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DISTRICT COUNCIL
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ORDER PAPER

RISK/ASSURANCE COMMITTEE MEETING

Date: **Thursday, 27 August 2026**

Time: **Following Risk/Assurance Workshop**

Venue: **Council Chamber**
Rangitīkei District Council
46 High Street
Marton

Chair: Mr Philip Jones

Membership:

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

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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, 27 August 2026 at 1.00pm.

Order Of Business

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 Confirmation of Minutes

6.1 Confirmation of Minutes

Author: **Petra Fleming, Governance Advisor**

1. Reason for Report

1.1 The minutes from Risk/Assurance Committee Meeting held on 28 May 2026 are attached.

Attachments:

1. **28 May 26 Risk/Assurance Committee Meeting** ⇩

Recommendation

That the minutes of Risk/Assurance Committee Meeting held on 28 May 2026 **[as amended/without amendment]** be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record

MINUTES

RANGITĪKEI DISTRICT COUNCIL
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UNCONFIRMED: RISK/ASSURANCE COMMITTEE MEETING

Date:	**Thursday, 28 May 2026**
Time:	**2.00pm**
Venue:	**Council Chamber** **Rangitīkei District Council** **46 High Street** **Marton**

Present	Mr Philip Jones (Zoom) HWTM Andy Watson Cr Dave Wilson Cr Fi Dalgety Cr Jeff Wong
In attendance	Mrs Carol Gordon, Chief Executive Mr Arno Benadie, Deputy Chief Executive Ms Leanne Macdonald, Group Manager – Corporate Services Ms Katrina Gray, Group Manager – Strategy, Community and Democracy Mr Darryn Black, Roading Transport Manager Ms Lorraine Bergen, Manager – Financial Services Ms Sharon Bennett, Manager – People & Culture Ms Crystal Johnston, Executive Assistant – Group Managers

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Order of Business

1 Welcome / Prayer

HWTM opened the meeting at 2.00pm.

2 Apologies

There were no apologies received.

3 Public Forum

There was no public forum.

4 Conflict of Interest Declarations

There were no conflicts of interested declared.

5 Confirmation of Order of Business

There was no change to the order of business.

6 Follow-up Action Items from Previous Meetings

6.1 Follow-up Action Items from Risk and Assurance Meetings

Risk Management Policy

Officers advised that the revised Risk Management Policy is scheduled to be presented to Council in August. Members requested that the action register be updated to clearly reflect the anticipated August reporting timeframe.

A member sought confirmation that the elected member identified to participate in the relevant action was supportive of the proposed approach.

H&S Annual Site Visits - 6 Monthly Updates From Relevant Staff to the Committee

Officers provided an update on health and safety site visits, advising that the due diligence plan would be considered later in the meeting.

Contractor H&S – Metrics

An update was also provided on contractor health and safety performance metrics. Officers advised that an online form has been developed to support site safety inspections and provide additional assurance regarding contractor health and safety performance.

Mr Jones welcomed the progress being made in strengthening contractor health and safety assurance processes.

De-escalation Training

Members discussed this item, noting that it has remained on the action register since December 2024. It was agreed that the item is now considered business-as-usual and advised that it could be brought back for further consideration should circumstances change. It was also noted that the matter is monitored through other reporting mechanisms.

Resolved minute number 26/ARK/001

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

Cr F Dalgety/Cr D Wilson. Carried

7 Chair's Report

7.1 Chair's Report - May 2026

Officers advised that the Strategic Risk Register had been prepared approximately two weeks prior to the meeting and included an update from Aon Insurance. Members noted that Risk 8 had since been elevated to Risk 1, reflecting the increasing significance of local government reform and its potential impact on local authorities.

Officers advised that the relevant legislation is not expected to be introduced until early next year, following Parliament's return.

Committee members discussed local government reform as Council's highest strategic risk and potential mitigation opportunities.

Resolved minute number 26/ARK/002

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

Cr J Wong/Cr F Dalgety. Carried

8 Reports for Decision

8.1 Risk/Assurance Committee Programme of Work

Officers presented an overview of the Committee Programme of Work, outlining the current reporting schedule and the timing of upcoming policy reviews.

Members were advised that fraud awareness had recently been discussed with Audit New Zealand as part of Council's governance assurance programme.

Discussion took place regarding the recording of officer time associated with Central Districts Water (CDW), including seconded staff and funding arrangements for CDW.

The Chair referred to section 7.3 of the report and noted that workload pressures are being experienced across the local government sector. Concern was expressed that competing priorities could result in important work being delayed or overlooked. The Chair further observed that preparation for the next Long Term Plan (LTP) is likely to be particularly challenging given resource constraints and uncertainty arising from local government reform.

Resolved minute number 26/ARK/003

That the Risk/Assurance Committee receive the report Risk/Assurance Committee Programme of Work.

Cr D Wilson/Cr J Wong. Carried

Resolved minute number 26/ARK/004

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

Cr J Wong/Cr F Dalgety. Carried

Resolved minute number 26/ARK/005

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

Cr D Wilson/Cr F Dalgety. Carried

8.2 Health, Safety and Wellbeing Update

Officers noted that the report summarises nine months of health, safety and wellbeing data to provide an overview of organisational performance and trends.

Members were advised that the revised health and safety documents listed within the report had been updated and were presented for Council's endorsement.

Members discussed how the policies and procedures are embedded across the organisation and that the near miss reporting is a useful indicator of the organisations health and safety culture.

Resolved minute number 26/ARK/006

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

HWTM A Watson/Cr F Dalgety. Carried

Resolved minute number 26/ARK/007

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

Cr D Wilson/Cr F Dalgety. Carried

Resolved minute number 26/ARK/008

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

Cr F Dalgety/Cr D Wilson. Carried

Resolved minute number 26/ARK/009

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

Cr F Dalgety/Cr D Wilson. Carried

9 Reports for Information

9.1 Internal Audit Programme

Officers advised that the Fleet Management Review is currently underway, noting that the review is being undertaken in light of the future transfer of water-related assets to Central Districts Water.

Members noted that fuel costs had increased by approximately $7,000 over the reporting period.

The Chair drew attention to section 3.5 of the report relating to cybersecurity, noting that the matter had received limited discussion. The Chair emphasised the importance of ensuring Council continues to receive appropriate assurance that cybersecurity risks are being actively managed during the period of organisational change and reform. Officers advised that a dedicated cybersecurity presentation is scheduled for the August workshop to provide elected members with a comprehensive update.

The Committee also discussed fleet management processes.

A member advised that they had not recently received phishing simulation emails as part of Council's cybersecurity awareness programme. Officers undertook to review the frequency of the phishing exercises and provide feedback.

Resolved minute number 26/ARK/010

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

Cr F Dalgety/Cr J Wong. Carried

9.2 Outstanding Audit NZ Management Actions

Officers advised that the External Audit actions remain largely unchanged since the previous reporting period.

Members noted the proposed February 2027 milestone requiring the three participating Central Districts Water councils to complete valuations of their respective three waters assets prior to their transfer to the CCO on 1 July 2027.

Resolved minute number 26/ARK/011

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

HWTM A Watson/Cr D Wilson. Carried

9.3 Financial Risk Report

Officers presented the Financial Risk Report, advising that it provides an overview of Council's debt position and outstanding debtors.

Members noted that Council's external debt position remains largely unchanged. Officers advised that an additional $5 million was drawn down on 27 May to support Council's cashflow requirements. It was noted that the cost of debt servicing is expected to increase as a result.

Reference was made to page 3 of the report, which records Council's average cost of funds at 4.4% per annum, as advised by Council's treasury advisor.

Resolved minute number 26/ARK/012

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

Cr F Dalgety/Cr D Wilson. Carried

9.4 Audit NZ Governance Reports

Officers advised that the Audit New Zealand Governance Reports were issued in November 2025 and that this was the first opportunity to formally present them to the Committee.

Officers noted that Audit New Zealand had not identified any matters of significant concern. It was further noted that there had been no changes to the financial figures between the draft and final reports, demonstrating stability throughout the audit process.

The Chair endorsed the comments acknowledged the positive outcome of the audit process.

Resolved minute number 26/ARK/013

That the report 'Audit NZ Governance Reports' be received.

HWTM A Watson/Cr D Wilson. Carried

9.5 Civic Financial Services/RiskPool Updates

Members were advised that Council became a shareholder in Civic Financial Services in 2024. Civic Financial Services provides superannuation and investment-related services to the local government sector.

Officers explained that RiskPool was established as a mutual insurance scheme for local authorities. However, the scheme is no longer accepting new insurance business due to the volume of historical claims. As a former member of RiskPool, Council retains a residual financial liability, which remains recognised in Council's accounts.

Resolved minute number 26/ARK/014

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

HWTM A Watson/Cr J Wong. Carried

The meeting closed at 3:13pm.

The minutes of this meeting were confirmed at the Risk/Assurance Committee held on 27 August 2026.

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Chairperson

ITEM 7.1

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from Risk and Assurance Meetings

Author: **Petra Fleming, 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 and Assurance Meetings be received.

Current Follow-up Actions

Item	From Meeting Date	Details	Person Assigned	Status Comments	Status
1	3-Sept-25	Risk Management Policy, noting the follow up action around wider considerations of the Risk Management Framework by the Risk/Assurance Committee	Leanne	In progress. To Risk/Assurance Committee in August 2026.	In progress

8 Chair's Report

8.1 Chair's Report – August 2026

Author: **Philip Jones, Chair**

Introduction

In my last report I provided commentary on the Government's Head Start Initiative. While some of those risks have been crystallised, there are significant risks that still remain because of the degree of uncertainty of the decisions that will be made by Government prior to the election - again without any legislative framework. These risks apply whether a local authority has submitted a proposal or not. As noted previously, the backstop provisions have still not been adequately addressed by Government which exacerbates the uncertainty.

