Mr Philip Jones

Membership: Cr Dave Wilson
Cr Fi Dalgety
Cr Jeff Wong
HWTM Andy Watson

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Notice is hereby given that an Risk and Assurance Committee Meeting of the Rangitīkei District Council will be held in the Council Chamber, Rangitīkei District Council, 46 High Street, Marton on Thursday, 28 May 2026 following Council Workshop

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AGENDA

1 Welcome / Prayer

2 Apologies

3 Public Forum

4 Conflict of Interest Declarations

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of Order of Business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt as a late item at this meeting.

6 Follow-up Action Items from Previous Meetings

6.1 Follow-up Action Items from Risk and Assurance Meetings

Author: Kezia Spence, Governance Advisor

1. Reason for Report

- 1.1 On the list attached are items raised at previous Risk/Assurance meetings. Items indicate who is responsible for each follow up, and a brief status comment.

2. Decision Making Process

- 2.1 Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision-making provisions do not apply.

Attachments:

1. **Follow-Up Actions Register** [↓](#)

Recommendation

That the report Follow-up Action Items from Risk / Assurance Meetings be received.

Current Follow-up Actions

Item	From Meeting Date	Details	Person Assigned	Status Comments	Status
1	3-Sep-25	Risk Management Policy, noting the follow up action around wider considerations of the Risk Management Framework by the Risk and Assurance	Leanne	In progress	In progress
2	3-Sep-25	Review role of Risk and Assurance committee for the 2025-2028 triennium and resourcing required to deliver that work programme. Include consideration of the risk management framework.	Leanne / Carol	In progress - met with Cr Dalgety. Need to finalise terms of reference	Complete
3	19-Jun-25	H&S schedule in annual site visits to look at how staff work, and also 6 monthly updates from relevant staff to the Committee.	Leanne / Sharon	This is to be achieved through scheduled site visits / work experiences, to demonstrate health and safety in action. This is part of our draft revised Elected Members HSW Due Diligence Plan. The draft HSW Due Diligence plan was to go to the December Risk and Assurance Meeting for endorsement, however as that meeting was cancelled, it will go to the next available Risk and Assurance Meeting. It was not felt that further 6-monthly updates from staff was required in addition to annual visits, given that the Risk and Assurance Committee also gets a detailed report every quarter.	In progress
4	5-Dec-24	De-escalation training, opportunities for discussion from Elected Members to discuss how they are going, if they are receiving abuse, negative feedback etc	Carol / Mayor	Will be noted here, but will be continuous discussion.	In progress
5	19-Mar-25	Contractor H&S - Metrics on the number of reviews and site assessments. Is this a smart way of getting assurance of contractor H&S via a process to get reporting back to the R&A committee?	Sharon	A potential solution has been developed to capture the relevant metrics required for reporting. The solution will be considered and tested before being implemented.	In progress

7 Chair's Report

7.1 Chair's Report - May 2026

Author: Philip Jones, Chair

Introduction

As I will only be on-line for this meeting, I have provided a fuller report discussing the emerging risks facing all local authorities. These risks are based on the Aon Emerging Risk Horizon Scan May report together with other conversations with local authorities and other independent chairs.

Comments on Head start

The table below summaries the top 8 Aon emerging risks, however I believe Risk 8 "Governance Complexity, Reform Uncertainty & Role Creep" is more than worthy of additional comment because of the sudden nature and potential consequences of the proposed Government's fast tracking of local government reform (Head start).

One also must consider statement made by the Minister Responsible for RMA Reform, who in the press release stated:

*Councils are **critical to delivering the new planning system**, which will pass into law this year, enabling housing growth and supporting infrastructure investment.*

We gave careful thought to sequencing this work after resource management reform, but the benefits of doing it now are too large to ignore.

*These reforms are tightly linked. **Fixing the planning system while leaving local government untouched would just lock in the same problems.** We're not prepared to do that. It makes far more sense to tackle both together so councils can plan once, adapt once, and get on with delivering.*

A simpler, more efficient local government system will make it easier to deliver those priorities

Therefore, the Head start is more than reducing the complexity and costs of local government, it also assists in the achieving of the RMA forums. History, both in 1989 and 2010 has shown that the benefits of reform take time to be realised and are costly both in terms of financial and non-financial aspects including potential loss of local voice.

It is highly likely that this will cause disruption across local government regardless of your approach and views. Councils are already engaged in Local Water Done Well implementation, while Long-Term Plan (LTP) development is underway. These are complex, resource-intensive processes which require coordination, engagement, and technical expertise. The risks of not achieving the key outcomes of these two requirements are significant.

It is important to note in the Auckland reform in 2010, the previous local authorities were all required to complete a LTP in 2009. The Councils that undertook a robust LTP in 2009 enabled their communities to have good outcomes for at least the first five years because the new Auckland Council relied on robust LTPs to provide direction as to what the priorities for each of the previous Council areas.

If a robust LTP is not completed for 2027, and amalgamation proceeds thereafter, there is a significant risk that the communities currently represented by local authorities will be disadvantaged.

ITEM 7.1

Furthermore, Councils need to be aware that the current approach is only supported by way of policy statement from the current Government rather than legislation. This does have implementations based on an important case known as “Fitzgerald v Muldoon” where it was stated “That the pretended power of suspending of laws, or the execution of laws, by regal authority, without consent of Parliament, is illegal”

Extract and comments of Aon’s NZ Local Government Emerging Risk Horizon Scan - May 2026

Risk	Risk description	Key emerging issues
<p>1. Geopolitical Tension, Iran Situation & Fuel/Energy Cost Pressure</p>	<p>Continuing geopolitical tension in the Middle East, including Iran-linked conflict and disruption in key shipping lanes, continues to produce higher fuel and energy prices, potential physical supply constraints, and wider trade and inflation impacts. Councils face cost spikes, knock-on service disruption risks and community hardship.</p> <p>NZ councils are increasingly factoring these shocks into 2026/27 budget adjustments and project reprioritisation, but cost pressure remains.</p>	<p>Continuing pressure on operating budgets, particularly transport, roading, waste, parks, regulatory fieldwork, and emergency management.</p> <p>Risk of further capex deferrals or scope reductions on major projects due to escalating total costs.</p> <p>Growing community sensitivity to any, fee, or rates changes attributed to “global events”.</p>
<p>2. Accelerating Climate Adaptation & Natural Hazard Exposure</p>	<p>Physical climate impacts (flooding, storms, coastal erosion, landslides, heat, drought) continue to intensify, intersecting with new national expectations for adaptation, land-use change and risk disclosure. Councils face asset damage, service disruption, litigation, and</p>	<p>As New Zealand currently is seeing more and more climate events, there is an increasing likelihood that there will be insufficient funding from central government agencies to fully recover storm and related costs from such weather events.</p>

Risk	Risk description	Key emerging issues
	difficult community transitions.	
3. Water Services Viability & Reform (Local Water Done Well Context)	Some councils have progressed internal thinking or regional discussions on shared service entities or joint arrangements, but sector wide implementation remains uneven	Pressure from communities and regulators for more transparent reporting of water asset condition and investment gaps.
4. Cybersecurity, Data Breach & Digital/AI Resilience	Councils, CCOs and shared service entities remain attractive targets for cyber attacks and data theft, including attacks on operational systems (water, traffic, buildings). Adoption of AI and cloud services, if poorly governed, adds new vulnerabilities.	Threat actors are increasingly leveraging AI-assisted tools (spear-phishing, deepfakes, automated discovery of vulnerabilities). Public and regulatory expectations around privacy and breach handling are higher following recent NZ breaches.
5. Misinformation, Polarisation & Trust in Local Institutions	Misinformation and disinformation campaigns, often linked to polarised issues (rates, climate, water, Treaty matters, public safety), reduce trust in councils, increase complaints and legal disputes, and expose staff and elected members to abuse and safety risks.	Misinformation and polarisation of communities will make further consultation and plans more difficult to arrive at a consensus decision and therefore the likelihood of alienation of certain groups is likely to increase. This increases the likelihood of mistrust in local authorities.
6. Workforce, Capability & Delivery Capacity	Difficulty attracting, developing and retaining skills in key areas (engineering, planning, digital/cyber, climate, Te	Additional workload pressures from fuel-driven cost responses, response to storm and other events and Central Government policy decisions,

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Risk	Risk description	Key emerging issues
	<p>Ao Māori capability, project delivery) undermines councils' ability to meet legal obligations and deliver programmes.</p>	<p>planning, and cyber uplift increase burnout risk.</p> <p>Some specialist markets (e.g., water engineers, climate strategists, AI/data specialists) are extremely tight across NZ and Australasia.</p> <p>Without structured workforce planning, councils risk over-reliance on a small number of individuals or vendors</p>
<p>7. Financial Sustainability, Insurance & Integrity Risk</p>	<p>Compounding cost pressures (fuel, construction, wages), climate and water investment demands, and potential insurance market shifts strain council finances. Fiscal stress can drive difficult trade-offs and elevate fraud, corruption and procurement risks.</p>	<p>Public scrutiny of value for money, alongside political sensitivity to rates, increases reputational and integrity risk.</p>
<p>8. Governance Complexity, Reform Uncertainty & Role Creep</p>	<p>Overlapping reforms (planning, water, climate, emergency management, resource management) and community expectations that councils fill gaps in social services and wellbeing create mandate confusion, governance overload and fragmented performance.</p>	

Risk	Risk description	Key emerging issues

For compassion these are the top 10 overall risks facing New Zealand including both public and private sectors

- 1 Cyber Attack or Data Breach:** Ranked as the #1 overall threat globally, driven by increased digital reliance and emerging AI-driven threats
- 2. Business Interruption:** Ranks second, heavily tied to supply chain vulnerabilities and systemic shocks
- 3. Economic Slowdown or Slow Recovery:** Remains a constant board-level concern as organizations navigate fluctuating growth patterns
- 4. Regulatory or Legislative Changes:** Navigating new compliance requirements, especially regarding data and global trade policies
- 5. Increasing Competition:** Driven by rapid technological advancements and shifting market dynamics.
- 6. Commodity Price Risk or Scarcity of Materials:** Squeezing operational margins as material sourcing grows increasingly complex
- 7. Supply Chain or Distribution Failure:** A critical operational risk that organizations are continually restructuring for resilience
- 8. Damage to Reputation or Brand:** A highly volatile risk that can have immediate impacts on market value.
- 9. Geopolitical Volatility:** Surged into the top 10 for the first time, reflecting mounting global uncertainties and tariff fluctuations.
- 10. Cash Flow or Liquidity Risk:** Re-enters the top ten due to tightening financial conditions and economic volatility.

OAG change

In case members are not aware there is a new Auditor General (AG) - Grant Taylor has now completed his restructure of both the Office of the Auditor and Audit NZ into one entity known as The Audit Office.

Recommendation

That the Chair’s Report –May 26 be received.

8 Reports for Decision

8.1 Risk/Assurance Committee Programme of Work

Author: Leanne Macdonald, Group Manager - Corporate Services

Authoriser: Carol Gordon, Chief Executive

1. Reason for Report

- 1.1 To provide the Risk/Assurance Committee quarterly progress against their current Programme of Work.

2. Context

- 2.1 The Programme of work was agreed by the committee in April 2026. The programme of work will be presented on a quarterly basis at each committee meeting to provide members with updates against the activities.

3. Overview of the Programme

Item	Audit and Risk Committee Meeting
Governance	
Risk and Assurance Committee Terms of Reference	Last Reviewed: April 2026 and adopted by Council. Next in-depth review is planned for the month of April following Local Government elections (April 2029).
Overview of current Financial Risks	Each meeting Includes a council health check in financial items such as Council Debt Position, Capital Spend and Outstanding Receivables/Rates.
Latest Health, Safety and Wellbeing reporting	Each meeting as a stand-alone report
Fraud Reporting	Biannually (May and November) unless there is an event to disclose/update
Insurance Update	Annually (May) to discuss the proposed plan in preparation of the annual renewal cycle. Annually (August) insurance updates/claims unless there is an event requiring disclosure or updates.
Protected Disclosure Reporting	Annually (August) at the end of each financial year, unless there is a protected disclosure to report.
Privacy Reporting	Annually (August) at the end of each financial year, unless there is a notifiable (serious) privacy breach to report.
Outstanding Audit NZ management letter points	Each meeting
Current Areas of Concern	Each meeting as part of this report

Staff Annual Turnover	Annually (August) at the end of each financial year
Internal Audit	
Outstanding internal audit recommendations	Each meeting as a stand-alone report Internal audit programme 3 yearly (May 2026)
Annual Internal Audit workplan updates	Each meeting as a stand-alone report
Statutory Policies etc	
Revenue and Finance Policy	Required by S102 LGA; Review every 3 years (March preceding new LTP) Reviewed February 2026 Next Review: February 2027
Rates Postponement Policy	Required by S102 & S110 LGA to be reviewed every 6 years. Next Review: February 2027 (LTP).
Rate Remission Policy	Required by S102 & S109 LGA to be reviewed every 6 years. Reviewed February 2026 Next Review: February 2027 (LTP)
Rates Remission for Māori Freehold Land Policy	Required by S102 & S108 LGA to be reviewed every 6 years. Reviewed Jan to April 2024 Next Review: February 2027 (LTP)
Significance and Engagement Policy	Required by S76 LGA; Reviewed Jan to April 2024 Next Review: February 2027 (LTP)
Accounting Policies	Annually as part of annual financial statements as preparation for both the annual reporting cycles and the long-term and annual planning cycles.
Finance and Infrastructure Policies	Every three years (part of LTP) Next Review: February 2027 (LTP)
Protected Disclosure “Whistle Blower” Policy	Required by Protected Disclosures Act Review every two years: September 2024 Next Review: November 2026.
Privacy Policy	Required by Privacy Act Review every 2 years: March 2025 Next review: May 2027
Delegations Register	This was approved by Council on 27 June 2024. Next review: August 2026
Policy on Development Contributions	Required by S102 LGA; S106 LGA requires Policy to be reviewed every 3 years. Current version adopted 9 June 2021. Reviewed: May 2024 Next Review: February 2027
Other Policies etc	Not specifically required by statute but considered ‘critical’

ITEM 8.1

Gifts and Hospitality Policy	Review every 2 years: Reviewed March 2025 Next Review: May 2027
Sensitive Expenditure Policy	Review every 2 years: Reviewed July 2024 Next Review: August 2026
Fraud, Bribery and Corruption Policy	Review every 2 years Reviewed: March 2025. Next Review: May 2027
Procurement and Contracts Management Policy	Approved at August 2024 Council meeting. Next Review: August 2026
Staff Standards of Integrity and Conduct	Review every 2 years. Approved: February 2026 Next Review: May 2028 Review complete. Revised policy attached.
Health, Safety and Wellbeing Policy	Review every 2 years Approved: October 2025 Next Review: May 2028 Review complete. Revised policy included in Health, Safety and Wellbeing Update.
Credit Card Policy	Review every 3 years Approved: March 2025 Next Review: February 2028
Risk	
Risk Management Policy	Review every 3 years Approved 2022 Next Review August 2026
Strategic Risk Register	Reviewed in full in 2022; currently subject to a 'rolling review' by ELT Full review by ELT carried out in February 2025 and October 2025. Further rolling reviews scheduled for March to June 2026. Next presentation to A/R will be August 2026

4. Programme Updates

5. Recent Policies reviewed and presented for feedback:

5.1 Staff Standards of Integrity and Conduct

The Staff Standards of Integrity and Conduct has been reviewed in accordance with Councils Policy Review Schedule Risk/Assurance Committee Work Programme. Aside from a general tidy up of language and grammar, the key change resulting from the review is the performance improvement procedure being removed from the Standards of Integrity and Conduct. A separate document has been created to set out Council's performance improvement process.

The revised Standards of Integrity and Conduct, and new Performance Improvement Procedure are attached for the Committees review and comment.

Both documents have been legally peer reviewed. It is noted that artificial intelligence (AI) was used to assist the creation of the Performance Improvement Procedure.

The revised policies have been communicated to staff in accordance with Councils usual policy review procedures.

5.2 Health, Safety and Wellbeing Policy

The Health, Safety and Wellbeing Policy has been reviewed in accordance with Council's Policy Review Schedule and the Risk/Assurance Committee Work Programme. Further details on this policy review are provided as part of the Health, Safety and Wellbeing Update report.

6. Fraud Reporting

6.1 There have been no fraud related incidents have been reported or investigated since the last Risk and Assurance Committee meeting.

6.2 The Deputy Mayor (in the absence of the Mayor), Chief Executive and Group Managers have met with Audit NZ to discuss fraud awareness, how we manage fraud processes and reporting and confirmed there were no concerns in this space.

6.3 In March this year the Fraud, Bribery and Corruption Policy was re-distributed to "All Staff" as a refresher. An emphasis for this reminder was their individual responsibilities as an employee and also the reminder that RDC has a zero tolerance to fraud, and this is led from the top down.

6.4 Conversations are good. It keeps the subject alive and front of mind, so as a Council we encourage questions, or for staff to test their concerns with their manager, or GM, or CE. Noting that checking in is not making an accusation. Sometimes it just makes us look at perceptions and how we might do something different. So actively encouraged.

7. Current Areas of Concern

7.1 Local Water Done Well (LWDW) has ramped up. The CE keeps Councillors and staff updated on the progress on this programme on a very regular basis. Officers are receiving a number of requests for information, supporting a number of tenders and multiple streams of work in preparation for 01 July 2027.

7.2 Ongoing reforms and changes to legislation continue to impact on Councils and officers. The latest being the Head Start from Central Government seeking proposals of how Councils can work towards a formal plan to be submitted in August 2026. This will require additional unbudgeted resources across the organisation and increasing workloads amongst an already busy year.

7.3 In addition to the above, workloads across the Council will remain high in 2026/27 year as we continue with the 2027-37 Long Term Plan, while finalising the 2026/27 Annual Plan, not to mention submission responses, other changing legislation and the ongoing business as usual.

8. Financial Implications

8.1 There are no financial implications. This is information

ITEM 8.1**9. Impact on Strategic Risks**

9.1 The programme of work ensures Council is mitigating any strategic risks.

10. Strategic Alignment

10.1 The projects and policies align with Councils Strategies.

11. Mana Whenua Implications

11.1 Not applicable as this has been considered as part of the long-term planning process.

12. Climate Change Impacts and Consideration

12.1 Not applicable as this has been considered as part of the long-term planning process.

13. Statutory Implications

13.1 The Standards of Integrity and Conduct, Performance Improvement Procedure and Health, Safety and Wellbeing Policy have been reviewed in accordance with relevant employment legislation.

14. Conclusion

14.1 That the Committee receive the updates contained in the report and attachments.

15. Decision Making Process

15.1 This is for information

Attachments:

1. **Standards of Integrity and Conduct** [↓](#)
2. **Performance Improvement Procedure** [↓](#)

Recommendation 1

That the Risk/Assurance Committee receive this report.

Recommendation 2

That the Risk/Assurance Committee endorse the Standards of Integrity and Conduct Policy with / without amendment.

Recommendation 3

That the Risk/Assurance Committee endorse the Performance Improvement Procedure with / without amendment.

RANGITĪKEI DISTRICT COUNCIL

STANDARDS OF INTEGRITY AND CONDUCT POLICY

Approved: February 2026
Approved by: Executive Leadership Team
Next review: February 2028
Version number: 3.0
Who is responsible: Group Manager Corporate Services



Making this place home

UNCONTROLLED IF PRINTED

Standards of Integrity and Conduct

Our Standards of Integrity and Conduct have been written to clarify what’s expected of us as we go about our work. They are there to guide our behaviour and the decisions we make, from everyday choices to those decisions that are more challenging.

Our Standards of Integrity and Conduct are important because we achieve what we want to achieve through our people. If our people do not display the standards of integrity and conduct that we expect, then we will not be the organisation we want to be. We will not be able to serve our community as well as we should, and we will not be able to support our colleagues in the way they deserve to be supported.

We all have a role to play so no matter what position we hold at Rangitikei District Council (“RDC”), our Standards of Integrity and Conduct apply. Our actions are representative of the actions of RDC, and we are accountable to the public in the work we undertake. By adhering to the expectations outlined in this policy, while at the same time living our Organisational Values (Nga Pou), we are showing our communities and those we work with, that we have earned the trust placed in us to get the job done.