Top local authority and New Zealand wide risk

Set out in the risks below are the top local authority risk for the quarter and I have compared those with the previous quarter. Over that period there has been significant change in both the number and the order of the risks. It is important to note that the four highest risks have been generated by way of Government policy and announcements, together with additional responsibility being imposed through legislative frameworks. These are then compounded by the Government's proposal for rates capping.

What adds to the degree of risk or uncertainty is the backlog of legislative initiatives that while having been promised, are yet to be delivered. These include the stalled Local Government Systems Improvement Bill, as well as a deferral of the Development Levy framework. In addition, there seems to be significant changes to legislation by way of decisions of the "Committee House" rather than going through a Select Committee process. This restricts the ability for a wider public debate.

Because of uncertainty regarding the future of local government and this exacerbating skills shortages (risk 8 below) with employees leaving the sector, and because of the uncertainty there is an increased risk of inability to fulfil certain positions. While this might not be affecting the Rangitīkei District Council explicitly, the wider impacts will have a flow on to the Council.

As previously reported, I have again reported the Top risks for both the public and private sectors, and like the changes in risks for local government these have seen significant changing in the order and priority. This emphasises the degree of uncertainty and the ever-changing risk management environment.

Attachments:

1. **Emerging Risks and Top 10 Overall Risks** ⇩

Recommendation

That the report Chair's Report – August 26 be received.

Extract and comments on Aon's NZ Local Government Emerging Risk Horizon Scan

Risk	Risk description	Key emerging issues	As reported in May
1. Local Government Reform & Head Start Reorganisation	The Government's Simplifying Local Government programme – especially the time bound Head Start pathway – could substantially change council boundaries, structures, mandates and funding, with major implications for regional planning, water, climate adaptation and financial strategies.	Structural fragmentation risk – if some councils move under Head Start and neighbours don't, regional alignment for water entities, transport, CDEM and adaptation planning may be undermined. Transition and implementation risk – governance, asset/liability transfer, staff changes, ICT consolidation and community representation during any reorganisation. Investment uncertainty – hesitation or deferral of major infrastructure, climate or digital programmes pending reform decisions, increasing underlying resilience and service risk.	1. Geopolitical Tension, Iran Situation & Fuel/Energy Cost Pressure
2. Climate Adaptation & Natural Hazard Exposure (National Adaptation Framework)	Escalating climate related hazards and the Government's National Adaptation Framework and related legislative changes are tightening expectations on councils to plan and deliver local adaptation, with significant legal, financial and social implications. The updated National Adaptation Framework (2026) confirms a long term national approach and signals amendments to the Climate Change Response Act 2002 (CCRA) to require local adaptation plans in	Obligations hardening – once CCRA amendments are in force, councils may face clearer statutory duties to prepare and implement adaptation plans, raising non compliance and judicial review risk if they lag. Risk based insurance and finance – insurers and lenders increasingly reflect climate risk in pricing and cover limits, shifting costs and accelerating de facto retreat in some areas (inferred from climate risk and insurance commentary cited in the Framework).	2. Accelerating Climate Adaptation & Natural Hazard Exposure

Risk	Risk description	Key emerging issues	As reported in May
	priority risk areas, clarifying local government roles and responsibilities. MfE guidance stresses that councils must use nationally consistent climate scenarios and hazard information in plans and infrastructure decisions. Commentary and data show NZ's disaster costs from weather related events have already quadrupled in the last decade, underlining an adaptation funding gap.		
3. Building Act Changes – Seismic & Existing Building Risk	Signalled changes to the Building Act 2004 – especially through the Building (Earthquake prone Buildings) Amendment Bill – will alter how councils identify, manage and enforce risk for earthquake prone buildings and certain existing building work, changing compliance workloads, legal exposure and risk profiles	The Amendment Bill narrows the pathways territorial authorities can use to identify new earthquake prone buildings after the initial identification period, focusing on higher risk post 1976 heavy construction buildings in certain seismic zones, with MBIE CE authorisation. It adjusts requirements for change of use of earthquake prone buildings and alters aspects of the EPB register, infringement regime and seismic zones mapping (new Schedule 2A). Policy and process change – need to update internal guidance on EPB identification, inspections, notices, changes of use and enforcement, and retrain staff.	3. Water Services Viability & Reform (Local Water Done Well Context)

Risk	Risk description	Key emerging issues	As reported in May
		Risk communication – explaining to building owners and communities how responsibilities and expectations shift (some buildings newly in scope; others less so). Interaction with adaptation and insurance – seismic and climate risks increasingly intersect in risk financing decisions (e.g., coastal buildings that are both flood and quake exposed).	
4. Water Services Viability & Transition (Local Water Done Well)	Councils must deliver safe, reliable and financially sustainable three waters services under Local Water Done Well settings and related legislation, while many are now moving from planning (WSDPs) into implementation and, in some regions, into new water entities.	Transition risk – asset and data migration, SCADA/OT integration, staff transfers, customer billing changes and governance hand over all create significant operational risk during 2026–27. Financial pressure – WSDPs and new entities must still meet statutory financial sustainability principles; cost reflective pricing could be politically difficult where communities already face cost of living and rates pressures. ***Overlap with Head Start – boundary changes under amalgamation could force redesign of water arrangements or require complex transition staging***.	4. Cybersecurity, Data Breach & Digital/AI Resilience
5. Financial Sustainability,	Cumulative operating and capital cost pressures (fuel, materials, labour), mandated climate and water investments,	Local Water Done Well costings and climate impact data reinforce that infrastructure	5. Misinformation, Polarisation & Trust in Local Institutions

Risk	Risk description	Key emerging issues	As reported in May
Insurance & Major Programme Integrity	and possible future changes to local government funding models pose risks to financial sustainability and increase integrity/assurance risk in major programmes.	and adaptation needs are larger than previously budgeted in many councils. Global energy and shipping volatility linked to geopolitical tensions continues to flow into roading, waste, construction and fleet costs, which are now treated as structural rather than temporary spikes (observed in macro economic commentary and sector budgets). Recent scrutiny of failed or over budget central government IT/modernisation projects has highlighted risks of weak governance, assurance and benefits management, which auditors and the public will expect councils to avoid.	
6. Cybersecurity, Data & Digital Resilience	Councils, CCOs and WSOs remain exposed to cyber threats (including state linked espionage and cybercrime) targeting both IT and OT. Ongoing reform and digital transformation, including AI, increase complexity and attack surfaces.	NZ security and digital government authorities continue to warn of escalating cyber risks and the need for uplift across the public sector as part of the “digitising government” programme. Public discussion in NZ increasingly highlights AI enabled cyber threats and the risk that government and business data are a “buffet” for AI enabled attackers. (See risk below)	6. Workforce, Capability & Delivery Capacity

Risk	Risk description	Key emerging issues	As reported in May
7. Generative / Frontier AI in Local Government	Fast growing use of generative AI (GenAI) tools across drafting, analytics, customer interfaces and automation – encouraged by central government but not yet consistently governed in local government – creates risks around privacy, sovereignty, bias, quality and trust	The Government Chief Digital Officer's Responsible AI Guidance for the Public Service: GenAI (most recently updated 2026) sets expectations for safe and transparent AI use in public service agencies, including governance, risk assessment, human oversight and vendor management. The Ministry for Regulation has issued guidance to help regulators use AI with confidence, emphasising that humans remain accountable and AI must support, not replace, judgement. Public debate in NZ highlights concerns about government AI use, data leaving the country, and the potential for AI to replace public servants without adequate safeguards.	7. Financial Sustainability, Insurance & Integrity Risk

Risk	Risk description	Key emerging issues	As reported in May
8. Workforce, Capability & Delivery Capacity	Ongoing difficulty attracting, retaining and developing key skills (engineering, water, climate, digital/cyber, AI, Te Ao Māori, project delivery, finance/governance) undermines councils' ability to respond to reform, climate and digital agendas.	Climate, water, Head Start reorganisation and AI/digital initiatives all draw on overlapping capability pools, especially senior policy, governance and technical roles.	8. Governance Complexity, Reform Uncertainty & Role Creep
9. Misinformation, Polarisation & Trust in Local Institutions	Misinformation and polarised narratives around Head Start, water, rates, climate adaptation and AI continue to challenge consultation processes, staff/elected member safety and the legitimacy of difficult decisions	Online debate about Head Start vs alternative models (e.g., Combined Territories Boards) shows strong and divergent public views about local democracy, centralisation and representation. Discussions about AI in the public sector and replacing public servants with AI also fuel distrust about government motives and competence.	

Top 10 overall risks facing New Zealand including both public and private sectors

This quarter	Last quarter
1. Cybersecurity and Data Breaches - Growing sophistication in cyber attacks targeting critical digital infrastructure, proprietary corporate data, and government systems.	**1 Cyber Attack or Data Breach**: Ranked as the #1 overall threat globally, driven by increased digital reliance and emerging AI-driven threats
2. Critical Infrastructure Strain - Underinvestment and aging networks across water, energy, and transport systems**.**	**2. Business Interruption**: Ranks second, heavily tied to supply chain vulnerabilities and systemic shocks
3. Climate Change and Natural Disasters - Exposure to severe storms, flooding, rising sea levels, and seismic activity like earthquakes.	**3. Economic Slowdown or Slow Recovery**: Remains a constant board-level concern as organizations navigate fluctuating growth patterns
4. Economic Instability and High Debt - Elevated household debt, tight corporate cash reserves, and slow macroeconomic recovery.	**4. Regulatory or Legislative Changes:** Navigating new compliance requirements, especially regarding data and global trade policies
5. **Geopolitical Tensions and Trade Concentration -** Heavy reliance on a small group of export markets (such as China) and specific primary commodities (dairy and meat), alongside global trade fragmentation.	**5. Increasing Competition**: Driven by rapid technological advancements and shifting market dynamics.
6. Supply Chain Disruption - Fragility in international shipping lanes, logistics networks, and imported raw materials.	**6. Commodity Price Risk or Scarcity of Materials**: Squeezing operational margins as material sourcing grows increasingly complex
7. Skills Shortages and Low Productivity - Chronic shortages of skilled labour and weak productivity growth relative to other OECD nations.	**7. Supply Chain or Distribution Failure**: A critical operational risk that organizations are continually restructuring for resilience
8. **Regulatory and Compliance Burdens -** Rapidly changing legislative requirements, tax adjustments, and environmental compliance obligations.	**8. Damage to Reputation or Brand**: A highly volatile risk that can have immediate impacts on market value.

9 Reports for Decision

9.1 Risk/Assurance Committee Programme of Work

Author: **Leanne Macdonald, Group Manager - Corporate Services**

Authoriser: **Leanne Macdonald, Group Manager - Corporate Services**

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 as a stand-alone report
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 as a stand-alone report
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	
	Internal audit programme 3 yearly (May 2026)
Annual Internal Audit workplan updates along with any	Each meeting as a stand-alone report

outstanding internal audit recommendations.	
Statutory Policies etc	
Revenue and Finance Policy	Required by S102 LGA; typically, as part of the LTP Review every 3 years or earlier if needed. Next Review: February 2027 (LTP)
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. Next Review: February 2027 (LTP)
Rates Remission for Māori Freehold Land Policy	Required by S102 & S108 LGA to be reviewed every 6 years. Next Review: February 2027 (LTP)
Significance and Engagement Policy	Required by S76 LGA; 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 Next Review: November 2026.
Privacy Policy	Required by Privacy Act - Review every 2 years Next review: May 2027
Delegations Register	**This was approved by Council on 27 June 2024.** **Next review: February 2029**
Policy on Development Contributions	Required by S102 LGA; S106 LGA requires Policy to be reviewed every 3 years. Current version reviewed - May 2024 Next Review: February 2027
Other Policies etc	**Not specifically required by statute but considered ‘critical’**
Gifts and Hospitality Policy	Review every 2 years: Next Review: May 2027
Sensitive Expenditure Policy	Review every 2 years: Next Review: August 2027
Fraud, Bribery and Corruption Policy	Review every 2 years Next Review: May 2027
Procurement and Contract Management Policy	**To be Approved at September 2026 Council meeting.** **Next Review: August 2029**
Staff Standards of Integrity and Conduct	Review every 2 years. Next Review: May 2028
Health, Safety and Wellbeing Policy	Review every 2 years Next Review: May 2028
Credit Card Policy	Review every 3 years Next Review: February 2028
Risk	
Risk Management Strategy and Risk Appetite and Tolerance Policy	Review every 3 years **Next Review August 2029**
Strategic Risk Register	Full Review Completed for August 2026 Reviews will continue on a rolling basis with next full review to be presented to A/R will be August 2029

4. Policy Updates:

4.1 **Delegations Policy** (*attached under separate cover*) was scheduled for a review. This has had minor amendments reflecting changes to officers' titles. It has been checked that delegations align to the Treasury Policy where applicable. This is in draft format, therefore it notes the next review should state February 2029, to reflect the Local Government elections and time to establish the relevant committee members in the Risk/Assurance Committee.

4.2 **Procurement and Contract Management Policy** (*attached under separate cover*). This policy has had input from Group Manager Corporate Services, Manager Community and Economy as Economic Advisor along with a procurement specialist from MBIE and the use of AI.

4.2.1 There were quite a number of suggested amendments, replacements and additions to this policy. As a result an additional 'Procurement/Contract Management Changes Schedule' has been *attached* to reflect these suggested changes to the Policy.

4.3 **Risk Management Strategy, Risk Appetite Tolerance and the Strategic Risk Register** (*attached under separate cover*) have all been worked on as a suite of changes. The Risk Register has had a significant review over the last few months by the Executive Leadership Team (ELT) and as a result there are a number of tracked changes.

4.3.1 The Committee will note an addition of an Appendix One at the end of the register. This was created as a result of the fuel crisis and will remain while the political unrest continues.

4.3.2 As a result of this complete review the Risk Management Strategy and Risk and Tolerance Policy have been completely rewritten. The GM Corporate Services would like to acknowledge Alex Davenport, RDC's Business Improvements and AI Specialist for her work on these two policies, to ensure we met the Committee's timeframe.

5. Fraud Reporting

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

6. Protected Disclosures and Breach of Privacy

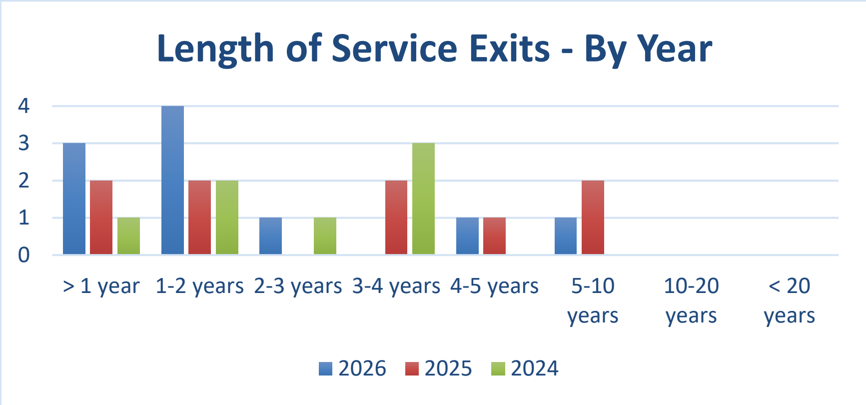
6.1 There have been no known or reported instances of any protected disclosure requirements or reporting of breach of privacy for the 2025/2026 financial year.

7. Staff Turnover - Annual Exit Interview Summary, July 2025 – June 2026:

7.1 All permanent and fixed term employees leaving RDC are invited to participate in an exit interview. Exit interviews provide insights on the persons experience during their time at RDC along with trends on primary reasons for leaving. Reporting is undertaken annually (July to June). A summary of exit data for July 2025 - June 2026 is provided below.

There were 10 exits during this period, compared to 18 exits for the same period in 2025, and 16 in 2024. Two exit interviews were completed.

7.2 Length of service: The highest number of exits (4) occurred between one to two years' service, and (3) with less than 1 years' service. There was 1 exit each for two to three, four to five and five to ten years of service.



7.3 While it is difficult to assess trends due to low numbers, the most reported highlights were the variety of the work involved at RDC and the relationships with their team.

7.4 The most common reasons for leaving were (1) relocation to another area and (1) career development opportunity. Feedback gained from exit interviews is incorporated into continuous improvement initiatives.

Reason for leaving	Number of Exits
Career development opportunity	6
Retirement	1
Relocation to other area	1
Other	2

7.6 Additional information was requested from RDC's elected members around areas of activities and types of roles.

Group	Number of Exits
Strategy, Community & Democracy	5
Assets, Infrastructure & Projects	3
Corporate Services	2
Regulatory & Emergency Management	0

Occupation	Number of Exits
Cleaner	3
Manager People and Culture	1
Manager Community Hubs & Mana Whenua	1
Corporate Planner	1
Strategic Advisor Mana Whenua	1
Community Engagement Officer	1
Customer Experience Support Officer	1
Business Analyst	1

8. Current Areas of Concern

8.1 The level of reforms, changes to legislation and the number of submissions continue to impact on Councils and officers. The work carried out in advance of the Head Start proposal deadline for submission in August 2026 was significant. These reforms are also creating uncertainty among some staff, which is challenging given the limited information known at this point in time.

8.2 In addition, the information requests coming through from Central District Waters (CDW) is keeping officers busy. Not only is there the sharing of information, but there has been a significant amount of work required to collate information as part of the transferral agreements for assets, contracts, existing arrangements (easements and consents), GIS data and so forth. A number of staff are also involved in sitting in on assessment tender outcomes for key suppliers, agencies and systems needed as part of the establishment of CDW.

8.3 The 2027-37 Long Term Planning is well on the way, with workshops for elected members happening, as we all strive to understand what the next ten years, under proposed reforms, will look like and also how Councils will manage to fund existing levels of service under the rate capping proposed for 2029 onwards.

8.4 The growing number of LGOIMA's currently being received is impacting right across the organisation. The number of LGOIMA's received in 2025/26 increased by 24%. In the first six weeks of 2026/27 Council has received 24 requests, which is 23% of 2025/26 full year (102). Many of these LGOIMA's are complex and time consuming.

9. Financial Implications

9.1 There are no financial implications.

10. Impact on Strategic Risks

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

11. Strategic Alignment

11.1 The projects and policies align with Council's Strategies.

12. Mana Whenua Implications

12.1 Not applicable as this has been considered as part of the Long Term Planning process.

13. Climate Change Impacts and Consideration

13.1 Not applicable as this has been considered as part of the Long Term Planning process.

14. Statutory Implications

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

15. Conclusion

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

16. Decision Making Process

16.1 The report is for information only, therefore, no decisions are required.

Attachments:

1. **Draft Delegations Policy - August 2026 (under separate cover)**
2. **RDC Procurement and Contract Management Policy 2026-29 (under separate cover)**
3. **Procurement/Contract Management Changes Schedule (under separate cover)**
4. **Draft Risk Management Strategy August 2026 (under separate cover)**
5. **Draft Risk Appetite and Tolerance Policy August 2026 (under separate cover)**
6. **Draft Strategic Risk Register - August 2026 (under separate cover)**

Recommendation 1

That the report Risk/Assurance Committee Programme of Work be received.

Recommendation 2

That the Procurement and Contract Management Policy be received with/without amendment.

Recommendation 3

That the Risk Management Strategy, Risk Appetite and Tolerance Policy and the Strategic Risk Register be received with/without amendment.