This policy also outlines what we will do in cases where we believe that our standards have been breached.

From time-to-time we may review, amend or change this policy. If changes occur, these will be communicated with all staff.







THE WAY WE DO THINGS AROUND HERE

At RDC we have a vital role in supporting and growing our communities and achieving our vision of “making this place home”.

We recognise that our staff are key to achieving this vision and we want to be an outstanding place to work, where people feel a common sense of purpose.

To achieve our objectives, we must ensure we provide the best possible service to our communities who rely on us to work consistently, professionally and to the highest standard.

Our Organisational Values (Ngā Pou) are the foundation of our Standards of Integrity and Conduct:

	POU 1.	Manaakitanga	The customer is at the centre of everything we do.
	POU 2.	Rangatiratanga	We aspire to the highest standards.
	POU 3.	Whakapono	We strive to be trusting and trustworthy.
	POU 4.	Whanaungatanga	We act with courage, respect, kindness and empathy.
	POU 5.	Kotahitanga	We embrace diversity and strive to be inclusive.
	POU 6.	Aroha	We believe in and encourage each other.

Each Value (Pou) translates into behaviours that outline what is okay (and by default what is not okay) at RDC. We expect everyone to behave, and perform their duties, in a way that aligns to our Organisational Values (Nga Pou). Additionally, we also ask that our staff:

- Act in ways which are respectful and courteous towards colleagues, managers and the wider community.
- Act honestly and with integrity at all times
- Consistently following all of our policies and procedures
- Consistently perform your job to the best of your ability
- Provide a consistently high level of service to customers, and participate in the continuous improvement of all services
- Act in a way that enhances the reputation and standing of the Rangitikei District Council
- Be presented in a way that is appropriate to the job you do, and reflects an appropriate image of Rangitikei District Council
- Keep us informed of any matters that impinge on the carrying out of your duties
- Be engaged in our professional growth and development programme, including being open to feedback, and engaging in it respectfully.

We will not tolerate conduct that is threatening, abusive or which may amount to harassment. Similarly, we will not tolerate conduct which is dishonest or could be reasonably interpreted as dishonest. We are a public organisation responsible for public money and we must conduct ourselves accordingly. That means that we must never act in a way which might give rise to our integrity and professionalism being questioned, in the eyes of those we serve.

Of course, we cannot cover every possible situation in one policy. If staff have questions about whether or not something aligns to our expectations, they should speak with their manager or a member of the People and Culture Team.

WHAT HAPPENS IF OUR STANDARDS MAY HAVE BEEN BREACHED?

We want everyone to work together as a team in a positive and professional manner. If we become aware of conduct or behaviour that potentially falls short of our expectations, we will take steps to address it. These steps may include the initiation of our investigative procedure as outlined below.

Usually, we will consider what's happened and see if there is a reasonable explanation (as set out below). Sometimes though, the conduct circumstances might warrant us skipping this step.

Examples of misconduct and serious misconduct are included in Appendix 1. It is not possible to list every example of what may constitute misconduct or serious misconduct. Conduct or behaviours not on this list may warrant disciplinary action as outlined below.

If managers become aware of conduct which might breach this policy, they should seek advice from People and Culture in the first instance.

Fact finding investigation (if required):

If we consider that the nature of the allegations or circumstances warrant it, a preliminary fact-finding investigation may be carried out prior, in advance of a more substantive investigation. Whether a preliminary investigation, or no investigation at all, is required is at our discretion and will depend on the circumstances. It may also be that when an issue is raised, we do not consider that further action is warranted.

Employment Investigation:

If we have a potential breach of this policy and/or behaviour which might constitute misconduct or serious misconduct, we will always complete an investigation in a fair and lawful manner which is consistent with the principle of natural justice. In summary, this means that the employee will be provided with information about the allegations and will be given the opportunity to respond to those allegations with a support person or representative present. The employees' responses will be taken into account by the decision maker before any decisions are made regarding disciplinary action, if any.

If we reach the point where we form the view that the conduct of an employee requires a disciplinary response (for example a warning, or where we are considering dismissal), then we will advise the employee and seek feedback from them, before deciding on the appropriate disciplinary response.

Disciplinary procedure:

The disciplinary outcome will depend on the seriousness of the misconduct.

In cases where misconduct is substantiated, the following procedure is likely to be followed:

- A first written warning initially;
- A final written warning if there is further misconduct;
- Ultimately, summary termination of employment if misconduct is repeated for a third time.

Where misconduct is considered serious enough though, a final warning may be issued without a prior warning being issued.

In cases where it is considered that serious misconduct has occurred, there may be no warnings at all, and we may consider termination of employment without notice. Examples where this may apply include, but are not limited to, abuse or harassment of others, dishonesty and otherwise acting in a way which means that we lose trust and confidence in an employee.

Suspension

Depending on the nature of the alleged misconduct or serious misconduct, an employee may be suspended on pay pending the outcome of an investigation. In circumstances where the process is delayed through no fault of ours, we may, following consultation with the employee, suspend without pay. An example of this could be during a criminal investigation.

The nature and conditions of the suspension will be provided in writing.

Conduct Detrimental to the Best Interest of Rangitikei District Council

Other conduct may also be detrimental to the best interest of RDC and therefore amount to misconduct or serious misconduct. We will investigate where appropriate and disciplinary action may follow.

Conduct detrimental to the best interest of RDC includes:

1. Any conviction in a Court of Law for an offence which has the potential to adversely impact on the reputation of RDC or brings the standing of the employee into disrepute.
2. An employee's behaviour (whether during or outside working hours) that brings RDC or the standing of the employee into disrepute.

WHERE TO GO FOR MORE INFORMATION

If you have any questions about this performance improvement procedures, please speak to your manager, or a member of the People and Culture Team.

RELATED DOCUMENTS AND FRAMEWORKS

- RDC Organisational Values / Nga Pou
- Nga Aheitanga – Competency Framework
- Performance Improvement Procedure

Appendix 1

MISCONDUCT

'Misconduct' is when an employee engages in incidents of behaviour or conducts themselves in a way that is unacceptable.

Examples of Misconduct

The following are examples of the type of actions and behaviour that RDC considers misconduct. They are likely to result in formal warnings and if repeated, dismissal. This list is not exhaustive. Where an act is carried out by an employee that is not specifically covered by the examples below, RDC reserves the right to apply disciplinary actions as it deems appropriate. Additionally, depending on the circumstances, misconduct may also amount to serious misconduct and be dealt with accordingly, depending on the seriousness of the incident.

1. Acting in a disrespectful, discourteous or unprofessional way toward colleagues, elected members or members of the community.
2. Carrying out duties in a manner that is negligent, careless, inefficient, or incompetent, or failing to perform work to the required standards.
3. Breach of confidentiality.
4. Frivolous wasting of time or materials.
5. Smoking/vaping in a non-smoking area.
6. Reporting to work in a condition that, in the opinion of the employer, means that duties are potentially compromised from being carried out competently or safely.
7. Disruptive, boisterous, or unruly behaviour, including joking in a way which others may find offensive.
8. Interfering with or preventing another employee carrying out their duties.
9. Demonstrating a pattern of lateness or absenteeism or failing to report at the time required without notifying the Manager.
10. Leaving the workplace during working hours without good reason or authority.
11. Without good reason, sleeping during working hours.
12. Misuse or major or minor damage to property belonging to RDC, a member of the public or another employee, through negligence or misuse.
13. Without good reason, failure to promptly report a fire, accident or other workplace accident or incident.
14. Failure to observe health and safety requirements, working in an unsafe manner or failing to make proper use of safety equipment or personal protective equipment.
15. Posting of unauthorised notices within RDC.
16. Any act which could diminish the reputation of RDC in the community.
17. Failure to follow RDC procedures, or any other lawful and reasonable instruction.

SERIOUS MISCONDUCT

Serious misconduct is misconduct at a more serious level.

Examples of Serious Misconduct

The following are examples of the type of actions/behaviour that RDC considers serious misconduct and are likely to lead to dismissal without notice or formal warning. This list is not exhaustive. Where an act is carried out by an employee that is not specifically covered by the examples below, RDC reserves the right to apply disciplinary actions as it deems appropriate.

1. Abusive or offensive language or behaviour that causes offence to another person.
2. Dishonesty, including falsification of any record or document, including timesheets, payment authorisations, submitting false expense claims, committing fraud or making a false or misleading statement in an investigation.
3. Failing to appropriately declare a conflict of interest.
4. Misappropriation or unauthorised use of RDC funds.
5. Failure to account for cash or failure to follow RDC procedures for handling cash.
6. Gambling on the premises or during working hours without management consent.
7. Misrepresentation of an employees, or RDC position, whether or not for personal gain.
8. Wilfully disregarding or refusing to carry out a lawful and reasonable instruction or walking off the job without good reason.
9. Sexual, racial or other harassment; or bullying, intimidation or unwelcome behaviour towards employees, customers or members of the community, including by way of electronic media.
10. Conduct which in our view demonstrates gross incompetence or negligence in the performance of duties.
11. Reporting to work, or being at work, under the influence of alcohol or drugs, including prescription medication where it may impact on an employee's ability to operate safely.
12. The unauthorised use of alcohol or being in possession of or using drugs or drug paraphernalia while on RDC premises or carrying out RDC business.
13. Copying, removal or unauthorised disclosure of confidential information, or otherwise breaching privacy obligations in relation to the information we hold.
14. Violation of, or failure to follow, safety rules and/or occupational health and safety procedures (this includes failure to wear prescribed safety equipment and clothing)
15. Deliberate, reckless or careless activities that result or could result in the injury of another person, or damage to RDC or personal property.
16. Unauthorised possession of any gun, firearm, knife or other offensive or dangerous weapon or material on RDC premises or while carrying out RDC business.
17. Unauthorised or irresponsible use of fire protection or safety equipment.
18. Actual or threatened physical or verbal violence against another person or persons, including employees, customers or members of the community during work hours or during any out of work hour's function or event.
19. Use of abusive, offensive, threatening, or intimidating language or behaviour to a staff member, customer or visitor in work time and/or when attending Council functions out of normal work hours
20. Being absent from work for three consecutive days without reporting (except in extenuating circumstances).
21. Unauthorised absence from work, including misleading the employer as to the nature of the approved absence.
22. Unauthorised possession of, use or removal of property belonging to RDC, customers, the public at large or another employee.
23. Misrepresenting or withholding criminal convictions, health or employment history or qualifications pertinent to RDC's decision to hire or promote an employee.
24. Failure to report to RDC any criminal conviction, police investigation, active criminal charges, or serious traffic offence (such as loss of licence) obtained while employed by RDC.
25. Failing to report to RDC any traffic infringements, road accidents or vehicle damage while driving RDC vehicles.

26. Being convicted of a criminal offence which impacts the employee's ability to perform their work function, or which may damage Council's reputation.
27. Breach of RDC email, internet and/or computer policies, including (but not limited to) downloading, saving, printing, viewing or forwarding pornographic, offensive or objectionable material.
28. Acts or behaviours detrimental to the quality and/or efficiency of RDC business, safety of RDC staff, customers or the community.
29. Accepting a personal fee or remuneration other than normal salary/wages or lump sum payment for any service provided in the normal course of duty.
30. Signing any document or making a statement on behalf of RDC without proper authorisation.
31. Bringing RDC into disrepute or acting in a way that has the potential to bring RDC into disrepute or damage the interests or integrity of RDC.
32. Any social media (including but not limited to Facebook, Instagram, Twitter, TikTok, Google+ and any blog sites / discussion forums) postings by the Employee that have the potential to bring RDC into disrepute, speaks ill of the RDC or undermines the relationship with employee(s) / management / customers and / or the RDC.
33. Reckless, dangerous or careless driving of a RDC motor vehicle or any serious breach of the Land Transport Rules / Regulations.
34. Knowingly / intentionally failing to report a fire, accident or other workplace accident or incident.
35. Spreading malicious gossip in the workplace.
36. A serious breach of any RDC policy or procedure, or a pattern of less serious breaches.
37. Failure to declare an actual or potential conflict of interest.
38. Any behaviour listed as misconduct which RDC in its sole discretion considers to be of sufficient seriousness to warrant consideration as Serious Misconduct.
39. Acts of misconduct which are repeated.

RANGITĪKEI DISTRICT COUNCIL

PERFORMANCE IMPROVEMENT PROCEDURE

Approved:	February 2026
Approved by:	Executive Leadership Team
Next review:	February 2028
Version number:	3.0
Who is responsible:	Group Manager Corporate Services



Making this place home

UNCONTROLLED IF PRINTED

Performance Improvement Procedure

INTRODUCTION AND SCOPE

These procedures outline Rangitikei District Councils (RDC's) approach when an employee's performance falls below the standard required to the point where more formal intervention is required to bring performance back to the required level.

These procedures apply to all RDC employees, and are intended to be used in conjunction with RDC's competency framework (Nga Aheitanga) and individual development plans (Ara Poutama).

WHY IS THIS IMPORTANT?

We have a shared responsibility to our community, the organisation, and one another to address performance concerns when they arise. Leaving poor performance unaddressed is unfair to others who are meeting expectations and can negatively affect team morale, organisational outcomes, and our workplace culture.

PERFORMANCE FEEDBACK

Your manager will regularly review your performance and provide constructive feedback. This includes recognising what is going well as well as discussing any areas of concern. Feedback is intended to support your development and should be received professionally.

The purpose of regular performance conversations is to help you succeed in all aspects of your role, including individual role competencies and demonstrating our Organisational Values (Ngā Pou). We expect employees to carry out their role competently and professionally, and to behave in a way that reflects our values and responsibilities as a public organisation. This means acting in ways that support your own performance, your colleagues' performance, and the wider goals of the organisation.

PERFORMANCE IMPROVEMENT

At times, performance may fall below expectations. When this happens, it can affect productivity and team morale. In most cases, informal and constructive discussions are enough to address these issues. However, if performance does not improve following these conversations, a more formal performance improvement process may be required.

Good performance includes meeting the expectations set out in your job description and/or competencies framework and performing your duties at a level appropriate to your role, seniority, and experience.

Our approach is always focused on achieving quality outcomes and supporting improvement. Where informal steps are not effective, managers may need to take a more structured and formal approach. In situations where performance does not improve to the required standard, this process may ultimately lead to us taking steps to end our employment relationship; this will never be our preferred option.

FORMAL PERFORMANCE IMPROVEMENT PROCESS

Our performance improvement procedures are designed to support you to meet the required standards. They may apply to job performance (what you do) as well as behaviour and values-related concerns that do not initially amount to misconduct or serious misconduct.

A formal performance improvement process will involve discussing the reasons for the performance concerns and agreeing on a Performance Improvement Plan (PIP). The PIP will:

1. Clearly outline the areas where performance or behaviour is not meeting expectations
2. Set out the standards required
3. Identify the support, guidance, or training that will be provided
4. Confirm the timeframe for improvement

If, after completing the Performance Improvement Plan, the required level of performance is not achieved or maintained, termination of employment may be considered.

ROLE MISALIGNMENT

In some cases, what appears to be a performance issue may be due to a mismatch between the role and the employee's skills, strengths, or experience, rather than a lack of capability.

If this is identified, we will work with you to explore options that may better align your role with your abilities and aspirations. Any proposed changes will always be discussed with you before decisions are made.

WHERE TO GO FOR MORE INFORMATION

If you have any questions about these performance improvement procedures, please speak to your manager, or a member of the People and Culture Team.

Related Documents and Frameworks

- Standards of Integrity and Conduct
- RDC Organisational Values / Nga Pou
- Nga Aheitunga – Competency Framework

REVIEW OF PROCEDURES

This procedure will be reviewed on a two-yearly basis, or earlier if required. The next scheduled review is due in February 2028.

8.2 Health, Safety and Wellbeing Update

Author: Sharon Bennett, Manager People and Culture

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

- 1.1 This report provides an update on health, safety and wellbeing matters for the reporting period, including information about two WorkSafe notifications.
- 1.2 The report also presents three revised documents for Members consideration and endorsement. These documents are the Workplace Health, Safety and Wellbeing Policy, the Governance Health, Safety and Wellbeing Charter, and the Governance Health, Safety and Wellbeing Due Diligence Plan.
- 1.3 Additionally, the report provides standard items including a summary of health and safety incidents since August 2025 together with the Health, Safety and Wellbeing Dashboards for the previous three months, highlights from the health, safety and wellbeing work programme and an update on contractor and volunteer health, safety and wellbeing matters.

2. Context

- 2.1 Elected Representatives are considered Officers under the Health and Safety at Work Act 2015 (Act). This means they have an obligation to exercise due diligence in relation to health and safety matters. Due diligence is defined in section 44(4) of the Act as taking reasonable steps to:
 - 2.1.1 Acquire, and keep up to date, knowledge of work health and safety matters; and
 - 2.1.2 Gain an understanding of the nature of the operations of the business or undertaking of the person conducting business or undertaking (PCBU) and generally of the hazards and risks associated with those operations; and
 - 2.1.3 Ensure that the PCBU has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety from work carried out as part of the conduct of the business or undertaking; and
 - 2.1.4 Ensure the PCBU has appropriate processes for receiving and considering information regarding incidents, hazards and risks, and for responding in a timely way to that information; and
 - 2.1.5 Ensure that the PCBU has, and implements, processes for complying with any duty or obligation of the PCBU under the Act; and
 - 2.1.6 Verify the provision and use of the resources and referred to above.
- 2.2 Under the Act, the definition of worker includes employees, contractors, sub-contractors and volunteers. In the case of contractors and sub-contractors, Rangitikei District Council (RDC) is required to take a joint PCBU approach to ensuring health, safety and wellbeing obligations are met.

3. Discussion

3.1 Workplace Health, Safety and Wellbeing Policy

- 3.1.1 The Workplace Health, Safety and Wellbeing Policy (Policy) sets out RDC's commitment and responsibilities to health, safety and wellbeing in the workplace. The Policy is the guiding document that all other health, safety and wellbeing frameworks and procedures sit under.
- 3.1.2 The Policy has been reviewed in accordance with Council's Policy Review Schedule and Risk and Assurance Committee Work Programme. Changes include clearer reference to the Health and Safety at Work Act 2015, along with improvements to the readability of the Policy. The revised policy has been communicated to RDC staff in accordance with usual policy review procedures.
- 3.1.3 It is noted that Artificial Intelligence (AI) has been used to assist with the Policy wording.
- 3.1.4 The revised Policy is attached to this report. Feedback on the revised Policy is invited from the Risk and Assurance Committee.

3.2 Governance Health, Safety and Wellbeing Charter

- 3.2.1 The Governance Health, Safety and Wellbeing Charter (Charter) provides a statement of Elected Members commitment to Health, Safety and Wellbeing.
- 3.2.2 A revised Charter has been written to align to the new Elected Member Triennium. The revised Charter provides a clearer link to the Health and Safety at Work Act 2015, along with improvements to the readability of the document.
- 3.2.3 It is noted that AI has been used to assist with the wording of the Charter.
- 3.2.4 The revised Charter is attached to this report. Feedback on the revised Charter is invited from the Risk and Assurance Committee.
- 3.2.5 Once endorsed, the Charter will be prepared for signing and the signed version will be framed and hung in Council Chambers.

3.3 Governance Health, Safety and Wellbeing Due Diligence Plan

- 3.3.1 The Health, Safety and Wellbeing Due Diligence Plan (Due Diligence Plan) supports Elected Members to meet due diligence requirements by providing opportunities for enhanced understanding of RDC's critical health, safety and wellbeing risks and the controls for these risks.
- 3.3.2 A revised Due Diligence Plan has been developed to align to the new Elected Member Triennium. In comparison to the 2022-25 Plan, the revised plan includes updated Due Diligence Elements in line with the updated Institute of Directors Guidelines. The Plan includes opportunities for site visits and practical demonstrations of workplace health and safety in action.
- 3.3.3 It is noted that AI has been used to assist with the Due Diligence Plan wording.
- 3.3.4 The revised Due Diligence Plan is attached to this report. Feedback on the revised Due Diligence Plan is invited from the Risk and Assurance Committee.
- 3.3.5 Once endorsed by Members, progress with the Due Diligence Plan will be reported on each quarter.