10 Reports for Information

10.1 Health, Safety and Wellbeing Update

Author: **Leanne Macdonald, Group Manager - Corporate Services**

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 01 July 2025 to 30 June 2026.

1.2 This report provides standard items including the Health, Safety and Wellbeing Dashboard, along with a summary of health and safety incidents for the 12-month period.

1.3 This report also provides highlights from the health, safety and wellbeing work programme and an update on contractor and volunteer health, safety and wellbeing matters.

1.4 Moving forward these reports will align to the quarters in the financial year ending 30 September, 31 December, 31 March and 30 June.

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 of 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 PBCU 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, Rangitīkei District Council (RDC) is required to take a joint PCBU approach to ensuring health, safety and wellbeing obligations are met.

Discussion

2.3 Health, Safety and Wellbeing Monthly Reporting and Dashboards

2.3.1 Council's Health, Safety and Wellbeing Dashboard (Dashboard) typically provide monthly incident data and year-to-date trends. The attached dashboard provides the information for the full year (01 July 2025 to 30 June 2026).

2.3.2 A summary of health, safety and wellbeing reporting for the 12-month period has been provided in the table below, with the corresponding dashboard, referred to in 2.3.1 attached to the report.

Month	Events	Hazards	Near Misses
July 2025	Antisocial Behaviour (2) Ergonomic / Manual Handling Motor Vehicle	Motor Vehicle	Nil
August 2025	Antisocial Behaviour (2) Physical Harm other Plant / Machinery Substance Exposure	Nil	Slip / Trip / Fall
September 2025	Antisocial Behaviour (5) Ergonomic / Manual Handling	Nil	Nil
Quarterly Total	**15**	**1**	**1**
October 2025	Physical Harm other (3) Slip / Trip / Fall Medical Event Motor Vehicle Antisocial Behaviour	Physical Harm other Motor Vehicle Plant / Machinery Slip / Trip / Fall Antisocial Behaviour Other	Physical Harm other Antisocial Behaviour
November 2025	Motor Vehicle (2) Antisocial Behaviour Plant / Machinery	Substance Exposure (2) Physical Harm other Slip / Trip / Fall	Nil
December 2025	Motor Vehicle Tool / Small Appliance Ergonomic / Manual Handling Other	Other	Nil
Quarterly Total	**15**	**11**	**2**
January 2026	Antisocial Behaviour (3) Animal Attack Ergonomic / Manual Handling Slip / Trip / Fall	Nil	Slip / Trip / Fall
February 2026	Antisocial Behaviour (2) Motor Vehicle (2) Animal Attack Slip / Trip / Fall Physical Harm other	Motor Vehicle (4) Plant / Machinery Slip / Trip / Fall Security	Physical Harm other (3) Slip / Trip / Fall

March 2026	Antisocial Behaviour (3) Physical Harm other (2) Motor Vehicle	Motor Vehicle (2) Physical Harm other	Motor Vehicle
Quarterly Total	**19**	**10**	**6**
April 2026	Motor Vehicle	Physical Harm other (2) Slip / Trip / Fall (2) Motor Vehicle	Motor Vehicle (2)
May 2026	Physical Harm other (3) Antisocial Behaviour (2) Motor Vehicle (2) Plant / Machinery Ergonomic / Manual Handling	Motor Vehicle Slip / Trip / Fall	Physical Harm other
June 2026	Physical Harm other (4) Antisocial Behaviour (2) Substance Exposure Motor Vehicle Socia media / Digital Communications Other	Slip / Trip / Fall	Physical Harm other
Quarterly Total	**20**	**8**	**4**
End of year total	**69**	**30**	**13**

2.3.3 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.

2.3.4 There was also one notifiable accident related to a contractor of RDC (January 2026).

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

2.4 Health, Safety and Wellbeing Work Programme

2.4.1 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.

2.4.2 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.

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

2.5.1 Review of manual handling, ergonomics, work organisation / threats, agressive, violence and unacceptable behviour towards staff / bullying, harrassment and unacceptable behaviour in the workplace / hazardous substance, communicable diseases and electrical risks as per the annual review cycle for the Health, Safety and Wellbeing Risk Register.

2.5.2 Electronic forms were created for these Risk Register reviews on teams, allowing for easier report and improved record keeping.

2.5.3 RDC Asbestos Management SOP created.

2.5.4 Workplace Health and Safety Audit conducted on the MDC Pound Facility.

2.5.5 Internal Audit (self-assessment) Contractor Management Agreements reviewing Health, Safety and Wellbeing information included in RDC contracts.

2.5.6 Animal Control team have recieve 6 Garmin Venu X1 watches, these watches will improve staff safety and improve communications within the team.

2.5.7 Staff have recieved training in Manual Handling, Fire Warden training and Fire Extinguisher training.

2.5.8 To increase the amount of vehicle prestart inspections the TWIRLED initiative was created. This allows staff to record a pre-start inspection via an electronic form on Teams. These forms have been customised for each RDC team as well to improve vehicle reporting accross the organisation.

2.5.9 RDC reached a 5-star average rating on the E-Road platform for the first time.

2.6 Health, safety and wellbeing activities currently underway:

2.6.1 Review of remote and lone worker devices and service provider.

2.6.2 Firearm Policy, Firearms Management Plan (SOPs) and Firearms Occupation Risk Assessments being developed.

2.6.3 Mole Maps and first aid training currently being booked for staff.

2.6.4 Level 1 and Level 2 driver training events have been booked for staff through National Advance Drivers School.

2.6.5 Contractor Management – Site Inspection form has been created on teams to allow staff to record contractor site inspections electronically.

2.6.6 Emergency Messaging (E-text) is being developed to notify staff of any emergency situations.

2.6.7 Vehicle 4x4 training and trailer training is being organised for RDC employees who utilise 4x4 vehicles and trailers.

2.7 Contractor Health, Safety and Wellbeing

2.7.1 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.

2.7.2 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.

2.8 Volunteer Health, Safety and Wellbeing

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

2.8.2 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. Financial Implications

3.1 There are no financial implications associated with this report.

4. Impact on Strategic Risks

4.1 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.

5. Strategic Alignment

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

6. Mana Whenua Implications

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

7. Climate Change Impacts and Consideration

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

8. Statutory Implications

8.1 Council's Health, Safety and Wellbeing policies, procedures and frameworks are written and enacted in accordance with the Health and Safety at Work Act 2015.

9. Conclusion

9.1 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.

10. Decision Making Process

10.1 There is no decision, as this report is for information only.

Attachments:

1. **Health & Safety Dashboard Full Year 2025-2026** ⇩

Recommendation 1

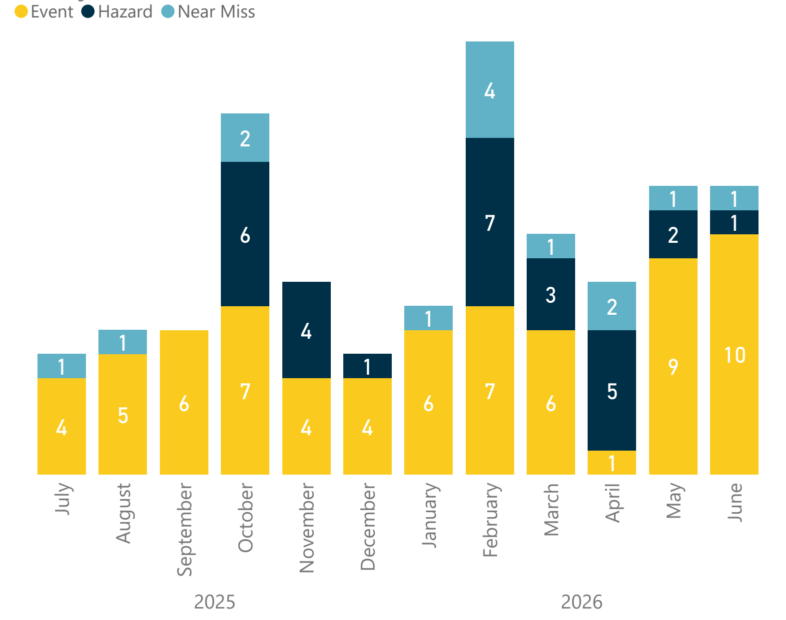
That the Health, Safety and Wellbeing Update be received.

ITEM 10.1 ATTACHMENT 1

RDC Health and Safety Dashboard: Financial Year 2025-2026

Events, Hazards and Near Misses

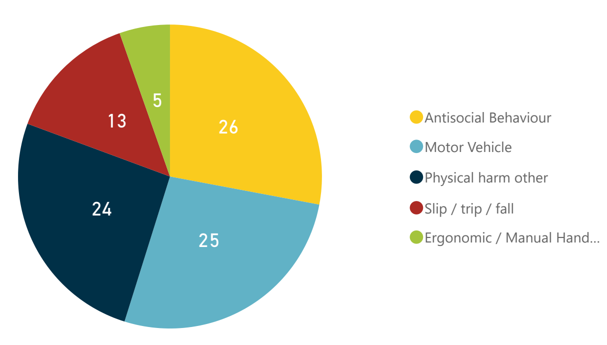
01 July 2025 to 30 June 2026



Category

Events, Hazards and Near Misses

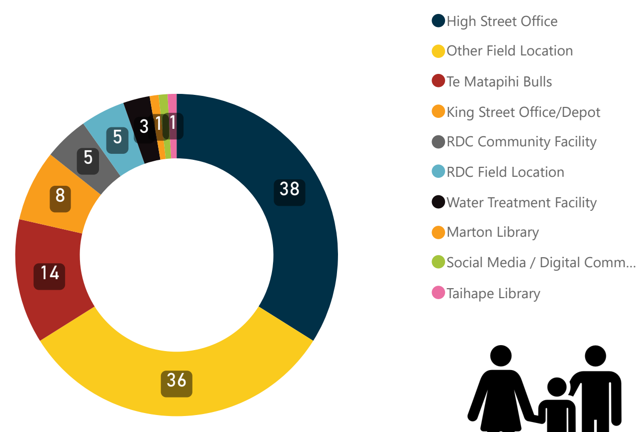
01 July 2025 to 30 June 2026 (Top 5 Categories)