3.4 Health, Safety and Wellbeing Monthly Reporting and Dashboards

3.4.1 Council's Health, Safety and Wellbeing Dashboards (Dashboards) provide monthly incident data and year-to-date trends. The Dashboards support Elected Members to exercise due diligence obligations by providing up-to-date information on incidents, hazards and critical risks.

3.4.2 A summary of health, safety and wellbeing reporting between August 2025 and April 2026 is provided in the table below, with the Dashboards for February to April 2026 to January 2026 attached to this report.

Month	Events	Near Misses	Hazards
August 2025	Antisocial behaviour (2) Substance exposure Physical harm Plant/machinery	Slip/trip/fall	Nil
September 2025	Antisocial behaviour (5) Manual handling	Nil	Nil
October 2025	Physical harm (3) Medical event Slip/trip/fall Motor vehicle Antisocial behaviour	Physical harm Antisocial behaviour	Physical harm (2) Motor vehicle Plant/machinery Slip/trip/fall Antisocial behaviour
November 2025	Motor vehicle (2) Antisocial behaviour Plant/machinery	Nil	Substance exposure (2) Physical harm Slip/trip/fall
December 2025	Motor vehicle Tool/small appliance Plant/machinery Manual handling	Nil	Security
January 2026	Antisocial behaviour (3) Animal attack Manual handling Slip/trip/fall	Slip/trip/fall	Nil
February 2026	Antisocial behaviour (2) Motor vehicle (2) Slip/trip/fall	Slip/trip/fall Physical harm (3)	Motor vehicle (4) Plant / machinery Slip/trip/fall

ITEM 8.2

	Physical harm Animal attack (sting)		Security
March 2026	Antisocial behaviour (3) Physical harm (2) Motor vehicle	Motor Vehicle	Motor vehicle (2) Physical harm
April 2026	Motor vehicle	Physical harm (2) Motor vehicle Slip/trip/fall (2)	Motor vehicle (2)

3.4.3 There was one hazard during the reporting period (November 2025) which was notified to WorkSafe by RDC. This related to possible asbestos exposure due to the identification that a number of the coloured sand products subject to a national recall, had been used in Council’s Sensory Play Programme. The national recall was due to some of the products sampled containing asbestos fibres. As per legal requirements, Council notified WorkSafe of possible asbestos exposure within 48 hours of discovery. Council’s response included closing the facilities where the sand was used and stored, notifying officers and members of the public involved in the Sensory Play Sessions, and testing the sand and facilities for traces of asbestos. All tests returned a negative result for any traces of asbestos. Clearance certificates were received and the facilities re-opened.

3.4.4 There was also one notifiable accident related to a contractor of RDC (January 2026), as detailed in section 3.6 below.

3.4.5 All reported events, near misses and hazards have been appropriately investigated and corrective actions taken where required.

3.5 Health, Safety and Wellbeing Work Programme

3.5.1 Council is committed to continuous improvement across all aspects of workplace health, safety and wellbeing. Continuous improvement is achieved through actions identified in the Health, Safety and Wellbeing Work Programme.

3.5.2 The health, safety and wellbeing work programme include new initiatives and opportunities, together with the ongoing review and continuous improvement of existing health, safety and wellbeing frameworks and practices.

3.5.3 Health, safety and wellbeing work programme highlights achieved since the last report include:

- Health and Safety training provided to Elected Members, together with RDC People Leaders and Contractor Managers
- Submission on the proposed reform to the Health and Safety at Work Act.
- Workplace Health and Safety Audits – Water / Wastewater.

- Health, safety and wellbeing risk reviews, in accordance with quarterly risk register review cycle.

3.5.4 Health, safety and wellbeing activities currently underway:

- Review of remote and lone working safety procedures.
- Internal audit (self-assessment) of health and safety performance indicators and work programme.

3.5.5 Health, safety and wellbeing activities coming soon:

- Review of Health, Safety and Wellbeing Risk Management Framework
- Review of Health, Safety and Wellbeing Representation Framework

3.6 Contractor Health, Safety and Wellbeing

3.6.1 RDC's contractors fall within the definition of 'worker' under the Act and a joint PCBU approach is taken to ensure contractor health, safety and wellbeing.

3.6.2 RDC has processes to verify that contractors can, and do, work safely. These processes include (among other things) contractor selection, joint PCBU relationships, site specific safety planning, and site safety checks.

3.6.3 Work is being undertaken to enable easier capture of contractor safety data, including site safety check results and incident reports. It is anticipated that more detailed contractor incident reporting will be available in future updates.

3.6.4 During the reporting period, there was a one notifiable event involving a contractor to RDC. A verbal update will be provided during the meeting, if one is available.

3.6.5 There were no other contractor health, safety and wellbeing issues identified, or incidents reported, during this period.

3.7 Volunteer Health, Safety and Wellbeing

3.7.1 RDC's volunteers fall within the definition of 'worker' under the Act.

3.7.2 RDC maintains processes to ensure volunteer safety. These processes cover (among other things) volunteer selection, onboarding, training, site specific hazard awareness and incident reporting.

3.7.3 There are no known unresolved volunteer health, safety and wellbeing issues or notifiable incidents to report.

4. Financial Implications

4.1 There are no financial implications associated with this report.

5. Impact on Strategic Risks

5.1 Council's Strategic Risk Register includes the strategic risk titled 'obligations with health, safety and wellbeing are not met'. The health, safety and wellbeing activities and frameworks outlined in this report contribute to the mitigation and management of this strategic risk.

6. Strategic Alignment

6.1 There are no matters the impact on Council's Strategic Framework associated with this report.

7. Mana Whenua Implications

7.1 Officers are not aware of mana whenua implications associated with this report.

8. Climate Change Impacts and Consideration

8.1 There are no climate change impacts associated with this report.

9. Statutory Implications

9.1 Councils Health, Safety and Wellbeing policies, procedures and frameworks are written and enacted in accordance with the Health and Safety at Work Act 2015.

10. Conclusion

10.1 This report has provided an update on health, safety and wellbeing matters for the reporting period. There are no known significant health, safety and wellbeing issues, or notifiable incidents, to report.

11. Decision Making Process

11.1 This decision is considered to have low significance.

Attachments:

1. **Workplace Health, Safety and Wellbeing Policy** [↓](#)
2. **Governance Health, Safety and Wellbeing Charter 2025-2028** [↓](#)
3. **Governance Health, Safety and Wellbeing Due Diligence Plan 2025 - 2028** [↓](#)
4. **Health, Safety and Wellbeing Dashboard, February 2026** [↓](#)
5. **Health, Safety and Wellbeing Dashboard, March 2026** [↓](#)
6. **Health, Safety and Wellbeing Dashboard, April 2026** [↓](#)

Recommendation 1

That the report 'Health, Safety and Wellbeing Update' be received.

Recommendation 2

That the Health, Safety and Wellbeing in the Workplace Policy is endorsed with / without amendment.

Recommendation 3

That the Governance Health, Safety and Wellbeing Charter is endorsed with / without amendment.

Recommendation 4

That the Governance Health, Safety and Wellbeing Due Diligence Plan is endorsed with / without amendment

Workplace Health, Safety and Wellbeing Policy



At Rangitikei District Council (RDC) the health, safety and wellbeing (HSW) of our people come first. We want everyone to feel safe at work and to go home healthy and well every day.

This policy is guided by the Health and Safety at Work Act (2015). It applies to all RDC workers - employees, contractors and volunteers - across all workplaces and off-site activities.

We are committed to building a culture where HSW is part of everyday life. This means:

- Leading by example and taking responsibility at every level.
- Listening to, and working with, our people to improve how we keep each other safe.
- Providing the right resources, training and support to do every job safely.
- Sharing information openly so that everyone is informed and involved.

More detailed frameworks and resources can be found in the HSW section of [Kapua](#).

Carol Gordon
Chief Executive

OUR COMMITMENTS



Through our Leadership HSW Charter we will:

- Provide safe, healthy and supportive work environments.
- Identify, manage and monitor hazards and risks to both physical and mental wellbeing.
- Support wellness initiatives that promote mental and physical wellbeing.
- Offer clear training, instructions and supervision to make safe work practices easy to follow.
- Keep everyone updated on HSW performance, injuries and wellbeing trends.

Arno Benadie
Deputy Chief Executive /
Group Manager –
Assets, Infrastructure & Projects

WHAT WE ASK OF YOU



Every worker plays a vital role in keeping themselves and others safe. This means:

- Reporting all accidents, incidents, near misses and hazards promptly.
- Always using the right equipment, controls and protective gear (PPE).
- Following procedures, instructions and signage carefully.
- Never tampering with safety equipment or systems.
- Looking out for teammates - if something doesn't look safe, speak up.
- Using Stop! Take 5 before starting any task to check for risks.

Katrina Gray
Group Manager -
Strategy, Community & Democracy

Leanne Macdonald
Group Manager - Corporate Services

OUR GOAL



Together, we want RDC to be a place where people feel safe, supported and well - at work and beyond.

Johan Cullis
Group Manager –
Regulatory & Emergency Management

Governance Health, Safety and Wellbeing Charter 2025–2028

INTRODUCTION

Rangitikei District Council recognises that strong governance leadership is essential to achieving a safe, healthy, and supportive workplace.

Elected Members, as Officers under the Health and Safety at Work Act 2015 (Act), are committed to demonstrating visible leadership and accountability in health, safety, and wellbeing. This Charter sets out how Elected Members will fulfil their governance responsibilities, promote a positive safety culture, and ensure that the Council provides an environment where every person can thrive and return home safe and well each day.

VISION

Council aspires to be a workplace where everyone feels safe at work and goes home healthy and well every day.

PURPOSE

1. Elected Members have a governance role in providing leadership, direction, and oversight of all matters relating to health, safety, and wellbeing.
2. Elected Members are committed to ensuring that the Council meets its obligations under the Health and Safety at Work Act 2015 and any associated codes of practice or regulations.
3. Elected Members will support management in implementing, maintaining, and continually improving health, safety, and wellbeing systems that reflect best practice.
4. This Charter defines the governance responsibilities of Elected Members in relation to health, safety, and wellbeing.

RESPONSIBILITIES

Each Elected Member will exercise due diligence to ensure the Council complies with its health and safety duties.

Exercising due diligence includes taking all reasonably practicable steps to:

1. Acquire and maintain up-to-date knowledge of workplace health and safety matters.
2. Understand the nature of Council's operations and the hazards and risks associated with those operations.
3. Ensure that the Council has, and effectively uses, appropriate resources and processes to eliminate or minimise risks to health and safety from the work it undertakes.
4. Ensure there are effective processes for receiving and considering information about incidents, hazards, and risks, and for responding in a timely way to that information.
5. Ensure that Council has, and implements, processes for complying with all duties and obligations under the Act.
6. Verify the provision and use of the resources and processes referred to in 1 – 5 above.

REVIEW

This Charter will be reviewed at least every three years to ensure it continues to reflect the Elected Members' governance role in health, safety, and wellbeing, and the Council's ongoing commitment to providing a safe, healthy, and well workplace.

Signed on behalf of Council:

Andy Watson, Mayor of Rangitikei District

Date

Health, Safety and Wellbeing Due Diligence Plan 2025 - 2028

This Due Diligence Plan supports the Governance Health, Safety and Wellbeing Charter 2025–2028 and is aligned with the Institute of Directors Health and Safety Governance Good Practice Guide. It outlines the activities that will enable Elected Members of the Rangitikei District Council (RDC) to meet their due diligence obligations as Officers under the Health and Safety at Work Act 2015 (HSWA).

A positive and robust health, safety, and wellbeing (HS&W) culture begins at the Council table and extends throughout the organisation. Elected Members demonstrate leadership by setting expectations, monitoring performance, and engaging with management to ensure that everyone at RDC can work safely and return home healthy and well each day.

Due Diligence Obligations

Under Section 44 of the HSWA, Elected Members (as Officers) must exercise due diligence to ensure that RDC complies with its health and safety duties. Exercising due diligence includes taking all reasonably practicable steps to:

1. Acquire and maintain up-to-date knowledge of workplace health and safety matters.
2. Understand the nature of Council's operations and the hazards and risks associated with those operations.
3. Ensure that the Council has, and effectively uses, appropriate resources and processes to eliminate or minimise risks to health and safety from the work it undertakes.
4. Ensure there are effective processes for receiving and considering information about incidents, hazards, and risks, and for responding in a timely way to that information.
5. Ensure that Council has, and implements, processes for complying with all duties and obligations under the Act.
6. Verify the provision and use of the resources and processes referred to in 1 – 5 above.

Approach

The Plan is structured around five due diligence elements drawn from the Institute of Directors' governance framework:

1. Learn and Develop – Build governance capability and understanding of HS&W responsibilities.
2. Anticipate and Understand – Gain insight into operations, hazards, and emerging risks.
3. Plan and Resource – Support the allocation of resources and systems to manage risks effectively.
4. Trust and Verify – Monitor and validate the effectiveness of HS&W systems and controls.
5. Monitor and Respond – Review information, analyse trends, and respond to issues promptly.

Scheduled activities		Due diligence elements					When
What	Who	Learn & Develop	Anticipate & Understand	Plan & Resource	Trust & Verify	Monitor & Respond	
Workshop on HS&W governance for new Elected Members	Elected Members	*	*				Completed February 26
Appoint / re-confirm Governance HS&W Champion	Council			*			Early-mid 2026
Endorse HSW Due Diligence Plan, including HSW Reporting Structure	Risk and Assurance Committee	*		*			May 2026
Review and endorse HSW Governance Charter	Risk and Assurance Committee				*		May 2026
Institute of Directors Advanced H&S Governance Training (on-line)	Governance HSW Champion (if new person appointed)	*		*			TBC
Review and Endorse HS&W in the Workplace Policy	Risk and Assurance Committee				*		May 2025/ Oct 2027
Internal audit of health and safety performance and work programme	GM Corporate Services / Manager People and Culture	*	*	*	*	*	April-May 2026
Regular / as required activities		Due diligence elements					When
What	Who	Learn & Develop	Anticipate & Understand	Plan & Resource	Trust & Verify	Monitor & Respond	
Monthly HS&W Report (Dashboard) included in CE's Report to Council.	Full Council CE and Executive Leadership Team	*			*	*	Monthly
Quarterly HS&W Report (full report), including update of HS&W incidents, and other matters.	Risk and Assurance Committee	*			*	*	Quarterly
Full report of notifiable incidents or accidents	Risk and Assurance Committee	*			*	*	As required
Work Experience (on-site experiences)	Elected Members Chief Executive, ELT, Officers.	*	*		*		Annually TBC
Updates / training on relevant HS&W Matters	As appropriate	*	*				As required

Work Experience Sessions

A key feature of this plan is the 'Work Experience Sessions'. These sessions provide practical insight into the nature of RDC's operations, the hazards and risks associated with those activities, and how risks are managed to ensure the health, safety, and wellbeing of staff, contractors, and the public. Where appropriate, these sessions will include site visits to enable Members to see health and safety practices in action and to connect governance oversight with operational realities.

Monitoring and Review

Progress against this Due Diligence Plan will be reported to the Risk and Assurance Committee on a quarterly basis. The Plan will be reviewed every three years, or earlier if there are significant changes to legislation, organisational structure, or Council operations.

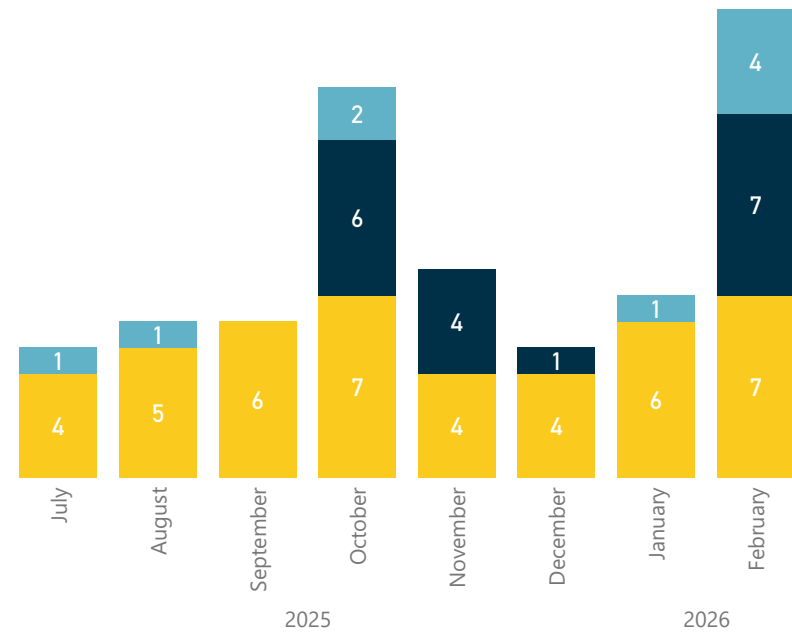


RDC Health and Safety Dashboard February 2026

Events, Hazards and Near Misses

01 July 2025 to date

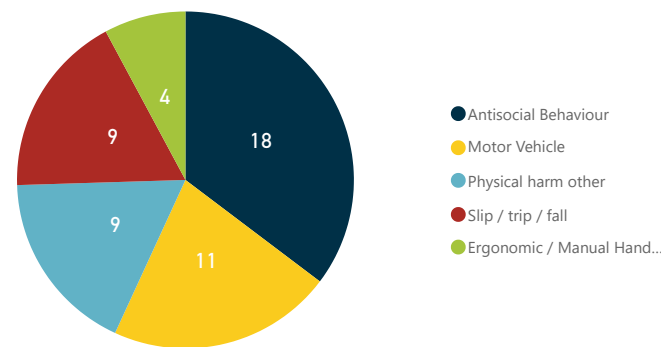
● Event ● Hazard ● Near Miss



Category

Events, Hazards and Near Misses

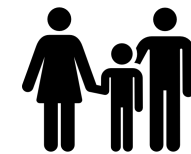
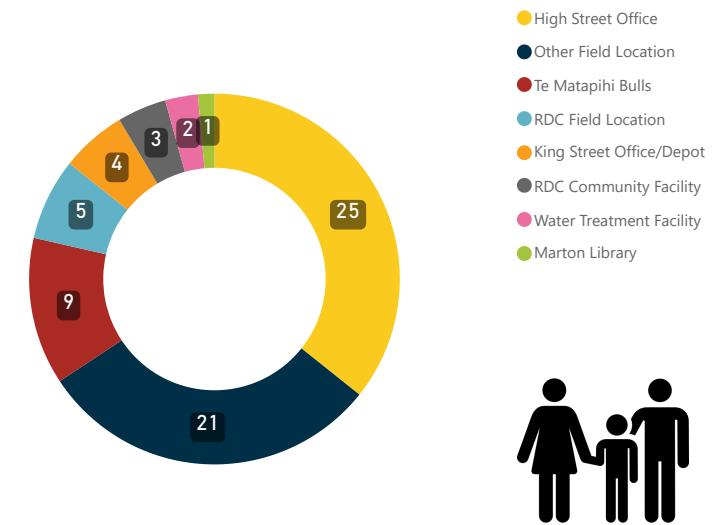
01 July 2025 to date (Top 5 Categories)