Total Events, Hazards and Near Misses: **112**

Location

Events, Hazards and Near Misses



WorkSafe Notifications

Notifiable Incidents

Month	YTD
0	1

Notifiable Injuries / Illnesses

Month	YTD
0	0

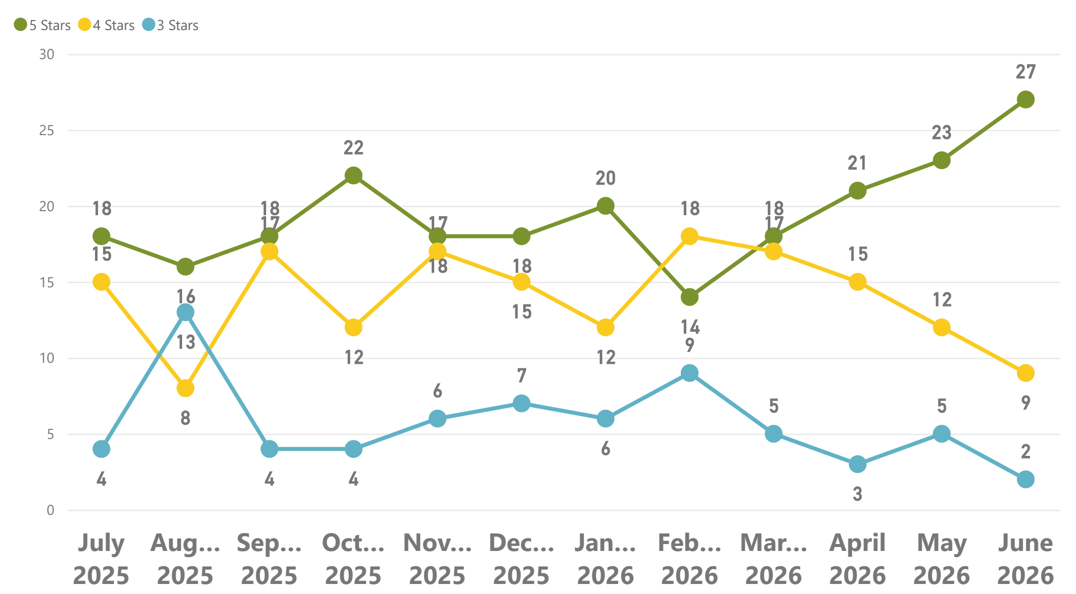
Contractor Notifications

Month	YTD
0	1

Average Driver Ratings

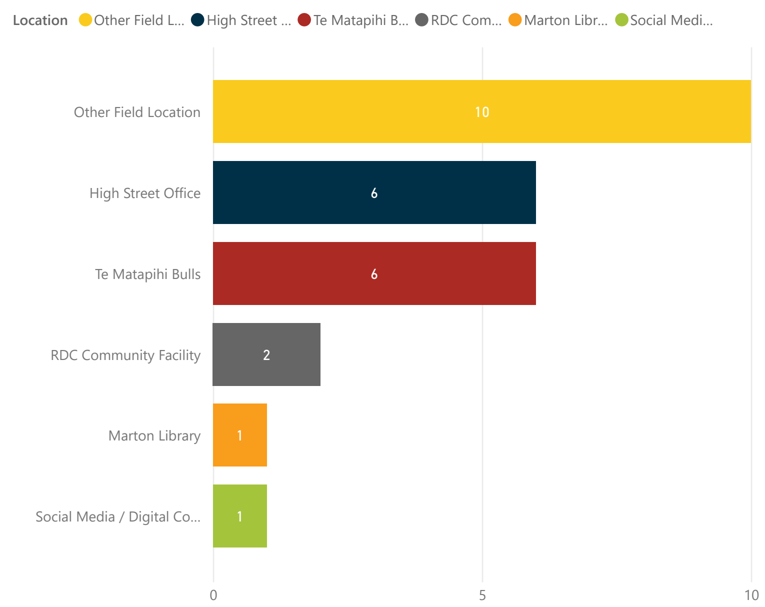
Ratings from E-Road Dashboard (Overspeed / Harsh Braking & Harsh Acceleration Events)

72% Completed Driver Safety Training



Antisocial Behaviour - per location

Financial Year



10.2 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/Assurance 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 June 2026

3.1 Strategic Register Review of material risks, BCP and Risk Management Framework covered in separate corporate risk presentation.

3.2 Health, Safety & Wellbeing (Safeplus) - the internal audit included a structured assessment of progress against the recommendations from the previous review. Audit of contractor health and safety information is ongoing, with project managers encouraged to ensure information is kept up to date. Review of all published health and safety documents and frameworks has been completed.

3.3 Fleet Management – Fleet composition is under ongoing review due to future transfer of assets to Central Districts Water (CDW). Vehicle replacement program post CDW transition is being considered as part of 2027-37 LTP preparation.

3.4 Community Engagement – Completion of this review is expected by the end of this 2026 calendar year.

3.5 Cyber Security and IT Recovery Plans are 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 and progress a business continuity model by moving completely to cloud and an external data centre (with high availability) leaving no on-premises system.

3.6 Statement of Service Provision (SSP) – Regular updates are provided to the Finance/Performance Committee, with the full year SSP's presented at August 2026 meeting.

3.7 Consenting Applications – Internal program is on track with monthly reviews continuing. This is scheduled for completion by November with next external audit due in February 2027.

3.8 Procurement and Contract Management review completed in August 2026.

3.9 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 fully settle into their roles.

3.10 Accounts Payable – External reviewer to be engaged shortly 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.

3.11 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

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

5. Impact on Strategic Risks

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

6. Strategic Alignment

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

7. Mana Whenua Implications

7.1 There are no assessed mana whenua Implications.

8. Climate Change Impacts and Consideration

8.1 There are no assessed Climate Change Impacts and Consideration implications.

9. Statutory Implications

9.1 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 Internal Audit Programme report be received.

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

10.3 The Audit Office Outstanding 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 Office 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.

3.5 Items 3.3 and 3.4 are unchanged from last report.

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

5.1 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. **The Audit Office Outstanding Management Actions - Update August 2026** ⇩

Recommendation

That the The Audit Office Outstanding Management Actions report be received.

ITEM 10.3 ATTACHMENT 1

The Audit Office Management Letters - Rangitīkei District Council - update August 2026
Annual Report

Issue raised in:	Recommendation	Managed	Audit NZ Priority	Management Comments - December 2025 (updated August 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. ***Audit 2021 Update:*** *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.* ***Audit 2025 Update:*** *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 and continue to remain in progress.	Nov-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 to 2025. To be addressed for 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	Previous practice of project teams using purchase orders to monitor capital commitments has ceased with contracts themselves now the source of truth for disclosing of commitments in annual report . Officers are working on reconcilation/review process to reconcile purchase orders to contract information as recommended.	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	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. In course of completion as part of current financial year end accounts.	Oct-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. In course of completion as part of current financial year end accounts.	Oct-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 2026\August 2026 Outstanding Audit Management Letter Points

The Audit Office Management Letters - Rangitīkei District Council - update August 2026

Annual Report

Issue raised in:	Recommendation	Managed	Audit NZ Priority	Management Comments - December 2025 (updated August 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 capitalised.	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

F:\Auditors 2026\August 2026 Outstanding Audit Management Letter Points

ITEM 10.4

10.4 Outstanding Internal Audit Recommendations

Author: **Lorraine Bergen, Manager Finance**

Authoriser: **Leanne Macdonald, Group Manager - Corporate Services**

1. Reason for Report

1.1 To provide Risk/Assurance Committee with a summary of Internal Audit recommendations received after the completion of planned audit reviews and provide an update on the actions taken.

2. Context

2.1 Internal Audits of council functions and processes are conducted periodically and in line with the Internal Audit workplan to ensure systems are secure, effective, compliant, well-controlled and appropriately managing the organisation's risks.

2.2 This report includes Internal Audit recommendations received for the 12-month period ended 30 June 2026.

2.3 Internal Audits completed in this period covered Cash Handling, GST, FBT and Payroll reviews.

3. Discussion and Options Considered

3.1 The intent of including the attached register for 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 as being 'Actioned and closed' or 'Closed', the item will be removed from this register.

3.3 Of the 23 recommendations received four were considered high priority, eight moderate and 11 of low priority.

3.4 Nine of the recommendations are noted as Actioned and closed or Closed; three are ongoing; and 11 require further follow-up.

3.5 Four recommendations were considered high priority, eight moderate and 11 of low priority. Of the High-priority recommendations, three have been actioned and closed and one remains to follow-up.

4. Financial Implications

4.1 There are no material financial implications arising directly from this report.

5. Impact on Strategic Risks

5.1 The internal audit programme supports the identification and management of strategic and operational risks and provides assurance that appropriate controls and improvement actions are in place.

6. Strategic Alignment

6.1 The internal audit programme supports good governance, accountability, continuous improvement and the effective management of Council resources.

7. Mana Whenua Implications

7.1 There are no specific mana whenua implications arising directly from this report.

8. Climate Change Impacts and Consideration

8.1 There are no specific climate change impacts or considerations arising directly from this report.

9. Statutory Implications

9.1 There are no specific statutory implications arising directly from this report, with internal audit supporting Council's broader governance, risk management and compliance framework.

10. Decision Making Process

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

Attachments:

1. **Internal Audit Items for Action - June 2026** ⇩

Recommendation

That the Outstanding Internal Audit Recommendations report be received.