Total Events, Hazards and Near Misses: 70

Location

Events, Hazards and Near Misses



WorkSafe Notifications

Notifiable Incidents

0

Month

1

YTD

Notifiable Injuries / Illnesses

0

Month

0

YTD

Contractor Notifications

0

Month

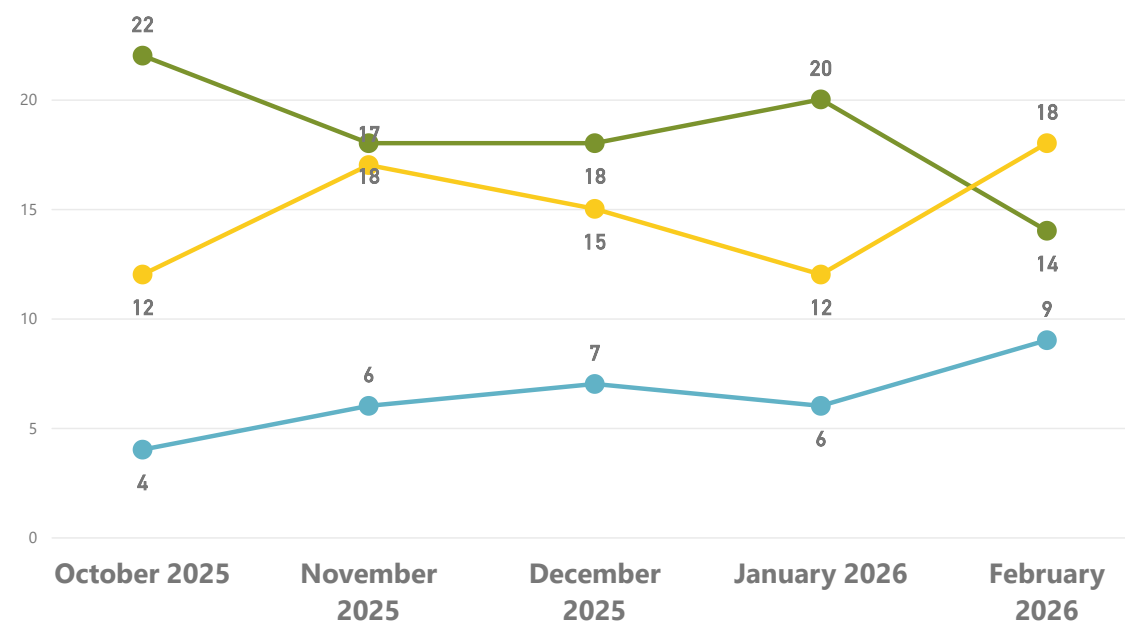
1

YTD

Average Driver Ratings

Ratings from E-Road Dashboard (Overspeed / Harsh Braking & Harsh Acceleration Events)

● 5 Stars ● 4 Stars ● 3 Stars

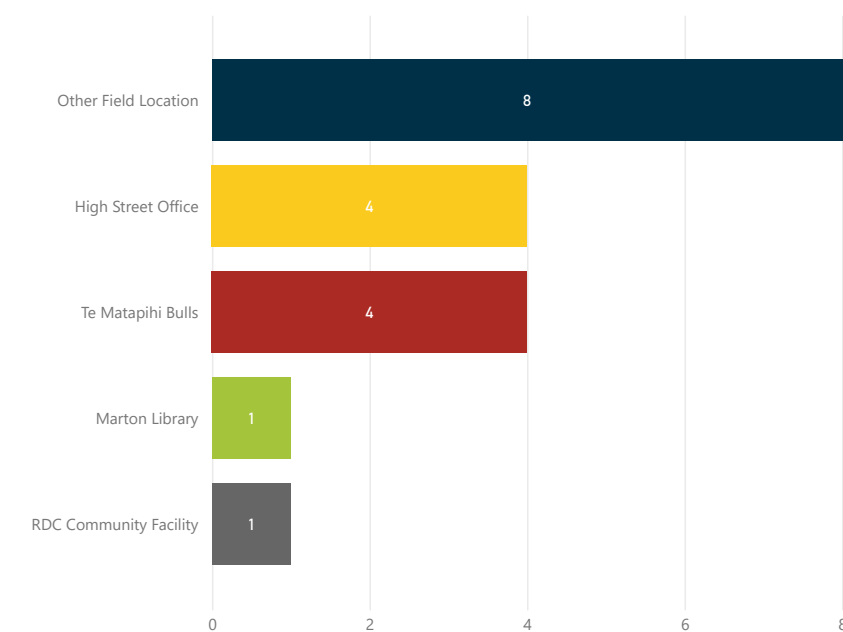


71% Completed Driver Safety Training

Antisocial Behaviour - per location

Year to date

Location ● Other Field Location ● High Street Office ● Te Matapihi Bulls ● Marton Library ● RDC Community Fa...



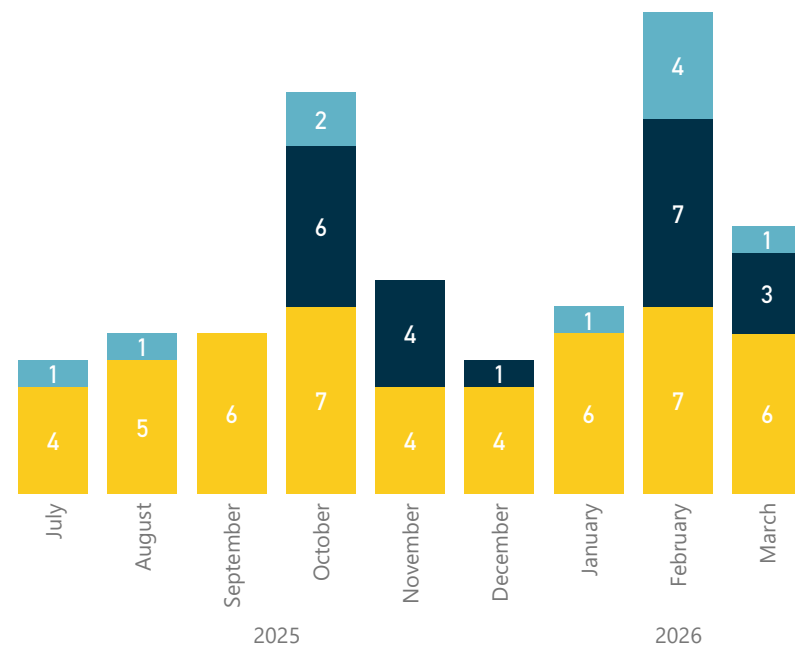


RDC Health and Safety Dashboard March 2026

Events, Hazards and Near Misses

01 July 2025 to date

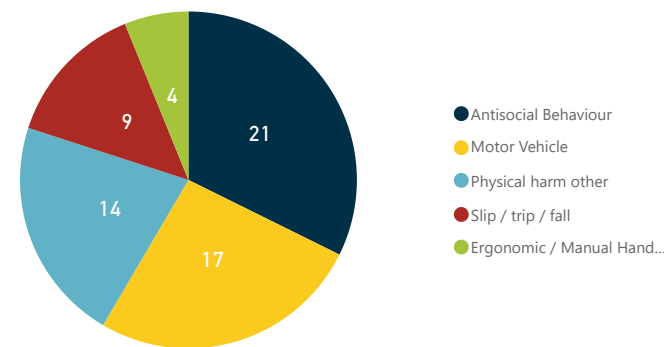
● Event ● Hazard ● Near Miss



Category

Events, Hazards and Near Misses

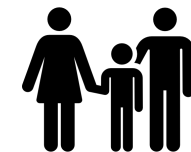
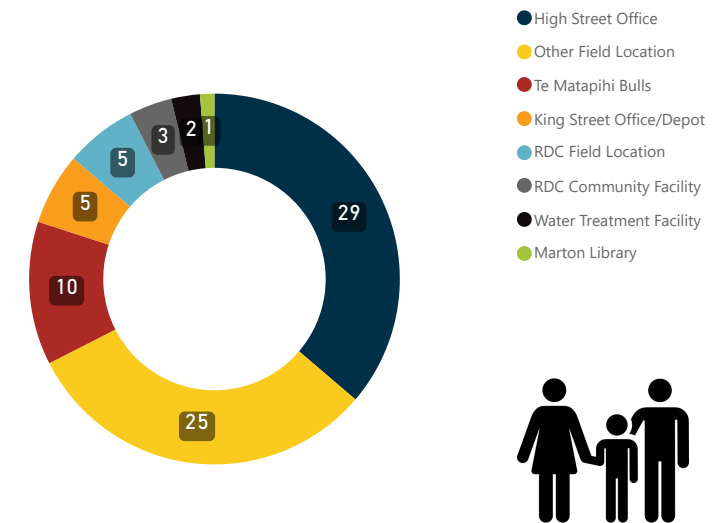
01 July 2025 to date (Top 5 Categories)



Total Events, Hazards and Near Misses: 80

Location

Events, Hazards and Near Misses



WorkSafe Notifications

Notifiable Incidents

0

Month

1

YTD

Notifiable Injuries / Illnesses

0

Month

0

YTD

Contractor Notifications

0

Month

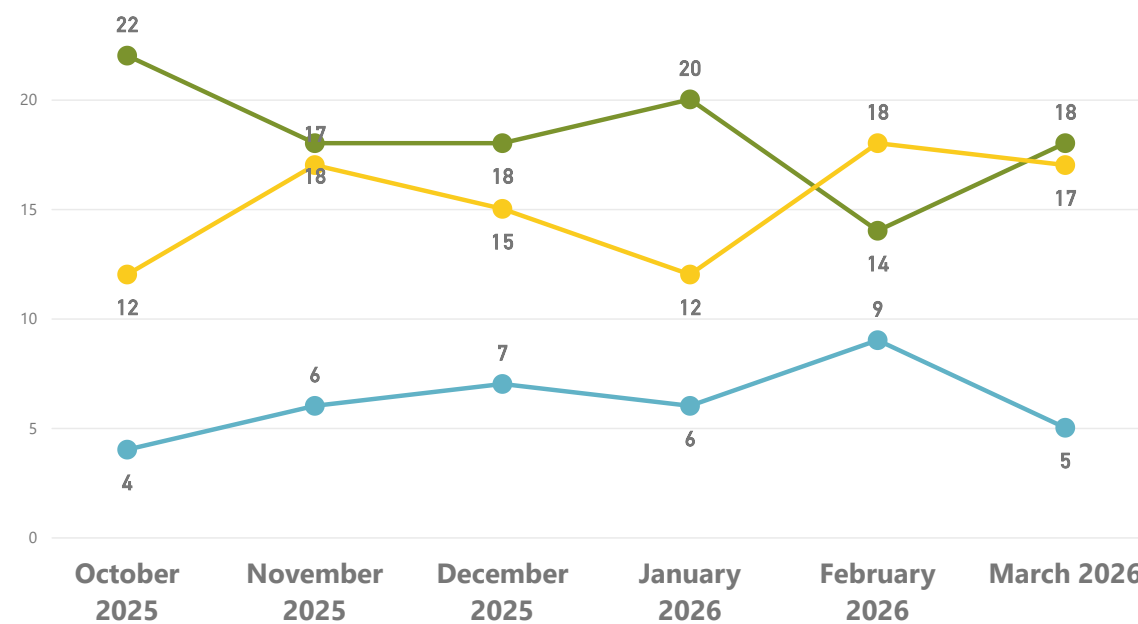
1

YTD

Average Driver Ratings

Ratings from E-Road Dashboard (Overspeed / Harsh Braking & Harsh Acceleration Events)

● 5 Stars ● 4 Stars ● 3 Stars

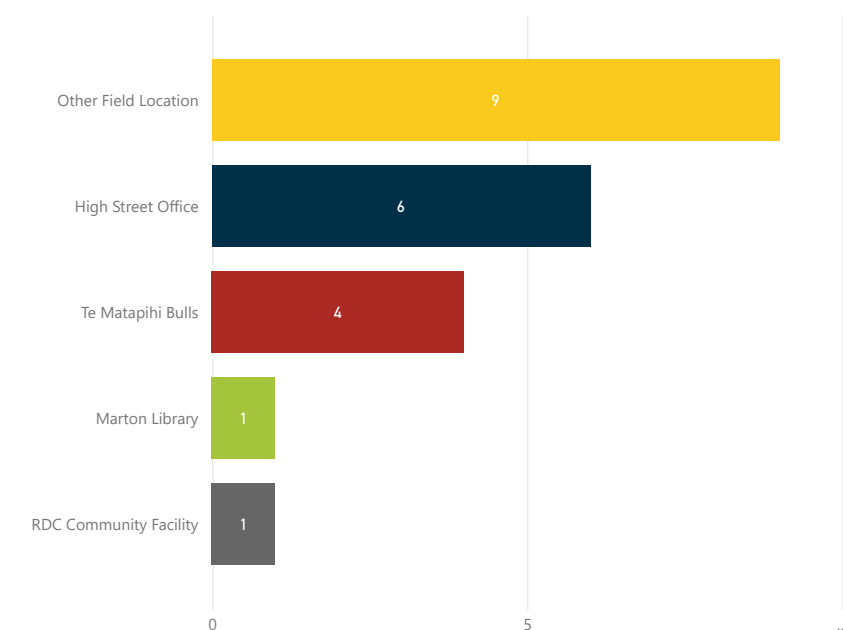


71% Completed Driver Safety Training

Antisocial Behaviour - per location

Year to date

Location ● Other Field Location ● High Street Office ● Te Matapihi Bulls ● Marton Library ● RDC Community Fa...



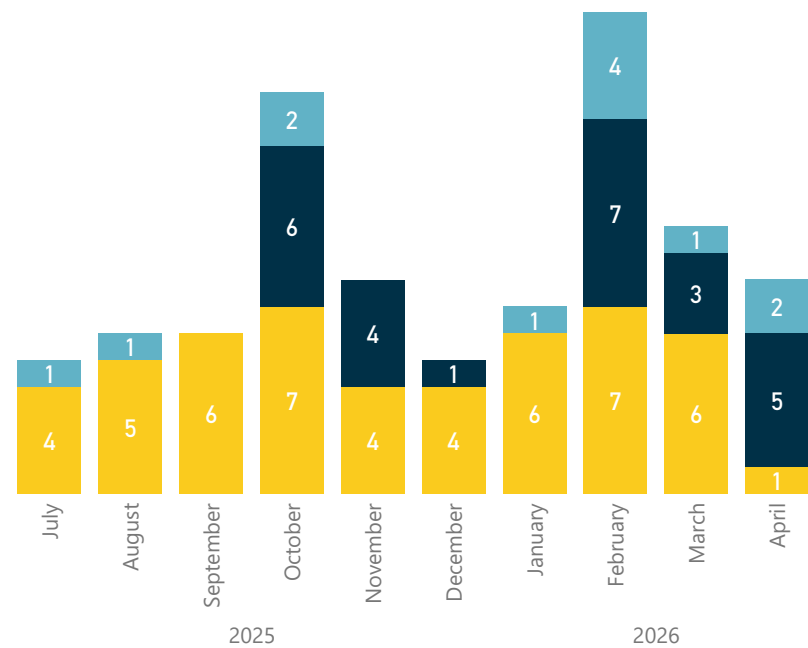


RDC Health and Safety Dashboard April 2026

Events, Hazards and Near Misses

01 July 2025 to date

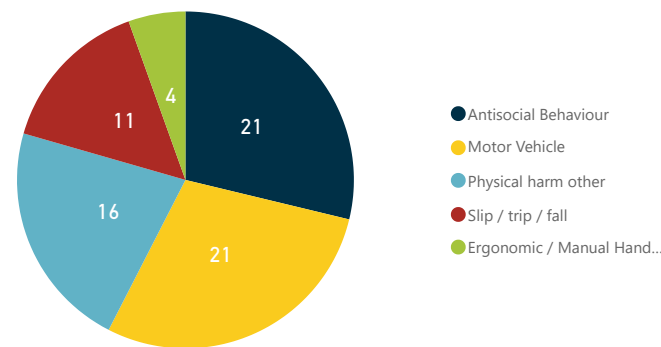
● Event ● Hazard ● Near Miss



Category

Events, Hazards and Near Misses

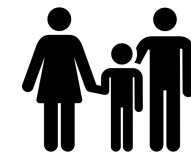
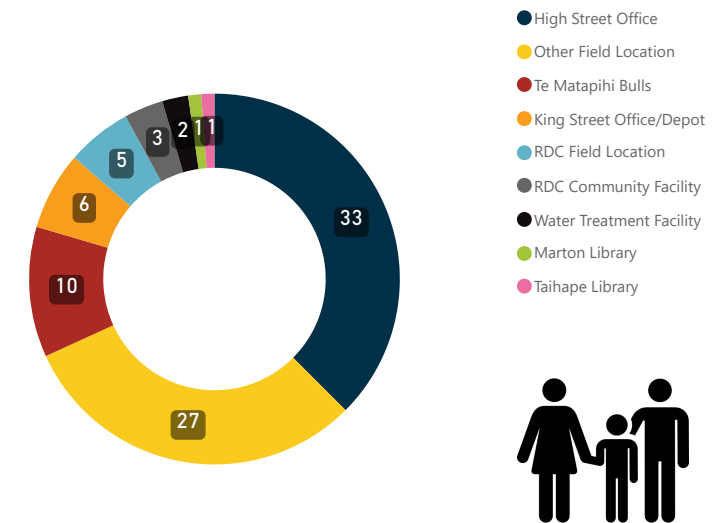
01 July 2025 to date (Top 5 Categories)



Total Events, Hazards and Near Misses: 88

Location

Events, Hazards and Near Misses



WorkSafe Notifications

Notifiable Incidents

0

Month

1

YTD

Notifiable Injuries / Illnesses

0

Month

0

YTD

Contractor Notifications

0

Month

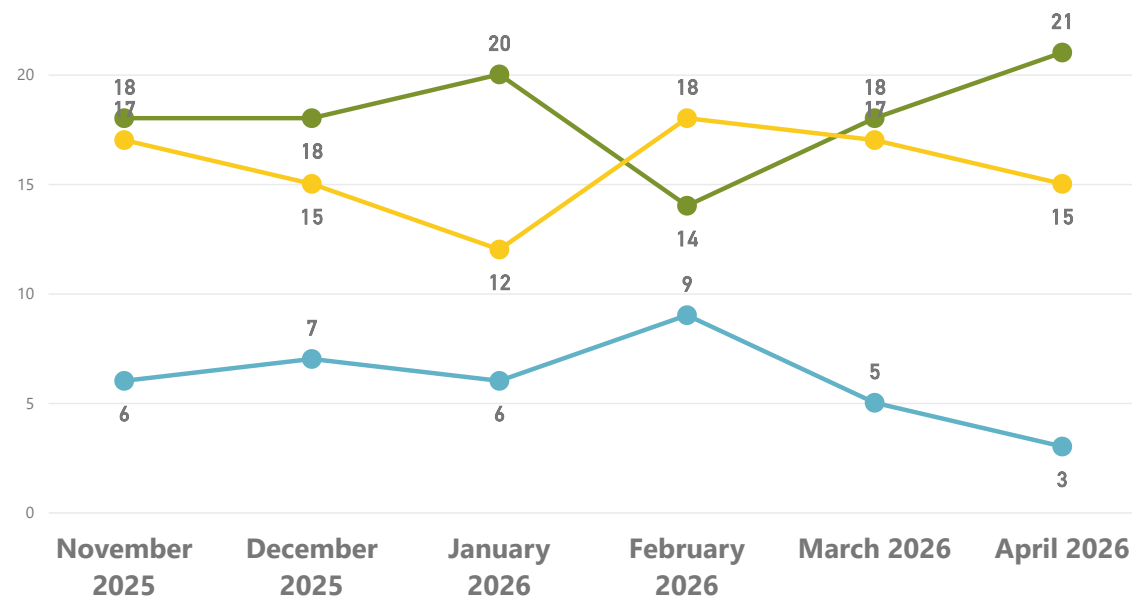
1

YTD

Average Driver Ratings

Ratings from E-Road Dashboard (Overspeed / Harsh Braking & Harsh Acceleration Events)

● 5 Stars ● 4 Stars ● 3 Stars

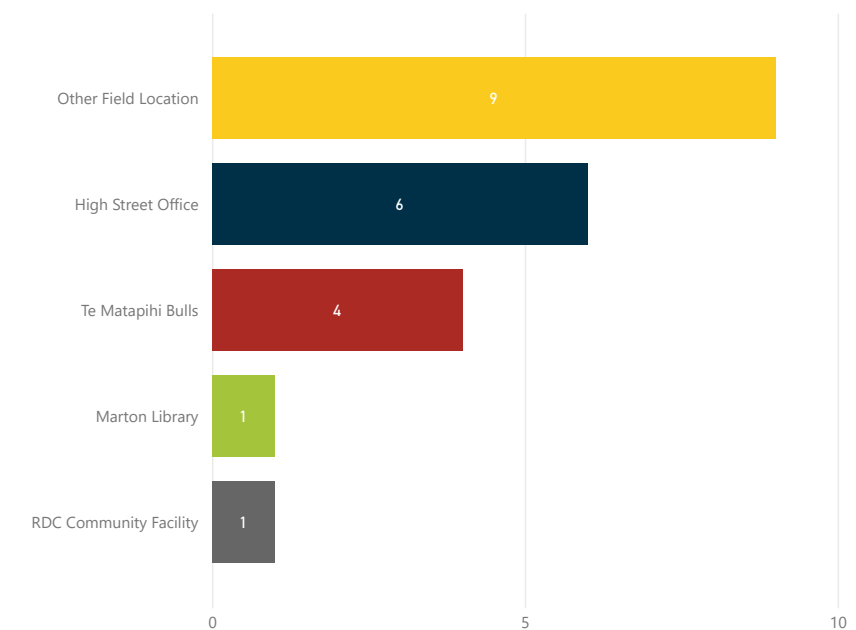


71% Completed Driver Safety Training

Antisocial Behaviour - per location

Year to date

Location ● Other Field Location ● High Street Office ● Te Matapihi Bulls ● Marton Library ● RDC Community Fa...



9 Reports for Information

9.1 Internal Audit Programme

Author: Lorraine Bergen, Manager Finance

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

1.1 To provide the Risk/Committee with an update on Council's Internal Audit Programme.

2. Context

2.1 In April 2026 the Committee reviewed the programme for the following three years.

2.2 Progress updates on this programme will continue for each Risk/Assurance Committee meeting.

3. Year to Date Progress, for the period ending 30 April 2026

3.1 Executive Leadership Team are in the process of conducting an in-depth review of the Strategic Risk Register and anticipate presenting on this in August to the Risk/Assurance Committee.

3.2 Health, Safety & Wellbeing (Safeplus) – An internal audit is being undertaken which includes structured assessment of progress with the recommendations from the last review, together with an audit of contractor H&S information and a check of the currentness of all published H&S documents and frameworks.

3.3 Fleet Management – An external Optifleet review of the procurement strategy was completed in October 2025. It recommended continuing current strategy to retain vehicle ownership (rather than sale and lease back), as this delivers the best balance of cost, control and sustainability. Fleet composition is under ongoing review due to future transfer of assets to Central Districts Water.

3.4 Community Engagement – Completion of this review is expected by the end of this calendar year.

3.5 Cyber Security and IT Recovery Plans formed the foundation for the organisation winning an ALGIM award in 2024/25 for most improvement. This is now an ongoing review item in the annual workplan for Information Services. The IS Manager in combination with the IT team and our security partners will continue to review and adapt our security and IT recovery plans for the ever-changing landscape. Noting that this year (June 25 to June 26) RDC intends to move into a business continuity model by moving completely to cloud and an external data centre (with high availability) leaving no on-premises system.

3.6 Business Continuity Plan (BCP) – A specific council-wide Fuel Disruption Contingency Plan has been developed in light of the associated risks as a result of increased fuel costs due to the conflict in the Middle East.

3.7 Tax Evaluation for the KiwiSaver and PAYE was carried out by PWC in September 2025 with final report received in February 2026. The current level of compliance is assessed

ITEM 9.1

as good. PWC's key findings recommended review and update of some pay codes; identified some one-off payments (including back-pay and termination pays) that need to be treated as 'extra pay' for tax purposes; and recommended the review of non-taxable travel allowance in light of updated IRD guidance. Officers have actioned recommendations.

- 3.8 GST/FBT tax review was carried out by PWC in June 2025 with the finalised report received in October. No major areas of concern were raised. Key findings recommended Council review its methodology to capture monthly movements in rates in advance and its treatment of FBT for work-related vehicles. Officers have actioned recommendations.
- 3.9 Antifraud assessment is ongoing. Audit NZ met with the Executive team and the Deputy Mayor, with no concerns raised.
- 3.10 Statement of Service Provision (SSP) – Regular updates are provided to the Finance/Performance Committee, with the full year SSP's expected to be presented in August 2026.
- 3.11 Consenting Applications – Internal program is on track with monthly reviews. This is scheduled for completion by November with next external audit due in February 2027.
- 3.12 Procurement and Contract Management and the Risk Management Framework reviews are scheduled for completion in August 2026.
- 3.13 Elected Member effectiveness – This internal review is currently scheduled for the end of the year. Pushing this out into 2026/27 may be considered, giving newly elected members the opportunity to settle into their roles.
- 3.14 Accounts Payable – External reviewer yet to be engaged to conduct this review. Scope will include whether payments are properly authorised, accurate, compliant with legislation and procurement policies, protected against fraud, and supported by effective financial controls and oversight.
- 3.15 Capital programme of work receives ongoing scrutiny throughout the year and Audit NZ will review the asset re-valuation, capitalisations and recording of costs as part of the end of year annual audit.

4. Financial Implications

Internal Audits that require external auditing/input will incur costs. These costs form part of the annual plan budgets.

5. Impact on Strategic Risks

Failure to carry out some of the planned audits could have an impact on the Strategic Risks.

6. Strategic Alignment

Aligns to the work plan and managing Council's strategic risks.

7. Mana Whenua Implications

There are no assessed Mana Whenua Implications.

8. Climate Change Impacts and Consideration

There are no assessed Climate Change Impacts and Consideration implications.

9. Statutory Implications

The internal audit programme contributes to ensuring compliance with key legislation such as the Local Government Act 2002 and the Public Finance and Audit Act 1977.

10. Conclusion

10.1 The internal audit programme is an important part of Council's risk management strategy.

10.2 Officers acknowledge the competing priorities and managing costs within budget and the delegation policy and are working hard to work within these constraints.

11. Decision Making Process

11.1 No decision is required. This report is provided for information purposes.

Attachments:

1. **2025-2029 Internal Audit Programme** [↓](#)

Recommendation

That the Risk/Assurance Committee receive the Internal Audit Programme Report.

Rangitikei District Council
Internal Audit Program (subject to ongoing review)

Description	Key Lead	2024/25	2025/26	2026/27	2027/28	2028/29
Strategic Register Review of material risks	GM-CS	A/B✓	B	C	C	A/B
Health, Safety & Wellbeing (Safeplus)	GM-CS /P&C		B	A		BC
Fleet Management Services	GM-CS /Finance	B✓	A			C
Community Engagement (note 1)	GM-Strategy.	A	A		A	
Sensitive Expenditure (5)	GM-CS			B		
Legislative Compliance (3) End of year for Audit NZ	ELT	A✓	B	B	B	B
Cyber Security/IT Recovery Plans	GM-CS /IS	B✓	A✓	C	C	A
Business Continuity Plan (4)	All GM's		B			
Tax evaluation/ GST/FBT (3)	GM-CS /Finance	A✓			A	
Tax evaluation/ KiwiSaver/PAYE (3)	GM-CS /P&C		A✓			A
Antifraud Assessment (5) End of year for Audit NZ	GM-CS	C✓ongoing	C✓	C	C	C
Cash handling controls/processes	Finance-lead	C✓				C
Statement of Service Performance (6)	GM-Strategy..	C✓	C	C	C	C
Consenting Applications (6)	GM-Reg & EM	A WIP✓	B			A
Procurement and Contract Management	GM-CS		A		B	
Elected Member effectiveness (8)	GM-Strategy..		C			C
Insurance Management	GM-CS		A			
Risk Management Framework	GM-CS		B	C	C	A/B
Asset Management	Varies with GM's				B	
Accounts Payable	GM-CS /Finance		A		B/C	
Complaints Handling	GM-Strategy..	A/B✓			A/B	
Delegation Policy & Processes	GM-CS			B		
Capital Program (11)	GM-Assets, I & P	A/B✓ongoing			AB	
Onboarding/off boarding of staff (12)	GM-CS /P&C					A

Key:

- A formal, externally review
- B structured internal review
- C overview

Notes

1. Includes working with Iwi/other partnerships; improvements to our ongoing communication with the community
2. Evaluation of our ethics related objectives/procedures/activities etc
3. Include compliance with payroll legislation (holiday pay etc)
4. In the event of major flood/quake
5. Fuel card, credit card, sensitive expenditure, false invoices, false time sheets/overtime
6. Improvements identified?? Barriers to success??
7. Other governance arrangements
8. Year 2 of election cycle
9. Existing and future 'ways of working'
10. Homelessness, health/leisure facilities, community support
11. Including Project Management, works order management, department set up
12. including new/old staff 'getting' on/off of payroll

9.2 Outstanding Audit NZ Management Actions

Author: Lorraine Bergen, Manager Financial Services

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide Risk/Assurance Committee with a summary of Council's current Audit New Zealand outstanding recommendations arising from previous audits, as raised in Management Letter subsequent to the completion of the relevant audit.

2. Context

- 2.1 Audit New Zealand typically provide Council with Management Letters after each audit (interim and final). The report contains recommended improvements to Council's controls/systems/processes. Every three years this also includes the Long-term Plan audit (interim and final).
- 2.2 This report includes all Audit NZ audits recommendation, up until and including 30 June 2025 Annual Report audit.

3. Discussion and Options Considered

- 3.1 The intent of including the attached register to this committee is to demonstrate that Officers are 'keeping these matters alive' and rectifying them as able, as opposed to inviting a detailed review of these items.
- 3.2 Once reported to Risk/Assurance Committee and confirmed by Audit NZ as being 'Closed', the item will be removed from this register. No further items have been closed since our last report.
- 3.3 Of eight remaining recommendations (2024/25) made, four have been addressed, and are ready to close. One other long-term item (2018/19) has also been completed, making a total of five items now Ready to Close. Seven In Progress items remain. Audit NZ has noted these as medium (6) or of low (1) priority.
- 3.4 One (2023/24) Long Term Plan (LTP) Recommendation remains in progress. It is anticipated this will close on completion of the next LTP.

4. Financial Implications

- 4.1 There are no significant financial implications arising directly from the outstanding Audit Management Letter points.

5. Impact on Strategic Risks

Unresolved audit items do not pose a strategic risk.

6. Strategic Alignment

- 6.1 Addressing the Audit Management Letter points supports Council's strategic objectives of sound governance, transparency, and continuous improvement in financial and operational performance.

7. Mana Whenua Implications

- 7.1 There are no direct Mana Whenua implications associated with the outstanding Audit Management Letter points.

8. Climate Change Impacts and Consideration

- 8.1 There are no direct climate change impacts associated with the outstanding Management Letter points.

9. Statutory Implications

- 9.1 Addressing Audit New Zealand recommendations assists Council in meeting its statutory obligations under the Local Government Act 2002 and the Public Finance and Audit Act.

10. Conclusion

- 10.1 The outstanding Audit Management Letter points represent areas for continued improvement in Council's internal processes and governance practices.

11. Decision Making Process

- 11.1 The report provides an update for information purposes, and no decision is required.

Attachments:

1. **Outstanding Audit NZ Management Actions - Update April 2026** [↓](#)

Recommendation

That the Risk/Assurance Committee receive the report 'Outstanding Audit NZ Management Actions'.

AuditNZ Management Letters - Rangitikei District Council - update April 2026
Annual Report

Issue raised in:	Recommendation	Managed	Audit NZ Priority	Management Comments - December 2025 (updated April 2026)	Expected due date	Officer's assessment
Prior to 17	Contract Management Endorse an integrated policy for organisation-wide use and review the Councils current contract management system for appropriateness. Monitor service contracts between contractors and the Council against the Key Performance Indicator's (KPI's); to confirm the work performed is completed to a satisfactory standard.	GM Corporate Services	Medium	A new Procurement and Contract Management Policy finalised August 2024 includes contract and risk management, HSW, record keeping, contracts process and monitoring. A dedicated contracts portal established in SharePoint September 2024 for recording past and present contracts, documents, monitoring, and general administration. Audit New Zealand update We acknowledge the policy is in place. As part of the 2025/26 audit, we will review the monitoring of the service contracts.	Nov-26	In progress
18/19	Condition and performance data for Infrastructure Assets Continue to implement a program to collect condition and performance data. Assets with no construction date Implement a process to improve the asset data on road assets with no construction date. <i>Audit 2021 Update:</i> In progress. The District Council continues to look at processes that will improve the integrity of asset data. Analysis and implementation of possible measures will require a multiple-year timeframe. <i>Audit 2025 Update:</i> 2x recommendations amalgamated	GM Assets, Infrastructure & Projects	Medium Low	Management is working on implementing this program. This will be considered as part of the capital investments. As part of our preparation for 3 Waters infrastructure to transfer to the new entity in July 2027 this matter, along with other recommendations will need to be addressed to ensure the appropriate asset valuations are determined prior to transfer. These matters have been raised with the Infrastructure Asset Manager.	Jun-26	In progress
22/23	Capital commitments schedule Prepare the capital commitments schedule prior to the start of the audit which captures all capital commitments along with the appropriate supporting documentation.	Mgr Finance & Partnerships	Medium	This issue has been re raised as part of the new finding related for 2025. To be addressed 2026.	Oct-26	In progress
24/25	Commitments Ensure that capital commitments disclosed in the annual report: •Are supported by appropriate contractual support; •Have a reconciliation/review process to ensure that capital purchase orders reconcile to contract information or there is support for variances; and •Related to road are reflective of the capital/operational commitments that will be incurred.	GM Corporate Services	Medium	RDC team believe that the issue of a purchase order to a supplier has created a contract. It is one of the drivers of using a purchase order so that at any time Finance can report on commitments. Officers welcome this collaboration with Audit NZ so we can strengthen this process. Purchase orders that commit us to significant spend will be monitored by the project team responsible to ensure capital commitments reconcile with contracts for capital expenditure.	Dec-26	In progress
24/25	Lack of record for a formal impairment assessment Establish and document a formal impairment assessment process which includes regular review of internal and external indicators of impairment and documentation of the assessment performed annually.	Mgr Finance & Partnerships	Medium	Going forward, Finance as part of year end preparation, will formally request all GM's to sign-off that there have been no impairments to assets under their responsibility that would require a valuation adjustment.	Jun-26	In progress
24/25	Valuer recommendations Implement the valuers and peer reviewer recommendations for future improvements in relation to the infrastructure asset information and future valuations. Ensure the recommendations relating to the 3 water assets are raised with the new water entity on transfer of the 3 water assets.	GM Assets, Infrastructure & Projects	Medium	In February 2027 it is proposed all three member councils of Central Districts Water will carry out a valuation of three waters assets for transfer to the CCO effective 1 July 2027.	Jun-27	In progress
24/25	Lack of process for identifying and valuing donated asset We recommend ensuring a formal process is in place to identify and record donated assets and perform assessment to support the recognition and valuation of such assets.	Mgr Finance & Partnerships	Low	Management acknowledges this issue and due to the unique nature of a standalone/portable asset being donated, normal processes that would have otherwise identified a "material" vested asset, weren't sufficient to pick this up. In the same manner as impairments, Finance will ask GM's to sign-off at year end that there are no donated assets that are needed to be accounted for.	Jun-26	In progress
18/19	Changes to financial delegations The District Council review all financial delegations set up within the system to ensure these are correct. Going forward each quarter there is an independent review of any changes made to the financial delegations with the District Council's FMIS.	Manager Financial Services	Medium	The GM Corporate Services now receives system generated reports showing all changes made for the previous quarter. Emails/supporting documentation are also saved. These reports have been sent to Audit NZ to verify the completion of this recommendation.	Dec-25	Ready to Close
24/25	Overpayment to a community board member To review the process around payments and back pay for Board members and Councillors and look to recover the amount of the overpayment.	GM Corporate Services	Medium	Noted, this was due a manual back-pay calculation. Due to the minor figure, it did not show up in our variance reporting. The process has been reviewed to ensure we are more diligent when having to carry out manual calculations outside of our system's functionality.	Jan-26	Ready to Close
24/25	Approval for project hours allocated to Work in Progress (WIP) The council management implements a formal process for project managers to review and approve hours charged to WIP.	GM Assets, Infrastructure & Projects	Medium	RDC does not currently have a formal time-sheeting system that is appropriate for project accounting. Journals are prepared on the basis of timesheet summaries prepared in conjunction with GM's. GM's/Managers responsible for the projects review that time is being captured accurately.	Jan-26	Ready to Close

F:\Auditors 2025\April 2026 Outstanding Audit Management Letter Points

AuditNZ Management Letters - Rangitikei District Council - update April 2026

Annual Report

Issue raised in:	Recommendation	Managed	Audit NZ Priority	Management Comments - December 2025 (updated April 2026)	Expected due date	Officer's assessment
24/25	Delayed capitalisation of completed projects Strengthen the process around regularly reviewing WIP balances and timely capitalisation of completed projects.	GM Corporate Services	Medium	Though Management has agreed that the projects identified should have been capitalized back in 2021, the value was not significant or material to the post 2021 published annual accounts. Significant improvements have been made to the annual accounts process during the year and this has included a clean-up of some historical accounting treatments done with a previous Finance team. Management is satisfied that there are no other projects which have been completed that have not yet been capitalized.	Jan-26	Ready to Close
24/25	Assets capitalised at year end instead of when received Implement a process to capitalise assets when they are received and available for use, rather than deferring recognition to year end.	GM Assets, Infrastructure & Projects	Low	RDC has historically capitalised its assets at the end of the year typically to reflect the completion of that work over the year. Vehicles and IT procurements were the exception to this. Since audit, processes have been reviewed to ensure that any projects completed during the year can be identified and capitalised earlier.	Jan-26	Ready to Close

2024-2034 Long-Term Plan - Key Recommendations

23/24	Quality of asset-related forecasting information (including condition and performance information for critical assets) District Council continue to prioritise improving the quality of data about asset performance and asset condition and review their current planned program and priorities to address any significant risks identified for critical assets.	Mgr Finance & Partnerships	Medium	Noted and work is underway in this area to improve overall quality and provide more robust data.	Dec-26	In progress
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F:\Auditors 2025\April 2026 Outstanding Audit Management Letter Points

9.3 Financial Risk Report

Author: Lorraine Bergen, Manager Financial Services

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide the Risk/Assurance Committee with information regarding Council's current areas of financial risk.

2. Context

The committee is seeking to be kept abreast of areas of financial risk such as their debt position and outstanding debtors.

3. Analysis

- 3.1 Council's external debt as at the date of this report was unchanged at \$54m. Adjusted projection for funding of capital projects for 2026 indicates external debt at this year-end increasing to \$62M with the debt limit being \$112M.
- 3.2 Annual cost of interest expense remains around the \$2.10M per annum (approx. \$175K per month), providing a current average effective interest rate 3.89%pa (as at 30 April 2026). These costs are partially offset by the borrowed money earning interest before it is used. As at 30 April 2026 interest income amounted to \$288K (30 April 2025 \$438K).
- 3.3 Points of interest from Bancorp Treasury Quarterly Update report dated 31 March 2026:
 - 3.3.1 Page 2 provides a global commentary along with a New Zealand perspective. The outlook for the global economy is uncertain as it now depends heavily on the outcome of the conflict in the Middle East.
 - 3.3.2 New Zealand economy has changed drastically, again due to what is happening in the Middle East driving higher inflation caused by higher oil and prices. The interest rate outlook is less clear while the conflict continues.
 - 3.3.3 Page 3 details the liquidity and funding, noting our liquidity headroom at \$10.79M (September 2025 - \$15.01M), giving a ratio of 119.9% (September 2025 -127.7%). Cost of funds is sitting at 4.38% per annum excluding the cost of Bancorp Services or 4.41% per annum including the cost of the Treasury Advisor. Subsequent rollover of debt tranches during April have further reduced the average cost of funds to 3.89% per annum.
 - 3.3.4 Page 4 covers Interest Rate Risk Management and shows RDC is currently compliant within the proposed hedging parameters.

Page 5 lists the current borrowing rates as at report date and page 6 the tranches of debt and the corresponding interest rates.
- 3.4 Snapshot of MWLASS Dashboard dated 30 April 2026, shows that currently Debt Management Central (DMC) is managing 370 active RDC files (March 342), totalling \$638.5K (March \$641.2K). They have collected a total of \$766.4K this year to date (March year to date \$725.3K).