Internal Audits - Rangitīkei District Council - *update August 2026*

Date Finalised	Completed by	Ref	Recommendation	Managed	Audit Priority	Initial Management Comments	Expected due date	Officer's assessment
Oct-25	Pwc	FBT	**Pool vehicle taken home** - Subject to FBT when used for home to work travel and considered as available for private use.	GM Corporate Services	High	Noted. Council's fleet reviewed for any private use to identify vehicles that fit into this category to ensure FBT is being correctly accounted for.	Dec-25	Actioned and closed
Sept-25	Grant Thornton	Cash Handling	Confirm and monitor progress of the installation of security cameras in the Taihape site.	Property Manager	High	Discussions held at management level	Sept-26	For follow-up
Oct-25	Pwc	GST	**Rates in advance** - Council amend its rates in advance adjustment methodology so that each month calculates the movement as the difference between the current and prior month's balance. Perform testing to determine whether GST has been overpaid in prior periods.	Manager FS/Financial Acct	High	Calculation amended and second point noted for action	Jun-26	Actioned and closed
Oct-25	Pwc	FBT	**On call vehicles** - Where the work-related vehicle exemption does not apply such as when the vehicle is taken everywhere with the employee while on call - the on-call exemption may be available only if a call-out occurs. If no call-out takes place during the on-call period, the vehicle should be subject to FBT.	GM Corporate Services	High	Noted – included in the review of employee vehicle use	Jan-26	Actioned and closed
Oct-25	Pwc	GST	**Land & Property** - Implement a formalised procedure which ensures Finance is consulted early in the property transaction process to allow adequate consideration of the GST consequences.	GM Corporate Services	Moderate	Noted. To be reinforced at Group Manager level.	Mar-26	Closed
Sept-25	Grant Thornton	Cash Handling	PIN codes for safes and access doors for all cash handling sites to be changed/reset regularly and when someone leaves.	Manager Mana Whenua & Community Hubs	Moderate	Agree - to be actioned	Ongoing	For follow-up
Sept-25	Grant Thornton	Cash Handling	Consider evaluating the surveillance camera placement and coverage at Marton and Bulls.	Manager Events & Venues (Bulls) Team Leader Customer Experience	Moderate	Discussions held at management level	Sept-26	For follow-up
Sept-25	Grant Thornton	Cash Handling	Review storage of keys to safes, locked cupboards and strong rooms.	Manager Mana Whenua & Community Hubs	Moderate	Agree - to be actioned	Sept-26	For follow-up
Sept-25	Grant Thornton	Cash Handling	Consider additional roaming panic alarms for staff at Bulls, Taihape and Marton to ensure that any member of staff are able to trigger the alarm.	Manager P&C	Moderate		Sept-26	For follow-up
Sept-25	Grant Thornton	Cash Handling	Review the processes and results of testing of panic alarms.	Manager P&C	Moderate		Sept-26	For follow-up
Oct-25	Pwc	GST	**Building & Resource Consents** - For customers that make a deposit, ensure that GST is accounted for on the full value of the supply - consider amending the deposit invoice to reference an	GM Regulatory	Moderate	Noted for discussion and consideration as part of overall review of invoice wording.	Sept-26	For follow-up
Oct-25	Pwc	FBT	**Work-related vehicles** - Conduct a comprehensive review of vehicles and arrangements. Where the conditions for the work related vehicle exemption are not fully satisfied under the current rules, FBT should be returned.	GM Corporate Services	Moderate	Noted and carried out.	Jan-26	Actioned and closed

Sept-25	Grant Thornton	Cash Handling	Consider policy/procedure for storing and use of camera footage, and ensure this is communicated to confirm IT and staff awareness.	Manager P&C / Manager IS	Low	Both Managers are across policies	Oct-25	Closed
Sept-25	Grant Thornton	Cash Handling	Consider including RDC specific training related to de escalation and conflict management for staff, with regular	Manager P&C / H&S Advisor	Low	Ongoing Situational Saftey training sessions to be made available for all staff.	Oct-25	Closed
Oct-25	Pwc	GST	**Deposits for hireage** - Where Council retains some or all of the bond to cover repair costs, this portion of the retained bond	Manager FS/Revenue Officer	Low	Noted	Mar-26	Closed
Nov-25	Pwc	Payroll	**My Choice wellbeing -** Consider bringing this benefit into the FBT net to simplify the process.	Manager P&C/Manager FS	Low	Decision made to retain existing arrangement with this benefit remaining within P&C PAYE system.	Apr-26	Closed
Sept-25	Grant Thornton	Cash Handling	Carry out regular surprise cash/float counts – all sites.	Manager FS/TL Customer Experience	Low	Noted for action September 2026 and 6 monthly thereafter	Jan-26	Ongoing
Oct-25	Pwc	GST	**Procedural documentation** - Enhance the existing procedural documentation to include additional guidance.	Manager FS/Financial Acct	Low	Documented procedures will be updated and transferred to Nimtex(Promapp) for easy access and regular scheduled reviews.	Jun-26	Ongoing
Nov-25	Pwc	Payroll	**Mileage -** Monitor mileage for employees on an individual basis during the year. In the unlikely event that the 3,500km threshold is breached for an	Manager P&C/Manager FS	Low	P&C - We can monitor this. However it will be a manual process as our system does not provide for flags/warnings or auto rate changes for	Mar-26	Ongoing
Sept-25	Grant Thornton	Cash Handling	Consider standardising the cash handling processes across the four sites.	Manager FS/Manager Mana Whenua & Community Hubs	Low		Jan-26	For follow-up
Sept-25	Grant Thornton	Cash Handling	Consider introducing daily checklists for day-start and day-end procedures.	Manager FS/TL Customer Experience	Low		Jan-26	For follow-up
Oct-25	Pwc	FBT	**Return Process** - enhance the procedural documentation for the FBT return process.	Financial Accountant	Low	Noted for action	Sept-26	For follow-up
Nov-25	Pwc	Payroll	**WHT process -** Provide refresher training for staff in Accounts Payable and Procurement on WHT obligations, including which types of services can give rise to WHT. Use provided template for preparing and filing WHT returns - will help automate the upload process, saving time and minimising the potential for input errors	Manager FS/Financial Acct	Low	Training provided to staff around WHT obligations/recording - preparation/filing template provided has yet to be instigated.	Sept-26	For follow-up

10.5 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

2.1 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 $59m.

3.2 Full year capital expenditure did not reach forecast of $25.4m which included increases in Water, Sewerage and Stormwater projects in particular, instead $20.2M of work was completed. Compared against the 2025/26 Annual Plan budget of $39.556M (before carry forwards or revisions) resulted in a 51% project completion.

3.3 A position on the resulting carry over funding from 2025/26 to 2026/27 for projects requiring council approval will be tabled to Council this month.

3.4 Annual cost of interest expense remains around the $2.3m per annum (approx. $189k per month), as at 30 June 2026, providing a current average effective interest rate 3.9%pa. These costs are partially offset by the borrowed money earning interest before it is used. As at 30 June 2026 interest income amounted to $363k (June 2025, $568k).

3.5 Points of interest from Bancorp Treasury Quarterly Update report dated 30 June 2026:

3.5.1 Page 2 provides a global commentary along with a New Zealand perspective. The outlook for the global economy was dominated by ongoing Middle East conflict with major institutions revising their 2026 growth forecasts in response.

3.5.2 New Zealand economy showed tentative signs of recovery but still affected by the global conflict in the Middle East. RBNZ project CPI to reach 4.% in the June 2026 quarter and OCR finished June unchanged at 2.25%. Bank economists' projections for the OCR increases vary between 3% up to 4% by September 2027.

3.5.3 Page 3 details the liquidity and funding, noting our liquidity headroom at $12.1m (June 2025, $11.6m), giving a ratio of 120.4% (June 2025, 121.6%). In June 2025 Council's cost of funds was 4.25% per annum when the industry average was 4.10% per annum and in June 2026 Council cost of funds was 3.88% per annum when the industry average was 3.92% per annum.

3.5.4 Once the cost of Treasury Advisory Services is included, cost of funds (June 2026) increases to 3.91% per annum. A subsequent rollover of debt tranche during July has further reduced the average cost of funds to 3.85% per annum.

3.5.5 Page 4 covers Interest Rate Risk Management and shows small RDC non-compliance within the 2-4 years hedging band. Decision was made not to rectify as the debt position in June 2020 is unknown given the upcoming transfer of water related debt.

3.5.6 Page 5 lists the current borrowing rates as at report date and page 6 the tranches of debt and the corresponding interest rates.

3.6 Snapshot of MWLASS Dashboard dated 30 June 2026, shows that currently Debt Management Central (DMC) is managing 408 active RDC files (June 2025, 313), totalling $569 (June 2025, $671k). They have collected a total of $917k for year end 30 June 2026 (June 2025, $436k).

3.7 Summary of Rates Debtors outstanding:

Rates Outstanding as at	Total $	Total due $ Current Year	Prior	Outstanding #	Rateable Properties #	Outstanding %	Instalments Paid in Advance $
30/06/2025	1,713,443	1,190,511	522,932	967	8,288	12%	-958,661
30/06/2026	1,788,662	1,239,959	548,703	680	8,378	8%	-613,911

3.7.1 Total current and prior years rates debt shows an increase of $75k for the year ended 30 June 2026. This was split between current year $49k (65%) and prior year's total $26k (35%). Outstandings by number represent 8% (2025, 12%) of total rateable properties in the district, and a reduction of 287 overall for the year. Instalments in advance have reduced by $345k, which maybe a reflection of the economic climate.

3.8 Summary of Sundry Debtors (excluding rates) as at 30 June 2026:

Sundry Debtors	$	%	Number
Current	130,349	48.0%	67
30 days	0	0.0%	0
60 days	1,276	0.5%	2
90 days +	139,927	51.5%	17
Total	271,552	100.0%	86

3.8.1 Sundry Debtors are actively managed in-house with one debtor owing above $10,000 and has been outstanding for a period greater than 90 days. Total outstandings show an increase of $15k from last report in April 2026 ($257k) while the total number reduced by 17 from 103.