3.5 Summary of Rates Debtors outstanding:

Outstanding as at	Total \$	Instalments Paid in Advance	Total due		Number
			Current Year	Prior	
30/06/2025	1,302,488	-895,878	656,160	1,542,206	1,224
19/05/2026	1,167,346	-539,873	989,059	718,160	715

3.5.1 Total current and prior years rates debt shows a net reduction of \$491K (509 in number) from the outstandings as at year end June 2025. It is noted Rates Instalment 4 is due for payment 20 May. Once the end of year is completed Finance will be in a better position to compare and report figures on a like for like basis.

3.6 Summary of Sundry Debtors (excluding Rates) as at 30 April 2026:

Sundry Debtors	\$	%	Number
Current	113,933	44.4%	75
30 days	2,109	0.8%	6
60 days	707	0.3%	5
90 days +	139,932	54.5%	17
Total	256,681	100.0%	103

3.6.1 Sundry Debtors are actively managed in-house with one debtor over \$10,000 outstanding greater than 90 days. Total outstandings show a minimal increase of \$684 from last report in September 2025 (\$255,997).

3.6.2 One provisioned doubtful debt remains, totalling \$125k, in the 90 days+ category. This relates to local company, which is in liquidation and yet to be finalised.

Summary of Other Debtors outstanding as at 30 April 2026:

Other Debtors \$	Current	30 days	60 days	90 days +	Total	Number
Building Consents & Compliance	52,181	10,472	13,450	21,938	98,041	47
Licences (Club, Health, IQP, Managers)	4,246	1,397	720	323	6,686	23
Notice to Fix				4,015	4,015	1
On/Off Licence	2,081	5,819			7,900	9
Resource Consent	3,965	1,119	186	12,789	18,059	16
Roading - Corridor Access	387	560			947	3
Special Licence	62				62	1
Rents/Lease	1,305	4,221	1,332	1,445	8,303	47
Parks		420		1,780	2,200	2
Total	64,227	24,008	15,688	42,290	146,213	149

3.6.3 While overall Other Debtors outstanding increased \$62K from 30 September 2025, the total number of debtors reduced by 71. Majority of the increased amount (+\$50K) is in Building Consents & Compliance area.

3.6.4 Building Consents & Compliance over 90 days totals \$22K comprising 10 debtors; with one at \$5K and the balance with average outstandings of \$1,900. Resource Consents \$13K over 90 days comprises 4 debtors, with 2 of these at \$5K each. Rents/Lease outstanding totalling \$8K comprises 47 lessees of which 42 are

smaller and current and the largest one \$6k is spread from current through to 90 days+.

3.6.5 There was no individual Debtor over \$10,000 outstanding greater than 90 days.

4. Financial Implications

4.1 Refer Analysis above.

5. Impact on Strategic Risks

5.1 Refer Analysis above.

6. Strategic Alignment

7. Effective management of financial risks aligns with Council's strategic focus on strong leadership and sound stewardship of resources.

8. Mana Whenua Implications

There are no direct Mana Whenua implications arising from the management of financial risks.

9. Climate Change Impacts and Consideration

Some financial risks may be indirectly influenced by climate-related factors. Effective financial risk management supports Council's ability to respond to these.

10. Statutory Implications

Managing financial risks supports compliance with the Local Government Act 2002 and the Public Finance and Audit Act 1977.

11. Conclusion

This is a regular report providing quarterly updated information regarding Council's current areas of financial risk.

12. Decision Making Process

Report is provided for information purposes.

Attachments:

1. **MWLASS Dashboard - April 2026** [↓](#)
2. **Bancorp Quarterly Treasury Dashboard - 31 March 2026** [↓](#)

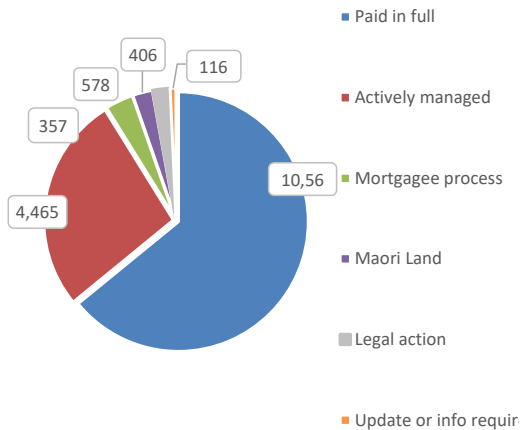
Recommendation

That the Risk/Assurance Committee receive the 'Financial Risk Report'

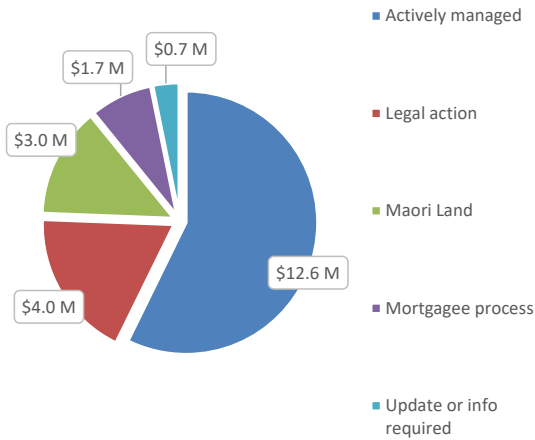
Dashboard

30-Apr-26

Summary of all files 16,487



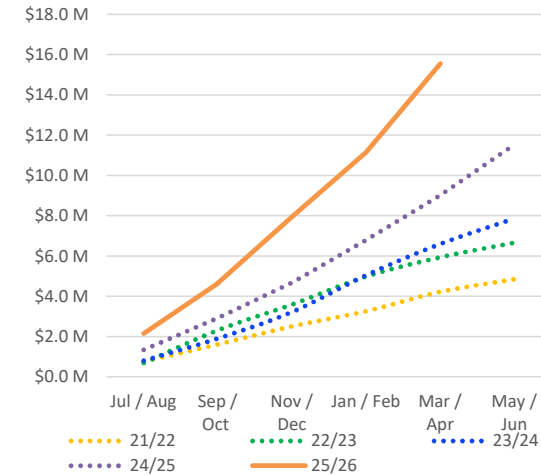
Summary of active files \$21.9 M



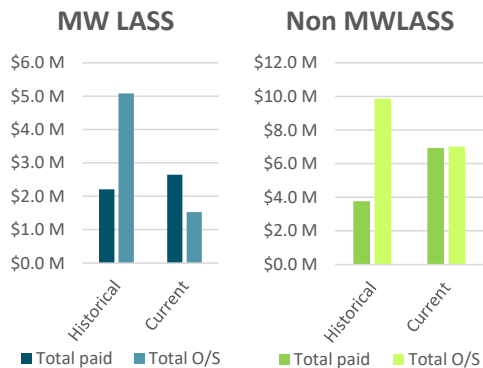
MW LASS

Total collected YTD \$15.6 M

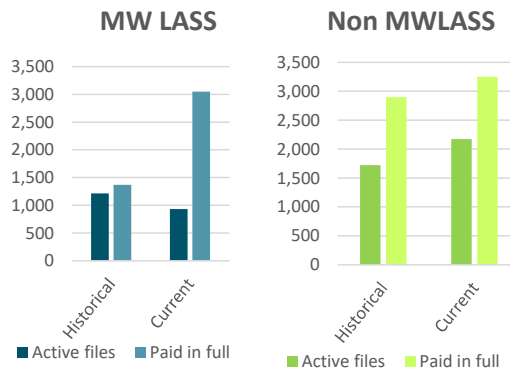
Payment Comparison



Debt Overview



File Overview



Comments:

The DMC were happy to celebrate a milestone this month of \$15M collected this FY. The total collected is \$15.6M at the end of April with two months left of the FY. DMC is still \$3M ahead of the same time last year.

DMC have had almost 1,000 new files loaded in April for a Regional Council who is now sending most of their debt to DMC, the team is still anticipating almost double for the next two months also.

DMC have now had 9,403 new files loaded so far this financial year totaling \$18M. However, only 53% of new debt loaded has been paid in full, this is lower than previous years due to more Councils loading new debt in the last few months of the FY.

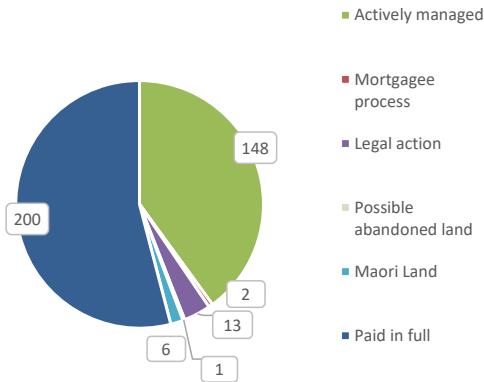
371 legal files are being managed and 108 have been closed. Payments of \$1.6M can be attributed to legal files.

Dashboard 30-Apr-26

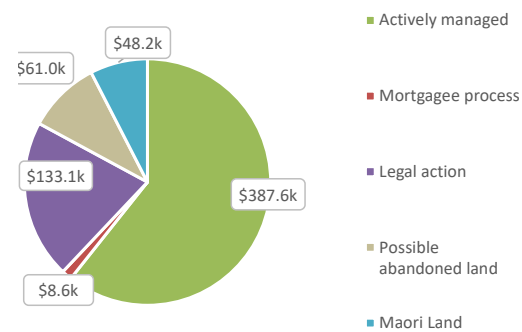
Debt Type (Multiple Items)



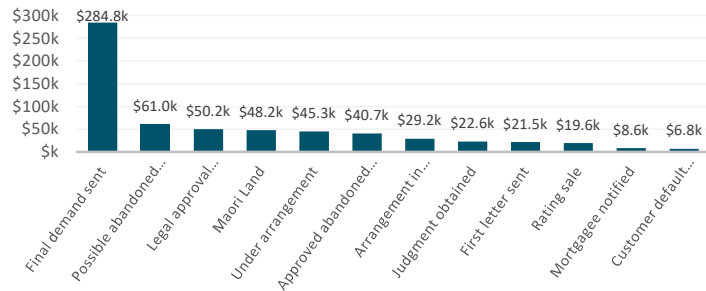
Summary of all files **370**



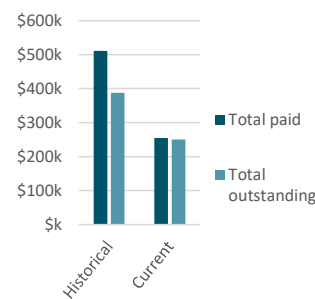
Summary of active files **\$ 638.5k**



Status of active files

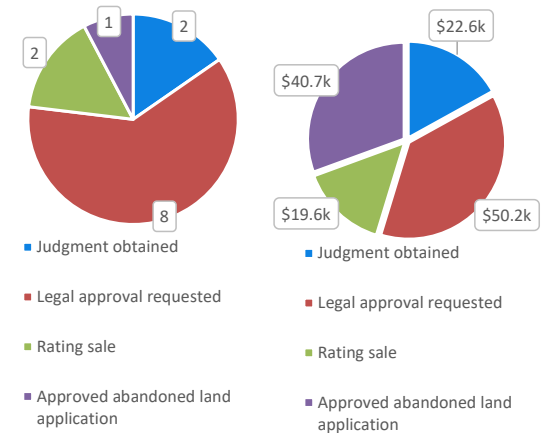


Debt Overview

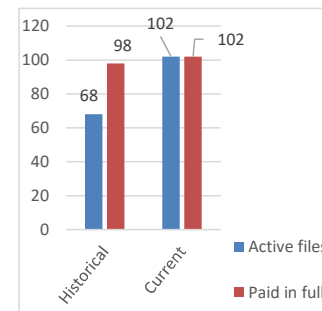


Rangitikei District Council Total collected YTD \$ 766.4k

Summary of legal files



File Overview





Quarterly Treasury Dashboard

31 March 2026

PRIVATE AND CONFIDENTIAL



Economic Commentary

Global

2

Financial markets ended the March quarter in a more cautious mood than they began it. The conflict in the Middle East pushed oil prices sharply higher, lifting inflation concerns, and driving global interest rates higher, while equities became more volatile and the US dollar strengthened. The outlook now depends heavily on how soon the conflict is resolved, with a prolonged period of disruption likely to exacerbate pressure on energy prices, inflation, global growth, and interest rates.

The US economy still looks resilient, but it has clearly cooled. Growth slowed into late 2025, inflation is lower than a year ago but not yet fully settled, and payroll growth has eased enough to suggest the labour market is softening, leaving the US Federal Reserve to balance slower growth against higher inflation. Recently, higher inflation has been the market’s primary concern, with the 10-year US Treasury yield ending the March quarter at 4.32%, up from 4.17% at the start of the quarter.

Australia has held up better than most major economies recently. Strong government spending and migration has supported growth; however, inflation remains sticky. After delivering three interest rate cuts over 2025, the RBA reversed course and lifted its cash rate in both February and March, the cash rate finishing the quarter at 4.10%. Households are still feeling cost pressures, as higher interest rates and fuel prices threaten to compound the pain. This has already affected consumer confidence, which is now at its lowest level since the series began in 1973. The 10-year Australian government bond yield rose from 4.75% in January to just below 5.00% by quarter-end.

Elsewhere, the picture remained uneven. China showed some improvement in manufacturing, but weak domestic demand still makes the recovery look fragile. Japan is facing imported inflation, driven by higher oil prices and a weak yen, which should help the Bank of Japan increase interest rates. Europe has seen moderate growth, while the latest energy price shock has made the inflation outlook less comfortable.

New Zealand

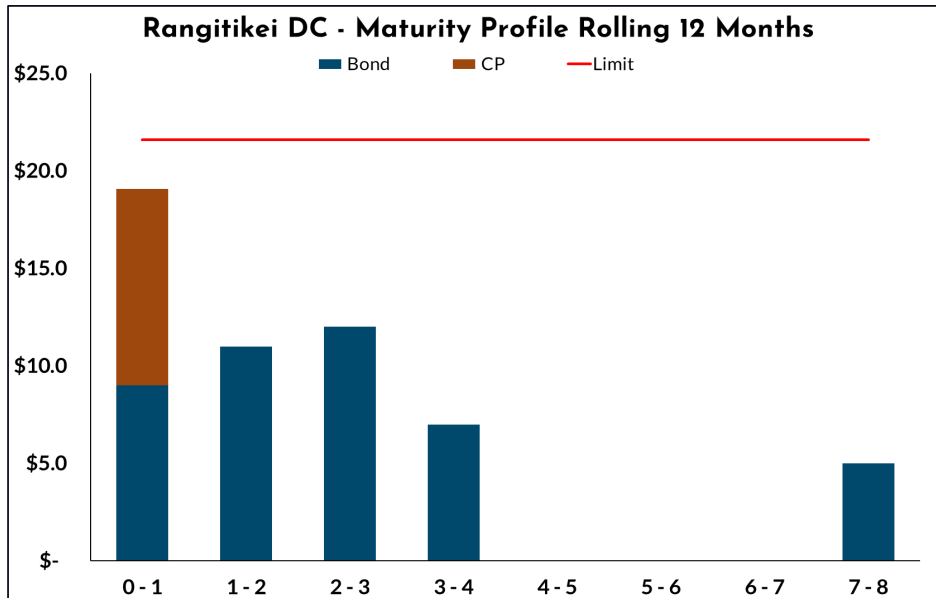
	OCR	90 day	1 year swap	2 year swap	3 year swap	5 year swap	10 year swap
31-Dec-25	2.25%	2.52%	2.61%	2.93%	3.20%	3.56%	4.09%
31-Mar-26	2.25%	2.54%	2.92%	3.43%	3.69%	3.96%	4.32%
Change	0.00%	+0.02%	+0.31%	+0.50%	+0.49%	+0.40%	+0.23%

New Zealand entered 2026 with signs that the economy was starting to improve. Growth had returned in the second half of 2025, economic sentiment was picking up - helped by stimulatory interest rates. The RBNZ left the OCR unchanged at 2.25% in February, noting the economy was at an early stage of recovery, and forecast GDP growth of 2.8% over 2026.

Nevertheless, the domestic outlook has changed drastically as the war in the Middle East is set to test the improving narrative. Higher oil and prices have lifted inflation risks, pushing interest rates higher while also threatening growth by raising costs and weighing on confidence. In March, business confidence fell from 59.2 to 32.5, while consumer confidence fell from 100.1 to 91.3. Ultimately, this has made the interest rate outlook less clear than it was previously. Since the conflict began, the three-year swap rate has risen around 50bp to 3.69%, while the New Zealand 10-year government bond yield is around 40bp higher at 4.72%, tightening financial conditions just as domestic momentum was tentatively beginning to improve. As noted above, the domestic outlook now depends heavily on how soon the conflict is resolved.

Liquidity and Funding

3



Debt
\$54.1m
 External Council Drawn Debt

LGFA Debt
\$54.1m
 Funds Drawn from LGFA

Headroom = cash in bank
\$10.79m

Liquidity Ratio (must be >110%)
119.94%

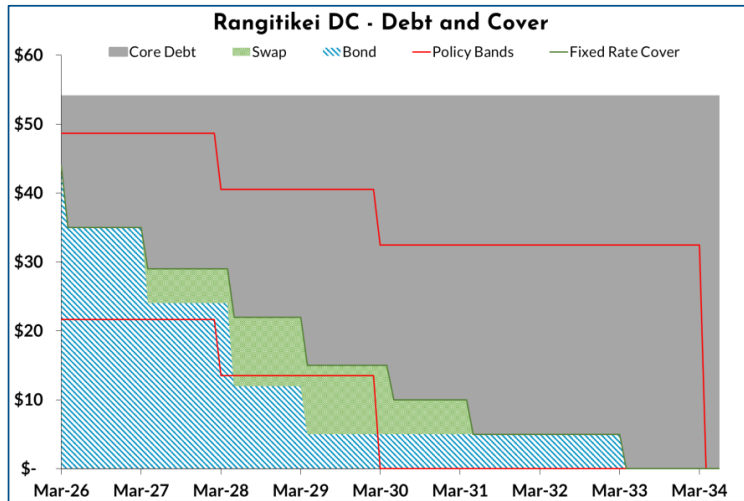
Cost of Funds as at 31 March 2026
4.38%

Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	Yes
Is the funding maturity profile within policy control limits?	Yes
Is liquidity within policy control limits?	Yes
Are counterparty exposures within policy control limits?	Yes

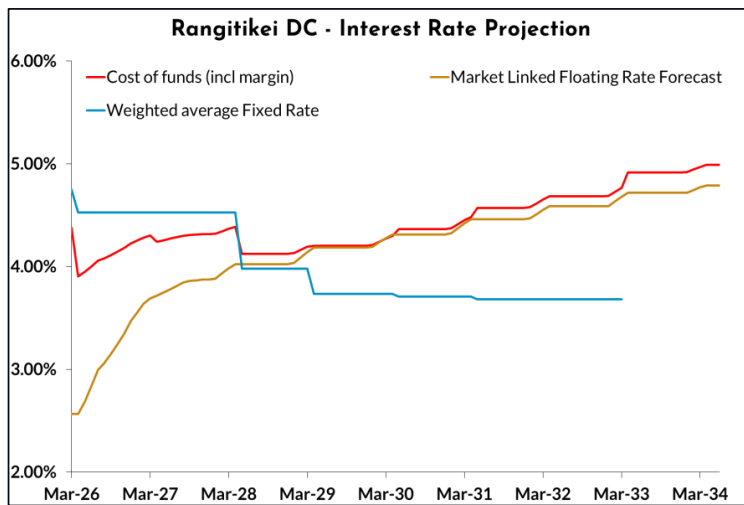


Interest Rate Risk Management

4



<i>Current % of Debt Fixed</i>	81.4%
<i>Current % of Debt Floating</i>	18.6%
<i>Value of Fixed Rate (m)</i>	\$44.0
<i>Weighted Average Cost of Fixed Rate Instruments</i>	4.75%
<i>Value of Floating Rate (m)</i>	\$10.1
<i>Current Floating Rate</i>	2.56%
<i>All Up Weighted Average Cost of Funds Including Margin</i>	4.38%
<i>Total Facilities In Place (m)</i>	\$54.1



Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Compliant
2 - 4 years	25%	80%	Compliant
4 - 8 years	0%	60%	Compliant



LGFA Borrowing Rates

5

Listed below are the credit spreads and applicable interest rates as at 31 March for Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB"), at which Rangitikei District Council could source debt from the Local Government Funding Agency ("LGFA").