3.8.2 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. One other 90 days+ debtor of $5k has cleared since the date of this report.

Summary of Other Debtors outstanding as at 30 June 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

3.8.3 Overall Other Debtors outstanding increased $2k from April 2026, the total number of debtors increased by 2. Longer term outstandings (30 days to 90 days+) reduced by $15k or 22% since last report.

3.8.4 Building Consents & Compliance over 90 days total $18k (April 2026, $22k) comprising 14 debtors (April 2026, 10); with average outstandings of $1.2k. Resource Consents $7.6k (April 2026, $4k) over 90 days comprises 5 debtors, with 2 of these at $3k each. Rents/Lease outstanding totalling $13k (April 2026, $8k) comprises 25 lessees of which 24 are smaller and current and the largest one $7k is spread from current through to 90 days+.

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

4. Financial Implications

4.1 Refer to Analysis above.

5. Impact on Strategic Risks

5.1 Refer to Analysis above.

6. Strategic Alignment

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

7. Mana Whenua Implications

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

8. Climate Change Impacts and Consideration

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

9. Statutory Implications

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

10. Conclusion

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

11. Decision Making Process

11.1 This report is provided for information purposes, there is no decision required.

Attachments:

1. **Bancorp Quarterly Treasury Dashboard - 30 June 2026** ⇩
2. **MWLASS Dashboard - June 2026** ⇩

Recommendation

That the Financial Risk Report be received.

RANGITĪKEI
DISTRICT COUNCIL
Making this place home.

Quarterly Treasury Dashboard

30 June 2026

PRIVATE AND CONFIDENTIAL

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BANCORP TREASURY SERVICES LIMITED

Economic Commentary

2

Global

Global economic activity in June quarter was dominated by the ongoing Middle East conflict, particularly disruptions around the Strait of Hormuz, which triggered a sharp energy price shock. The conflict, involving Iran and responses from the US and Israel, led to effective closure or severe restrictions on the Strait of Hormuz starting around late February/early March 2026. This chokepoint normally carries about 20% of the global oil and LNG supply. The resulting supply disruptions drove oil prices sharply higher (Brent crude peaking well above $100/bbl in parts of Q2 before easing on ceasefire hopes), as well as pushing up inflation expectations, squeezing real incomes, and weighing on growth—especially in energy-importing economies.

Major institutions revised down their 2026 global growth forecasts in response. The World Bank projected global GDP growth to slow to 2.5% for the year (the weakest outside an outright recession in ~20 years). The International Monetary Fund's April World Economic Outlook's assumed a limited conflict and projected 3.1% global growth for 2026 (down from prior steadier ~3.3% paths), with inflation ticking up before declining. The OECD and others similarly highlighted downside risks from prolonged energy shocks, geopolitical fragmentation, and eroded policy buffers.

The key US market showed relative resilience. March 2026 quarter real GDP grew at an annualised rate of 2.0%, supported by solid consumer spending (though softening), strong AI-related non-residential investment/equipment, and a partial recovery in government spending. Q2 faced headwinds from higher energy prices acting as a 'consumer tax,' potentially slowing momentum. Labour markets remained stable with AI productivity gains, but inflation pressures rose. The Fed stayed cautious and held the Fed Funds rate steady amid uncertainty.

Over the last three months, the US 10-year Treasury yield traded in a relatively contained range around 4.50%, ending the period virtually unchanged. The curve dynamics showed some flattening, with the 10-year relatively stable compared to shorter maturities, but overall modestly higher amid volatility driven by the Middle East energy shock, inflation concerns, and shifting Fed expectations.

New Zealand

	OCR	90 day	1 year swap	2 year swap	3 year swap	5 year swap	10 year swap
31-Mar	2.25%	2.54%	2.92%	3.43%	3.69%	3.96%	4.32%
30-Jun	2.25%	2.75%	3.10%	3.35%	3.48%	3.69%	4.06%
Change	Nil	+0.21%	+0.18%	-0.08%	-0.21%	-0.27%	-0.26%

In the June quarter New Zealand's economy showed tentative signs of recovery from prior weakness, but the global conflict in the Middle East and the associated energy price shock posed significant headwinds, delaying momentum and pushing up near-term inflation. The March 2026 Q2 GDP (data released in June) grew 0.8% and 1.5% annually. During the three months ending 30 June economic indicators pointed to softer or flat-to-negative economic growth amid higher fuel costs squeezing real incomes and confidence, plus global uncertainty. However, early resolution signals for the Iran-related disruptions (Strait of Hormuz) by late June improved the outlook. Private forecasters revised up 2026 full-year GDP growth ~2.0%, though still below pre-conflict expectations.

CPI inflation stood at an annualised 3.1% for the 12 months ending 31 March 2026. The Middle East conflict drove fuel and related costs higher, with the RBNZ projecting CPI to reach 4.2% in the June 2026 quarter and peaking around 4.3% in the third quarter. Forecasters noted potential for a June-quarter peak around 4.0–4.4%, with an easing later in the year if oil prices normalised. Underlying pressures were contained by spare capacity in the economy,

The New Zealand swap curve flattened significantly during the quarter with short-term swaps higher and longer-term swap rates down around 25 basis points. The OCR finished June unchanged at 2.25%, but with financial markets pricing in a 68% probability that the RBNZ would increase it to 2.50% on the 8th July review date, which it duly did. At quarter end markets were projecting the OCR to reach 2.75% by the end of 2026, 3.00% by March 2027 and 3.25% by September 2027. Individual bank economists projections for the OCR varied between an increase to just 3.00% in the current cycle (ANZ), 3.25% (ASB) and 4.00% (BNZ and Westpac).

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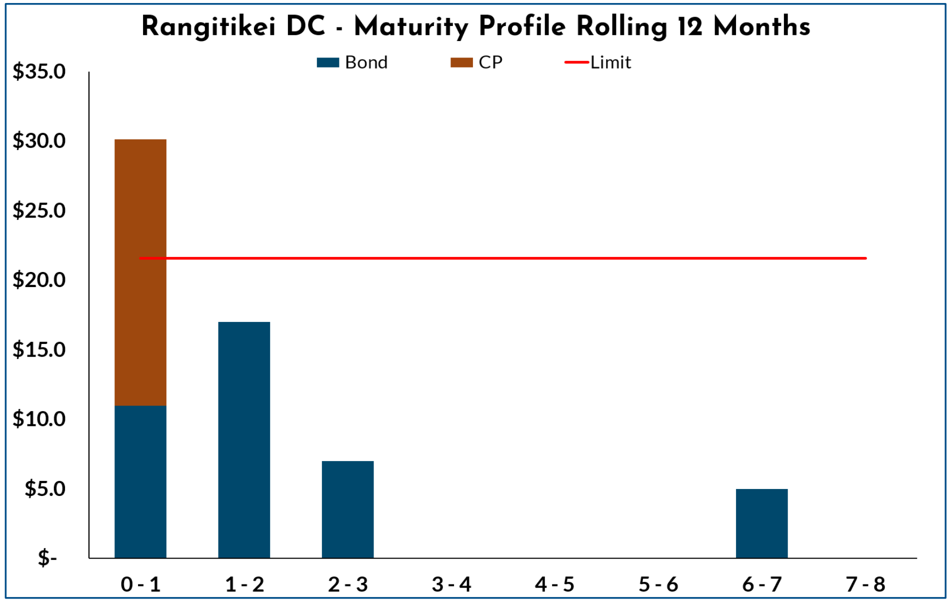
Liquidity and Funding



Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is the funding maturity profile within policy control limits?	No
Is Is fixed interest rate cover within policy control limits?	No
Is liquidity within policy control limits?	Yes
Are counterparty exposures within policy control limits?	Yes

3

Debt
$59.1m
External Council Drawn Debt

LGFA Debt
$59.1m
Funds Drawn from LGFA

Headroom = cash in bank
$12.06m

Liquidity Ratio (must be >110%)
120.41%

Cost of Funds as at 30 June 2026
3.88% **(down from 4.38% at the end of March)**

For the non compliance with the funding maturity limits, this is due to currently funding with a higher than usual amount of Commercial Paper. The desire is not to extend funding terms beyond the ~1 July 2027 to align with the water debt transfer date. Also note that the use of CP has a significant effect on lowering the cost of funds.

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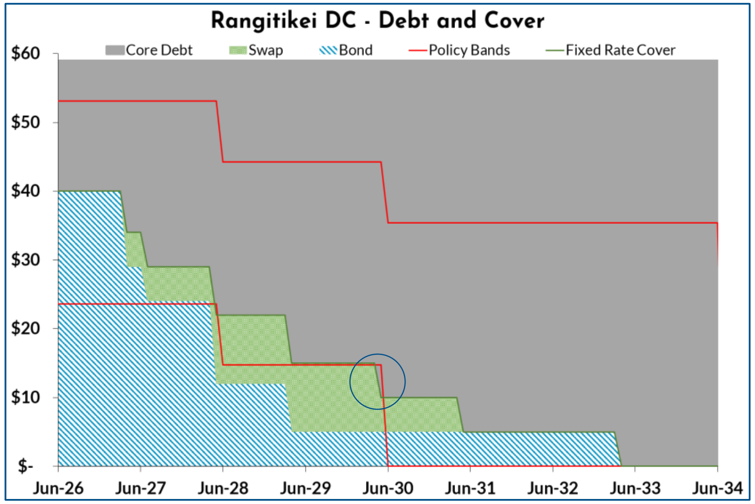
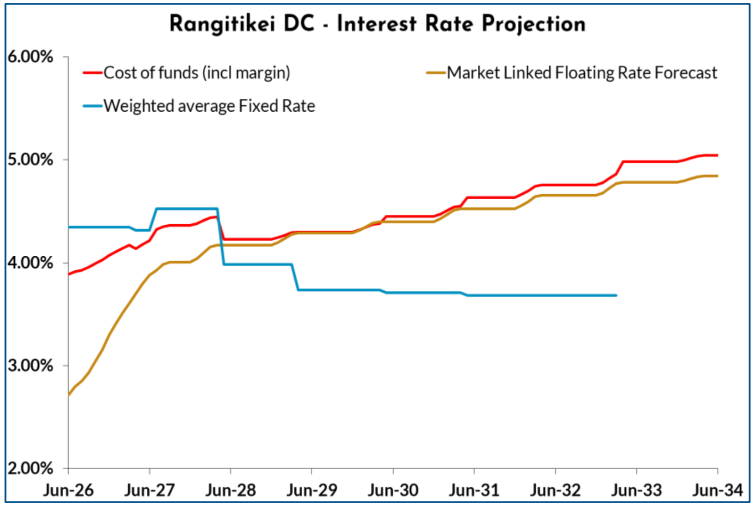
Interest Rate Risk Management