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.20%	2.74%	N/A
6 month CP	0.20%	3.00%	N/A
Apr-27	0.63%	3.37%	3.65%
May-28	0.78%	3.52%	4.36%
Apr-29	0.81%	3.55%	4.63%
May-30	0.90%	3.64%	4.86%
May-31	0.99%	3.73%	5.06%
May-32	1.08%	3.82%	5.24%
Apr-33	1.17%	3.91%	5.39%
May-35	1.28%	4.02%	5.63%
Apr-37	1.30%	4.04%	5.75%

Funding

6

As at 31 March 2026 RDC had \$54.1 million of core debt, all of which is sourced from the LGFA using Commercial Paper ("CP") and Fixed Rate Bonds ("FRB's"). Details of the drawn LGFA debt is as follows.

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	19-May-26	2.70%	0.20%	\$5,032,857
LGFA CP	27-May-26	2.69%	0.20%	\$5,032,796
LGFA FRB	15-Apr-26	5.62%	0.20%	\$9,000,000
LGFA FRB	15-Apr-27	4.17%	N/A	\$11,000,000
LGFA FRB	15-May-28	5.10%	N/A	\$5,000,000
LGFA FRB	15-May-28	5.30%	N/A	\$7,000,000
LGFA FRB	15-Apr-29	3.12%	N/A	\$3,000,000
LGFA FRB	20-Apr-29	5.55%	N/A	\$4,000,000
LGFA FRB	14-Apr-33	3.68%	N/A	\$5,000,000
				\$54,065,653

Disclaimer

IMPORTANT NOTICE

Statements and opinions contained in this report are given in good faith, but in its presentation, Bancorp has relied on primary sources for the information's accuracy and completeness. Bancorp does not imply, and it should not be construed, that it warrants the validity of the information. Moreover, our investigations have not been designed to verify the accuracy or reliability of any information supplied to us. It should be clearly understood that any financial projections given are illustrative only. The projections should not be taken as a promise or guarantee on the part of Bancorp. Bancorp accepts no liability for any actions taken or not taken on the basis of this information and it is not intended to provide the sole basis of any financial and/or business evaluation. Recipients of the information are required to rely on their own knowledge, investigations and judgements in any assessment of this information. Neither the whole nor any part of this information, nor any reference thereto, may be included in, with or attached to any document, circular, resolution, letter or statement without the prior written consent of Bancorp as to the form and content in which it appears.

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www.bancorp.co.nz

9.4 Audit NZ Governance Reports

Author: Lorraine Bergen, Manager Finance

Authoriser: Leanne Macdonald, Group Manager - Corporate Services

1. Reason for Report

- 1.1 To provide Risk/Assurance Committee with Audit NZ Report to Council for the year ended 30 June 2025 for their information.

2. Context/Discussion

2.1 Audit NZ Governance Report

- 2.1.1 Audit NZ have made a change in how they report their findings from the end of year Annual Report Audit. This report will now be split into two reports. The first report (as attached) is the high-level governance report confirming the audit opinion and the findings from their focus areas, level of judgement in the accounting assumptions and feedback on the quality and timeliness of the information provided.
- 2.1.2 A second report followed labelled as the Report to management, and this reflects detailed recommendations of Audit NZ's findings and their recommendations for improvements, along with sign-off of outstanding actions from prior audits. This report has been reported on separately under 'Outstanding Audit Management Actions'.
- 2.1.3 Audit NZ have issued their initial audit report to Council around their audit of RDC financial statements and performance information for the year ended 30 June 2025. The report is unmodified, meaning the auditors are satisfied that the accounts are a fair representation of the year's results.
- 2.1.4 Any corrected and uncorrected misstatements have been discussed by Audit NZ with management. They are satisfied these are immaterial.
- 2.1.5 Focus areas this review included valuation of infrastructure assets; fair value assessment of land and Buildings (non-valuation year); accounting for impairment, capitalisation of costs and recognition of completed assets; completed projects; and risk of management override of internal controls.
- 2.1.6 For the quality and timeliness of information provided, Council was graded Good in six of the eight expectation areas; with the remaining two areas graded Acceptable. None were noted as needing attention.

2.2 Audit NZ Independent Assurance Report

- 2.2.1 This report is in respect of Council's Debenture Trust Deed for the year ended 30 June and reporting requirements under this deed.
- 2.2.2 Audit NZ noted nothing of concern.

3. Decision Making Process

3.1 No decision is required as reports are for information purposes.

Attachments:

1. **Audit NZ Governance Report to Council dated 21 November 2025** [↓](#)
2. **Audit NZ Independent Assurance Report to Council dated 27 November 2025** [↓](#)

Recommendation

That 'Audit NZ Governance Reports' be received.

Report to the Council

on the audit of Rangitikei District Council

For the year ended 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Our audit report

We issued an unmodified audit report

We issued an unmodified audit report on 30 October 2025. We are satisfied that the financial statements and performance information present fairly the Rangitikei District Council's activity for the year and its financial position at the end of the year.

This report sets out all matters we consider need to be brought to council's attention. In addition to this report, we will also provide a more detailed report to management. This will include recommendations on areas for improvement we identified during the audit.

Corrected and uncorrected misstatements

We have discussed any misstatements that we found with management, other than those which were clearly trivial.

The misstatements that have not been corrected are listed in representation letter. We are satisfied that these misstatements are individually and collectively immaterial.

We also identified misstatements that were corrected by management.

Thank you

We would like to thank management, and staff for the assistance they provided during the audit.



Fiona Elkington
Appointed Auditor
21 November 2025

Focus areas from the Audit Plan 

Focus area	Outcome
Valuation of infrastructure assets	
<p>Rangitikei District Council (the district council) revalued its roading and 3 water infrastructure assets at 30 June 2025.</p> <p>The reasonableness of the valuation depends on the valuation method applied, the completeness and accuracy of the source data, and the appropriateness of key assumptions. Some valuations are inherently complex and involve the use of numerous data sources and key assumptions that can have significant impacts on valuations and the future depreciation expense.</p> <p>The district council will need to collate information about the underlying assumptions and data to support the valuations. One of the key assumptions in a depreciated replacement cost valuation is the unit rate adopted for significant components. When developing the unit rates, the district council should have a documented methodology and database of cost information to support the unit rate applied in the valuation.</p>	<p>The district council performed a full revaluation of its roading and 3 water assets which resulted in a revaluation increase of \$69.4m in its roading assets and revaluation decrease in 3 waters of \$0.564m.</p> <p>The district council used external experts to conduct the infrastructure asset valuations. As the most significant valuation district council management used Datastack Limited to perform the roading valuation with Stantec providing unit rates information. To provides additional assurance over the valuation and the key inputs there was an external peer review over valuations. Stantec also performed the 3 waters valuation.</p> <p>To gain assurance over the revaluations we:</p> <ul style="list-style-type: none"> assessed the valuation process including the competence and experience of the person completing the valuation, and obtained an assurance letter from the valuers; held discussions with the valuer to understand their process, methodology used and the assumptions; held discussions with management to understand their review process over the revaluation work performed by the valuer; performed detailed testing over the key assumptions on a sample basis;

Page 3 | Report to the Council on the audit of Rangitikei District Council



Focus area	Outcome
	<ul style="list-style-type: none"> reviewed the valuation report to assess whether the requirements of PBE IPSAS 17 – <i>Property, plant and equipment</i> have been met; ensured changes to useful lives have been appropriately taken up; assessed the presentation and disclosure of information related to the valuation in the financial statements; and enquired into the processes employed by the district council to ensure that the items revalued are complete and how the district council satisfies itself that the revaluation is appropriate. <p>We noted one misstatement due to a calculation error in RAMM (road asset management system). The amount was not significant compared to the total roading revalued amount. This was included in our letter of representation and management is in the process of correcting this for the annual plan process.</p> <p>Overall, we were satisfied the revaluations comply with Generally Accepted Accounting Practice and have been appropriately accounted for and disclosed in the district council’s annual report.</p> <p>We do note that the valuers have made recommendations for improvements in their valuation reports, and we recommend that these are followed up by district council management before the next infrastructure valuations.</p>

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Focus area	Outcome
Fair value assessment of Land and Buildings (non-revaluation year)	
<p>For those assets that the district council is not planning to revalue as of 30 June 2025 (i.e. Land and Buildings) the district council performed a fair value movement assessment to determine whether there is a significant difference between the fair value and the carrying value. Where the estimated difference is significant a revaluation may be necessary.</p> <p>From the fair value assessment, it was concluded by the district council that there was no material difference between the carrying value and fair value.</p>	<p>We have reviewed the reasonableness of the district council's fair value assessment including the appropriateness of the assumptions used in the assessment.</p> <p>From our review we have concluded this was adequate and reasonable and we have agreed with the district council's conclusion that there was no material difference between the carrying amount and fair value of its non-revalued assets.</p> <p>We are satisfied that property, plant and equipment (non-revalued assets) is fairly stated.</p>
Accounting for impairment, capitalisation of costs and recognition of completed assets	
<p>Impairment</p> <p>Assets are required to be assessed for indicators of impairment at each reporting date. In addition, work in progress (WIP) values on projects that span an extended period of time should be assessed regularly for impairment over the period of the project.</p> <p>Capitalisation of costs</p> <p>The district council should ensure appropriate policies and processes are in place to identify and capitalise costs that are capital in nature. This includes both direct and indirect capital costs.</p>	<p>We assessed the processes used by management to assess for impairment, including all significant WIP balances and review the analysis of WIP aging.</p> <p>We updated our understanding of the district council policy and processes to identify and capitalise both direct and indirect capital costs; and reviewed management's processes to ensure that the capitalisation of WIP costs is performed in a timely manner.</p> <p>We are satisfied that impairment, capitalisation of costs, and completed projects are accounted for appropriately by the district council for the year ended 30 June 2025.</p>

Page 5 | Report to the Council on the audit of Rangitikei District Council



Focus area	Outcome
<p>Completed projects</p> <p>The district council also needs to ensure that, as phases of a project are completed, and assets become operational, capitalisation of the WIP balance is performed in a timely manner. This will ensure that depreciation on these assets starts when the asset is complete and ready for use.</p> <p>If the district council had a significant WIP balance at 30 June 2025 there is a risk that some projects within the balance may have been abandoned and should be written off. The district council should analyse the aging of WIP balances by year and consider whether any old balances should be written off or impaired.</p>	
The risk of management override of internal controls	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>From our testing we did not identify any issues that indicated management override.</p> <p>To reduce the risk of material misstatement due to fraud to an acceptable level we completed the following audit work:</p> <ul style="list-style-type: none"> Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. Reviewed accounting estimates for biases and evaluated whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud.

Page 6 | Report to the Council on the audit of Rangitikei District Council



Focus area	Outcome
	<ul style="list-style-type: none"> Maintained awareness of any significant transactions that were outside the normal course of business, or that otherwise appear to be unusual given our understanding of the district council and its environment, and other information obtained during the audit. <p>We did not identify any issues that need to be brought to your attention.</p>

Page 7 | Report to the Council on the audit of Rangitikei District Council



Financial statements and service performance information

Judgements made in significant accounting estimates

Judgement areas	Misstated Cautious Balanced Optimistic Misstated
Valuations of Infrastructure Assets	
Fair value assessment of Land and Buildings (non-revaluation year)	
Impairment of assets	

These are our views on the level of prudence in key judgements in this year's financial statements, relating to accounting estimates.

Commentary

The subjective elements in the financial statements are generally balanced and align with expectations. Minor variations are within bounds of reasonable professional judgement.

Page 8 | Report to the Council on the audit of Rangitikei District Council



Quality and timeliness of information provided for audit

adequate resources, skills, and expertise applied in the reporting process. Our expectations were informed by the FMA’s *Audit Quality Monitoring Report* (expectations for directors) and *Guidance and expectations for keeping proper accounting records*.

The Council’s responsibilities include understanding whether management produce quality information, and whether there are

Expectation	Grading	Reason
Financial statements prepared by management comply with accounting standards	⚠️ Acceptable	We noted some deficiencies in the reported financial information, which have been satisfactorily addressed by management during the audit.
Quality supporting financial information is prepared and available on a timely basis	✅ Good	Management delivered quality supporting financial information on a timely basis.
Accounting records and supporting documentation reconcile to the financial statements	✅ Good	We had no issues with reconciling the accounting records to the financial statements.
Accounting records support the accounting treatment applied by management	✅ Good	Management provided sufficient supporting documentation to support the accounting treatments applied.
Governors challenge the process and the outcomes of management’s judgements	✅ Good	There was an appropriate level of engagement through the regular Governance meetings.
Service performance reporting prepared by management complies with accounting standards	⚠️ Acceptable	We noted some deficiencies in the reported performance information, which have been raised with management and addressed during the audit.
Quality supporting service performance information is prepared and available on a timely basis	✅ Good	Management delivered quality supporting performance information on a timely basis.
Reported service performance agrees to supporting records	✅ Good	We had no concerns with performance information agreeing to supporting records.


Page 9 | Report to the Council on the audit of Rangitikei District Council



Grading	Explanation
✅ Good	The quality and timeliness of the information was of a good standard with no significant deficiencies.
⚠️ Acceptable	Quality and timeliness were of an acceptable standard but with some minor deficiencies and room for improvement.
⚠️ Attention	There were numerous and/or significant deficiencies and/or delivery was significantly late.

Page 10 | Report to the Council on the audit of Rangitikei District Council



Appendix 1
Disclosures 

Our responsibilities in conducting the audit

We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information. This responsibility arises from section 15 of the Public Audit Act 2001.

The audit of the financial statements does not relieve management or the Council of their responsibilities. Our audit engagement letter contains a detailed explanation of the responsibilities of the auditor and the Council.

Auditing standards

We carry out our audit in accordance with the Auditor-General’s Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining a system of internal control for detecting these matters.

Auditor independence

We confirm that, for the audit of Rangitikei District Council’s financial statements for the year ended 30 June 2025, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with, or interests in, the Council.

Fees

The audit fee for the year is \$241,612 as detailed in our Audit Proposal Letter. No other fees have been charged in this period.

Other relationships

We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Council that is significant to the audit.

We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the end of the financial year.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

PO Box 99
Wellington 6140
04 496 3099
www.auditnz.parliament.nz



Independent Assurance Report

To Rangitikei District Council and to Trustee Executors Limited in respect of Rangitikei District Council's Debenture Trust Deed for the year ended 30 June 2025

The Auditor-General is the auditor of Rangitikei District Council (the Council) pursuant to the Public Audit Act 2001. The Auditor-General has appointed me, Fiona Elkington, using the staff and resources of Audit New Zealand to undertake a limited assurance engagement, on his behalf, as required by clauses 10.2.6 of the Debenture Trust Deed dated 18 December 2017 (the Trust Deed), for the year ended 30 June 2025.

Councillors Responsibilities

The Council is required to provide a copy of the annual report, which includes the audited financial statements and performance information of the Council and our audit opinion, to the Trustee Executors Limited (Trustee) under clause 10.2.1 of the Trust Deed.

The Council is responsible for preparing Reporting Certificates to the Trustee in accordance with clause 10.2.4 of the Trust Deed. The Council is responsible for such internal control as is determined necessary to ensure compliance with the requirements of the Trust Deed and also to enable the preparation of Reporting Certificates that are free from material misstatement, whether due to fraud or error.

The Council is responsible for keeping the Register and ensuring that it is separately audited in accordance with clause 4.2.8 of the Trust Deed.

The Council is required to comply with the full requirements of the Trust Deed, including the continuing covenants and reporting requirements.

The Council is responsible for interpreting the clauses and definitions in the Trust Deed. We make no representations as to whether these interpretations of the Trust Deed are appropriate.

Trustee's Responsibilities

The Trustee monitors the Council's compliance under the terms of the Trust Deed. The terms of the Trust Deed were agreed by the Trustee and the Council. We are not a signatory to the Trust Deed and we were not consulted about the terms of the Trust Deed. We therefore take no responsibility for the adequacy of the terms of the Trust Deed for monitoring the Council.

The receipt of this limited assurance report (Report) and the audited financial statements and performance information of the Council, and any reliance on the audit opinion contained in our auditor's report attached to those audited financial statements and performance information, does not relieve the Trustee of its responsibilities under the Trust Deed and relevant legislation.

The Financial Markets Authority (FMA) issued a guidance note titled "Monitoring by Securities Trustees and Statutory Supervisors". This guidance note sets out the FMA's expectations about how Trustees will carry out their monitoring functions effectively. Where applicable, it is the Trustee's responsibility to meet the FMA's expectations as set out in the guidance note.

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the New Zealand Auditing and Assurance Standards Board. A copy of this standard is available on the External Reporting Board's website.

A limited assurance engagement is not an audit and the procedures that have been performed are substantially less than for an audit where reasonable assurance is provided. As a result, the level of assurance that has been obtained is substantially lower than the assurance that would have been obtained had an audit been performed.

The procedures performed when carrying out the audit of the annual financial statements and performance information of the Council are not designed to assess whether the Council has complied with the Trust Deed or to make an evaluation of the Reporting Certificate(s) the Council issued to the Trustee.

The scope of this limited assurance engagement is to report on certain matters stated in clause 10.2.6 of the Trust Deed based on information obtained as a byproduct of our engagement to perform the audit of the annual financial statements and performance information of the Council for the year ended 30 June 2025.

For the purpose of providing our Report, unless expressly stated, we have not performed any further procedures beyond those required to complete our engagement to perform the audit of the annual financial statements and performance information of the Council.

In the performance of our duties as auditors, unless expressly stated, we do not perform any work at the time the Reporting Certificate for the year ended 30 June 2025 is prepared by the Council. Accordingly, our statements contained in the Report in relation to the matters addressed in clause 10.2.6 of the Trust Deed must be viewed in that context.

Our responsibility under clause 10.2.6 of the Trust Deed is to:

ITEM 9.4
ATTACHMENT 2

- From our perusal of the Reporting Certificate dated 18 November 2025 given on behalf of the Council pursuant to clause 10.2.4 and, as far as matters that we will observe in the performance of our duties as auditors are concerned, report whether anything is brought to our attention to indicate that the statements made in such Reporting Certificate are not materially correct.
- In meeting this responsibility we agreed the total amount of all categories of Stock in the Reporting Certificate dated 18 November 2025 with MUFG Pension & Market Services (NZ) Limited and the Local Government Funding Agency.
- With reference to the other assertions made by the Chief Executive in the Reporting Certificate our procedures have been limited to talking to management and considering any issues which might have come to our attention as a byproduct of our engagement to perform the audit of the annual financial statements and performance information of the Council.
- Report whether, in performing our duties as auditors, we have:
 - become aware of any matters which, in our opinion, are relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee; and
 - disclosed any matter that, in our opinion, calls for further investigation by the Trustee in the interests of the Stockholders.
- In meeting this responsibility, our procedures have been limited to talking to management and considering any issues which might have come to our attention as a byproduct of our engagement to perform the audit of the annual financial statements and performance information of the Council.
- Report, as at the end of the financial year, from the audit procedures performed as part of our engagement to perform the audit of the annual financial statements and performance information of the Council, whether anything came to our attention to indicate that, in all material respects, principal money due and payable on the Stock and interest due and payable on the Stock, had not been paid.
- We have not tested that each individual Stockholder has received all monies due and payable to them.
- Report whether the Council's agents have maintained the Register in accordance with the requirements of the Trust Deed.
- The Council is responsible for maintaining the Register and ensuring it is separately audited in accordance with clause 4.2.8.

- The audit of the Register is a separate engagement in the same way the engagement to perform the audit of the annual financial statements and performance information is a separate engagement. Our procedures were limited to asking the Council for a copy of the audit report about the Register.
- Report as at 30 June 2025:
 - the amount of Stock and how much is Security Stock and Bearer Stock; and
 - the Principal Money owing or secured under the Stock distinguishing between Security Stock and other categories of Stock.
- In meeting this responsibility, we have agreed the total of all categories of Stock with MUFG Pension & Market Services (NZ) Limited and the Local Government Funding Agency. We have not tested that each individual Stockholder has received all monies due and payable to them.

Inherent limitations

We report to you as accountants, not lawyers. Accordingly we are not aware of all the powers and duties of trustees which may exist in statute, regulation, case law, legal precedent or otherwise.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the period and the procedures performed in respect of the Council's compliance with the Trust Deed are undertaken on a test basis (that is, we do not check every transaction), our Report cannot be relied on to detect all instances where the Council may not have complied with the requirements of the Trust Deed. Our Conclusion has been formed on the above basis.

Restricted use

This Report has been prepared solely for the Council and the Trustee in accordance with the requirements of clauses 10.2.6 of the Trust Deed. We disclaim any assumption of responsibility for any reliance on this report to any persons other than the Council and the Trustee or for any purpose other than that for which it was prepared.

Limited Assurance Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that:

- the statements made by the Council in the Reporting Certificate dated 18 November 2025 pursuant to clause 10.2.4 are materially incorrect (Reporting Certificate dated 18 November 2025 is given in appendix one);

- there are any matters which, in our opinion, are relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee;
- there are any matters that, in our opinion, calls for further investigation by the Trustee in the interests of the Stockholders; and
- in all material respects, that the Council has not paid all principal money due and payable on the Stock and all interest due and payable on the Stock.

Our limited assurance engagement was completed on 27 November 2025 and our conclusion is expressed as at that date.

The Register and Stock

The Council has provided us with a copy of the audit report about the Register(s). Please refer to appendix two for a copy of the audit report about the Register(s).

Based on the work described in this Report, as at 30 June 2025 the following balances are given:

Total stock of	\$26,392,119k
----------------	---------------

This is comprised of:

- | | |
|---|---------------|
| ○ Security stock of | \$100,000 |
| ○ Bearer stock of | Nil |
| ○ Other stock of | Nil |
| ○ Security stock (Local Government Funding Agency stock) of | \$26,392,019k |

Based on the work described in this Report, as at 30 June 2025 the following balances are given:

Total Principal Money owing and secured under the stock of	\$54,000,000
--	--------------

This is comprised of:

- | | |
|---|--------------|
| ○ Security stock of | Nil |
| ○ Bearer Stock of | Nil |
| ○ Other stock of | Nil |
| ○ Security stock (Local Government Funding Agency stock) of | \$54,000,000 |

The Council is one of a group of guarantors of the Local Government Funding Agency. As at 30 June 2025 the Council had 26,337,930,000 units of Security Stock on issue associated with the guarantee.

The difference between Security Stock on issue associated with the guarantee and total borrowings of the Local Government Funding Agency at 30 June 2025 is as follows:

000s	
26,337,930	units of Security Stock on issue associated with the guarantee
149,814	accrued interest
(1,300,000)	Treasury Stock held by the Local Government Funding Agency
341,756	Treasury Stock lent to the market via repurchase agreements by the Local Government Funding Agency
25,529,500	Total borrowings of the Local Government Funding Agency at 30 June 2025

Independence and quality control

We complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.


In addition to this engagement we performed the annual audit of the Council's annual financial statements and performance information. Other than these engagements, we have no relationship with or interests in the Council or any of its subsidiaries or the Trustee.



Fiona Elkington
Audit New Zealand
On behalf of the Auditor-General
Wellington, Audit New Zealand

Appendix one

Copy of the reporting certificate dated 18 November 2025



RANGITIKEI
DISTRICT COUNCIL
Making this place home.

Fourth Schedule Reporting Certificate

I, **Carol Gordon**, Chief Executive of the **Rangitikei District Council** (the **Council**) hereby certify to the best of my knowledge and belief for the purposes of the Debenture Trust Deed dated on or about 18 December 2017 (the **Trust Deed**):

- 1 Since the date on which the last Reporting Certificate was given:
 - a. all interest due on the Stock has been paid;
 - b. all Stock which has fallen due for repayment has been repaid;
 - c. no Enforcement Event has occurred and remains unremedied.
- 2 As at 30 June 2025, the total amount of Stock issued and outstanding under the Trust Deed is as follows:

i. Debenture Stock of:	\$ 0
ii. Security Stock (issued with a fixed nominal amount) of:	\$ 100,000
iii. Bearer Stock of:	\$ 0
Together with	
iv. Security Stock (issued with a floating nominal amount) ¹ , which as at 30 June 2025 amounted to:	\$26,392,019,100 plus accrued interest ²
- 3 The Council has complied with the Act in connection with the Trust Deed, the Registrar and Paying Agency Agreement, and any borrowing documentation which the Council has entered into under, in accordance with or secured by this Deed.
- 4 On the basis of such information as to the financial position and prospects of the Council is generally received by me in my capacity as Chief Executive (including reports for the Council's financial managers), I am not aware of any reason why the Council will not be able to meet its

¹ Note that Council LGFA borrowing is \$54,089,193 and the Council LGFA guarantee is \$26,337,929,907
² Note that the floating nominal amounts disclosed exclude the nominal amounts of security stock with a floating nominal amount issued by the Council (a) in relation to the Equity Commitment Deed dated on or about 7 December 2011 (as amended from time to time), and (b) in relation to the Multi Issuer Deed dated on or about 7 December 2011(as amended from time to time), other than security stock which relates to LG Securities.

liabilities in relation to Stock and interest thereon which are anticipated to fall due or become payable during the twelve months from the date of this Certificate.

- 5 For the purposes of paragraph {4} of this certificate, I have considered in particular:
- a. The liability of the Council using Security Stock Certificate(s) issued with a floating nominal amount;
 - b. The likelihood of the liabilities secured by those Security Stock Certificates being called on; and
 - c. The ability of the Council to recover or recoup from other parties in relation to any payments that the Council would be required to make in respect of those Security Stock Certificates.
- 6 Since the date on which the last Reporting Certificate was given the Council has complied in all material respects with all the material provisions, covenants, and obligations under the Trust Deed, and I am not aware of any reason why in the period of twelve months from the date of this Certificate the Council will not so comply with such provisions, covenants and obligations.

This Certificate is given by me as Chief Executive of the Council in good faith on behalf of the Council and I shall have no personal liability in connection with the issuing of this Certificate.

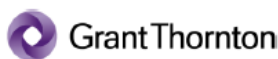
Dated: 18-11-25



Chief Executive
Rangitikei District Council

Appendix two

Copy of the audit report about the Register



Independent Assurance Report

Grant Thornton New Zealand Audit Limited
 L4, Grant Thornton House
 152 Fanshawe Street
 PO Box 1981
 Auckland 1140
 T +64 (0)9 308 2570
 www.granthornton.co.nz

Reasonable Assurance Report on MUFG Pension & Market Services (NZ) Limited's compliance with Section 217 of the Financial Markets Conduct Act 2013 as evaluated against the Registers (Direct engagement)

To the Directors of MUFG Pension & Market Services (NZ) Limited

Opinion

We have undertaken a reasonable assurance engagement in respect of the compliance, in all material respects, of the Registers of regulated products (the "Registers") maintained by MUFG Pension & Market Services (NZ) Limited (the "Company") on behalf of issuers with the requirements specified in Section 217 of the Financial Markets Conduct Act 2013 (the "Act"), for the year ended 30 June 2025.

In our opinion, Registers maintained by the Registrar Entity on behalf of issuers comply, in all material respects with Section 217 of the Act, for the year ended 30 June 2025.

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3100 (Revised) *Compliance Engagements* issued by the New Zealand Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MUFG Pension & Market Services (NZ) Limited's Responsibilities

MUFG Pension & Market Services (NZ) Limited is responsible for:

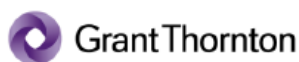
- a. The compliance activity undertaken to meet the requirements of the Act.
- b. Identification of risks that threaten compliance with the Act identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which require the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Grant Thornton New Zealand Audit Limited is a related entity of Grant Thornton New Zealand Limited. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide services to their clients and/or refers to one or more member firms as the context requires. Grant Thornton New Zealand Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of and do not obligate one another and are not liable for one another's acts or omissions. In the New Zealand context only, the use of the term 'Grant Thornton' may refer to Grant Thornton New Zealand Limited and to New Zealand related entities.



Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on the compliance, in all material respects, of the Registers maintained by the Registrar Entity on behalf of issuers with Section 217 of the Act, throughout the year ended 30 June 2025. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain reasonable assurance about whether the Registrar Entity has complied in all material respects, with Section 217 of the Act, for the year ended 30 June 2025.

An assurance engagement to report on the Registrar Entity's compliance with Section 217 of the Act involves performing procedures to obtain evidence about the compliance of the Registers maintained by the Registrar Entity on behalf of issuers with the requirements of Section 217 of the Act. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with Section 217 of the Act.

Other than in our capacity as the independent assurance practitioners we have no relationship with, or interests in, MUFG Pension & Market Services (NZ) Limited.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement throughout the year ended 30 June 2025 does not provide assurance on whether compliance with Section 217 of the Act will continue in the future.

Restricted Use

This report has been prepared for the Directors of the Registrar Entity, as a body, in accordance with Regulation 110 of the Financial Markets Conduct Regulations 2014 and Section 218 of the Act and is provided solely to assist the Directors of the Registrar Entity and Directors of issuers to which Section 218 of the Act applies and who are users of the Registrar Entity's Registers, in establishing that compliance requirements have been met. Our report may be provided to all users of the Registrar Entity's Registers, whether or not they are required to comply with Section 218 of the Act, on the basis that we do not accept or assume any duty of care or other legal responsibility to those users. Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors of the Registrar Entity, as a body, or for any other purpose other than that for which it was prepared.

Grant Thornton New Zealand Audit Limited

A stylized, handwritten-style signature of "Grant Thornton" in a dark grey or black ink.

Kerry Price

Partner

Auckland, New Zealand

23 July 2025

Chartered Accountants and Business Advisors
Member of Grant Thornton International Ltd.

9.5 Civic Financial Services/Riskpool Updates**Author:** Lorraine Bergen, Manager Finance**Authoriser:** Leanne Macdonald, Group Manager - Corporate Services**1. Reason for Report**

- 1.1 To provide the Risk/Assurance Committee with updates from Civic Financial Services (Civic) providing their Statement of Intent for 2026 and a Riskpool Update to Members.

2. Context

- 2.1 Civic has 73 shareholders, comprising city councils (13), district councils (51), regional councils (8) and TrustPower.
- 2.2 Shareholding as at December 2024 was \$11.25m of which Rangitikei District Council share was \$35k or .31%.
- 2.3 Civic provide administration services to their client Boards. The services being Local Authority Protection Programme, Riskpool and the Civic Liability Pool.
- 2.4 It also provides superannuation services for the local government sector through the SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme.
- 2.5 A 2020 Special General Meeting of Civic resolved that instead of providing dividends to shareholders, future surplus funds be applied to reduce the administration fees for members of the two Superannuation Schemes.

3. Key Civic Points to Note

- 3.1 During 2025, the Civic Board conducted a comprehensive review of the Civic group of entities including roles and responsibilities, governance practices and fiscal responsibilities. This resulted in the adoption of a three-year business plan with a clear vision, purpose and set of six strategic outcomes.
- 3.2 Each entity within the group will now be required to provide a three-year Business Plan that aligns with the Civic's strategic outcomes.
- 3.3 Performance summary for the Schemes' funds to 30 September 2025 show the Aggressive funds was best performing and ranking across short and long terms. Their Growth, Balanced and Conservative funds showed mixed results.
- 3.4 Administration fees from the superannuation schemes will provide Civic's primary source of income in 2026. The current base investment management fee of 0.32% will remain unchanged. It will also receive administration fees from client Boards and income from return on investments.
- 3.5 Civic was to have provided an audited report for the year 2025 by 30 April 2026 (awaited) and half-year report 30 September 2026.

4. Riskpool

- 4.1 Riskpool was established in 1997 by local authorities and Civic as a not-for-profit mutual fund to provide risk protection to local government entities.

- 4.2 Since 2017 Riskpool has been in a wind-down phase focused on legacy claims, reinsurance recovery, and trust governance. Calls on members are made to fund ongoing litigation (domestic and off-shore). At present there are a number of mixed claims against Riskpool.

5. Key Riskpool Points to Note

- 5.1 A call on members in August 2025 was made to fund operational costs for 2025/26 and legal and advisory fees relating to current reinsurance recovery and domestic litigation. Rangitīkei District Councils share of the call was \$2.9k (excluding GST). Insufficient information is currently held to determine whether a further funding call will be required in the 2026-2027 financials year.
- 5.2 It is not known how long the delays in winding up Riskpool will continue for, and what RDC's final liability will be. Based on Riskpool's snapshot it appears there are still a number of claims outstanding.
- 5.3 Two claims went to trial in the Wellington High Court in September 2025, which concluded at the beginning of October. A judgment is awaited with a further update to Members once this has been released and its implications are understood.
- 5.4 Reinsurance remains Riskpool's principal source of funds for settled or accepted claims. They continue to engage in constructive and proactive dialogue with re-insurers, supported London brokers and NZ counsel.
- 5.5 Riskpool's proposed amendments to its Trust Deed in 2025 was supported by 95% of members and actioned. The changes included clarifying the duties under the Trust deed; that the trustee can distribute surplus funds to Members; passing the role of the Scheme Manager to Civic; and providing indemnity and limitation of liability of the trustee and Board.

6. Financial Implications

- 6.1 RDC will continue to carry a Riskpool liability (albeit low) until all the outstanding cases are completed.

7. Impact on Strategic Risks

- 7.1 Membership of Civic/Riskpool supported Council's risk mitigation by providing access to collective superannuation/insurance arrangements, risk management support, and greater resilience to adverse events.

8. Strategic Alignment

- 8.1 Civic/Riskpool membership aligned with Council's commitment to strong governance and prudent stewardship by strengthening risk management practices and protecting Council's assets and financial sustainability.

9. Mana Whenua Implications

- 9.1 No direct Mana Whenua implications identified.

10. Climate Change Impacts and Consideration

- 10.1 No direct Climate Change implications identified.

11. Statutory Implications

11.1 Participation in Civic/Riskpool supported Council's obligations under the Local Government Act 2002 to manage risk, assets, and public funds prudently and demonstrates alignment with good practice governance expectations.

12. Decision Making Process

12.1 This report is provided for information purposes.

Attachments:

1. **Riskpool - Trust Deed Amendments Consultation Outcome - 11 March 2026** [↓](#)
2. **Riskpool - Members Update - 5 May 2026** [↓](#)

Recommendation

That the Risk/Assurance Committee receive the 'Civic Financial Services/Riskpool Updates' report.



11 March 2026

Carol Gordon
Rangitikei District Council
Private Bag 1102
MARTON 4741

carol.gordon@rangitikei.govt.nz

Dear Carol

RISKPOOL: TRUST DEED AMENDMENTS – CONSULTATION OUTCOME

We write further to our letter of 21 August 2025 commencing consultation on proposed amendments to the Riskpool Trust Deed. The consultation process has now concluded.

In accordance with clause 17.1 of the Trust Deed, the amendments required the written consent of not less than 90% of Members in order to take effect. With 75 Members of the Riskpool Scheme, this required approval from at least 68 Members.

We are pleased to advise that the required threshold was reached on 2 February 2026. As at the date of this letter, 71 of the 75 Riskpool Members have provided written consent to the amendments as circulated, representing approximately 95% support from the membership.

The Board greatly appreciates the careful consideration given to the proposed amendments by Members and the constructive engagement shown throughout the consultation process.

The Deed of Amendment and Restatement, a draft of which was circulated on 21 August 2025, has now been executed by the trustee, Local Government Mutual Funds Trustee Limited, and Civic Financial Services Limited. As the required level of Member consent has been achieved, the amendments are now in effect.

During the course of the consultation process, we identified a small number of cosmetic and formatting issues in the Trust Deed. We have taken the opportunity to address these as part of the amendment and restatement process. For transparency, we have included both a clean copy of the amended Trust Deed and a version showing those corrections in mark-up.

For completeness, we enclose the following documents:

- i. A copy of the executed Deed of Amendment and Restatement, including a clean copy of the final amended and executed Trust Deed;
- ii. A copy of the Trust Deed showing the final cosmetic amendments in mark-up against the draft circulated on 21 August 2025; and
- iii. Where applicable, a copy of your Council's signed and dated consent form.

On behalf of the Board, thank you again for your engagement and support.

If you have any questions or would like to discuss any of the matters outlined above, please don't hesitate to contact me at: stephen.ferson@riskpool.org.nz

Ngā mihi



Stephen Ferson
General Counsel
Local Government Mutual Funds Trustee Ltd (Riskpool)



5 May 2026

Carol Gordon
Rangitikei District Council
Private Bag 1102
MARTON 4741

carol.gordon@rangitikei.govt.nz

Dear Carol

RISKPOOL: UPDATE TO MEMBERS

We write to provide a further update on Riskpool's current position, including the status of domestic litigation, engagement with reinsurers, and matters relevant to Members' financial planning and reporting.

Domestic Litigation

As indicated in our correspondence in December, Riskpool is currently managing significant domestic litigation arising from the Supreme Court's 2023 decision in *Local Government Mutual Funds Trustee Ltd v Napier City Council [2023] NZSC 97*, which addressed claims involving both weathertight and non-weathertight issues.

Two of these claims went to trial in the Wellington High Court in September last year, concluding in early October. The key issue to be determined by the High Court is the consequence of these claims having been late notified pursuant to the terms of the Scheme documents (which includes the Trust Deed, Scheme Rules and the Protection Wording).

We await the Court's decision, which is expected to provide meaningful clarity for both Riskpool and its reinsurers, allowing us to move forward with the resolution of the remaining legacy claims.

We will provide a further update to Members once the judgment has been released and its implications are understood.

Reinsurance

Reinsurance remains Riskpool's principal source of funding for settled or accepted claims, and recovery from reinsurers is central to limiting any financial impact on Members.

The Board is prioritising this work and continues to engage proactively and constructively with reinsurers. While the recovery process is complex, involving multi-layered reinsurance structures governed by English law, we are hopeful that this engagement will result in recoveries on accepted claims in the near term. We will continue to keep Members updated as this progresses.

Funding Position and Potential Future Calls

The Board remains committed to prudent financial management and to limiting any financial pressure on Members wherever possible.

At this stage, the Board does not have sufficient information to determine whether a further funding call will be required in the 2026–2027 financial year. As indicated in our previous correspondence, this will depend primarily on:

- i. the outcome of ongoing domestic litigation; and
- ii. the position taken by reinsurers in relation to coverage and timing of recoveries.

Should developments in either area indicate that a further call is likely in future, we will provide Members with as much advance notice as possible to support budget planning.

Annual Reports – Suggested Disclosure

We are aware that Members will soon be preparing Annual Reports and may need to include disclosure regarding Riskpool.

To assist, we set out below a suggested form of wording which Members may wish to use or adapt as appropriate:

"[Council name] was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind-down; however, the Council has an ongoing obligation to contribute to the Scheme should a funding call be made in respect of historical claims (to the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the ongoing operation of the Scheme.

The likelihood of any call in respect of historical claims diminishes over time as limitation periods expire. However, following the Supreme Court's decision in August 2023 concerning mixed defect claims, a number of proceedings against Riskpool have progressed.

Several Member Councils have brought proceedings against Riskpool in relation to such claims. Two of these proceedings have been heard by the High Court, with judgment currently awaited. These cases are expected to provide clarity on the scope of Riskpool's historical obligations and the interpretation of Scheme documentation.

At this stage, the total potential liability associated with these matters cannot be reliably quantified."

Annual Members Meeting – 19 June 2026

Riskpool's Annual Members' Meeting will be held on Friday 19 June 2026 at the offices of Civic Financial Services, Wellington Chambers, Level 6, 154 Featherston Street, Wellington 6011. The meeting time will be confirmed in a formal notice to follow.

All Members are welcome to attend, either remotely or in person, and meet the Board of Directors who will be happy to answer any questions raised.

If your Council has any questions or would like further detail on any of the matters outlined above, please do not hesitate to contact me.

Thank you for your continued engagement and support.

Ngā mihi nui,



Stephen Ferson
General Counsel
Local Government Mutual Funds Trustee Ltd (Riskpool)

10 Meeting Closed.