4



Current % of Debt Fixed	67.8%
Current % of Debt Floating	32.2%
Value of Fixed Rate (m)	$40.0
Weighted Average Cost of Fixed Rate Instruments	4.35%
Value of Floating Rate (m)	$19.0
Current Floating Rate	2.72%
All Up Weighted Average Cost of Funds Including Margin	3.88%
Total Facilities In Place (m)	$59.1



Fixed Rate Hedging Bands

	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Compliant
2 - 4 years	25%	80%	Non-compliant
4 - 8 years	0%	60%	Compliant

The non compliance with the Fixed Rate Hedging Bands is miniscule, for just one month in June 2030 (see circle in top left graph). The decision not to rectify this breach was made in the context of the transfer of the water debt, with the debt position in June 2030 unknown at this stage. When there is more certainty, the fixed rate cover position will be reviewed as part of the LTP. Also rectifying the breach in the current market environment in which interest rates are 'elevated' due to the Middle East conflict would have had an adverse effect on RDC's future cost of funds.

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ITEM 10.5 ATTACHMENT 1

LGFA Borrowing Rates

5

Listed below are the credit spreads and applicable interest rates as at 30 June 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%	2.89%	N/A
6 month CP	0.20%	3.14%	N/A
April 2027	0.52%	3.21%	3.49%
May 2028	0.61%	3.30%	3.91%
April 2029	0.66%	3.35%	4.11%
May 2030	0.74%	3.43%	4.31%
May 2031	0.81%	3.50%	4.52%
May-2032	0.87%	3.56%	4.62%
April 2033	0.92%	3.61%	4.74%
May 2035	0.95%	3.64%	5.02%
May 2035	1.06%	3.75%	5.02%
April 2037	1.17%	3.86%	5.25%

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Funding

6

As at 30 June 2026 RDC had $59.1 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	15-Jul-26	2.77%	0.20%	$9,062,043
LGFA CP	19-Aug-26	2.86%	0.20%	$5,035,981
LGFA CP	27-Aug-26	2.83%	0.20%	$5,035,603
LGFA FRB	15-Apr-27	4.17%	N/A	$11,000,000
LGFA FRN	15-Jul-27	3.08%	0.56%	$5,000,000
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
				$59,133,627

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GET IN TOUCH

Bancorp Treasury Services Ltd
Head Office, Level 3, 30 Customs Street, Auckland
09 912 7600

www.bancorp.co.nz

Dashboard

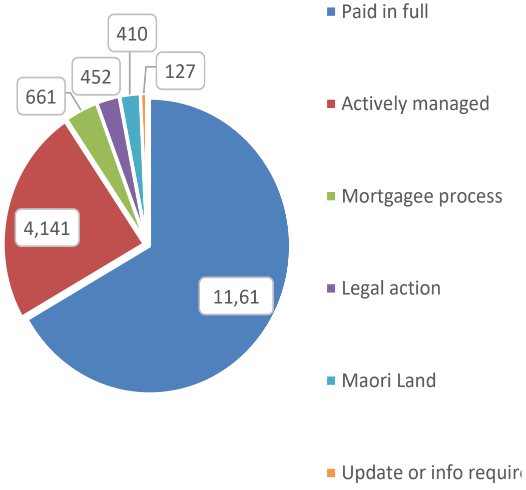
30-Jun-26

MWLASS
breaking boundaries, building opportunities

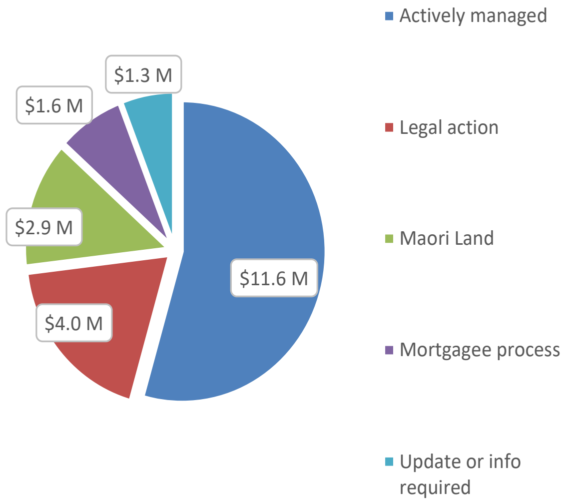
MW LASS

Total collected YTD **$18.8 M**

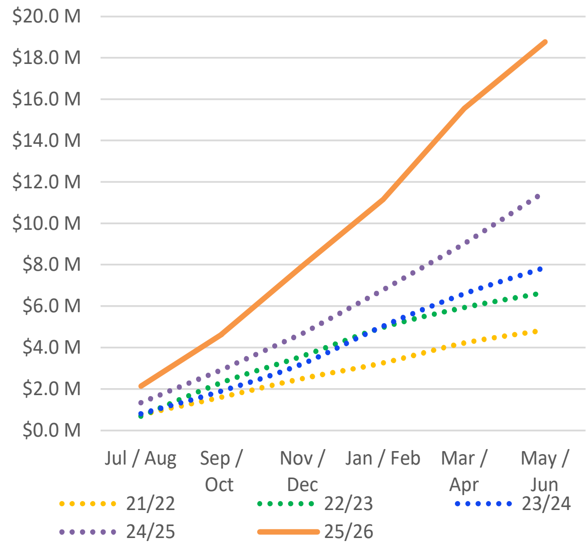
Summary of all files **17,402**



Summary of active files **$21.3 M**

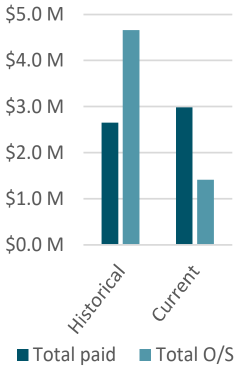


Payment Comparison

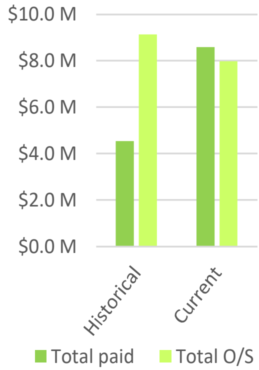


Debt Overview

MW LASS

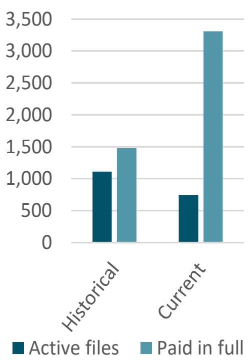


Non MWLASS

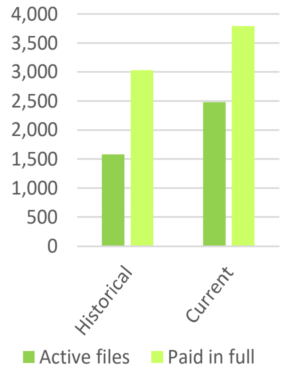


File Overview

MW LASS



Non MWLASS



Comments:

DMC finished the year off strong with the total debt collected at $18.8M. During this financial year the team have grown by 2 staff compared to this time last year and have on boarded 2 new Councils this year. The increased debt collection is also due to a couple of existing clients sending a lot more debt than previous. And thanks to the hard work the team have put in the second half of last year, they are now looking to load more debt in the next few months.

DMC had 10,328 new files loaded for the year. 68% of those files have been closed.

The team are managing 553 legal files and 149 of them have been closed. Payments of $2.25M can be attributed to legal proceeding

Dashboard

30-Jun-26

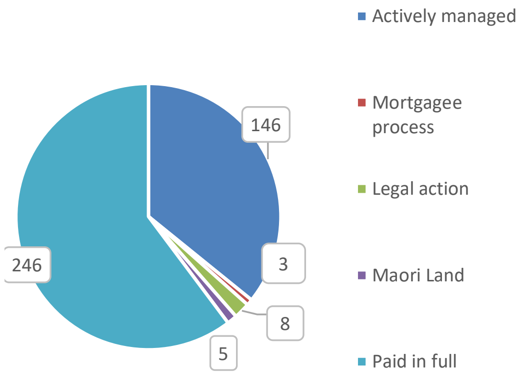
Debt Type

(Multiple Items)

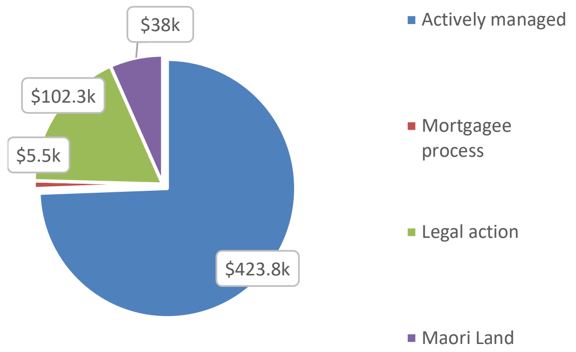
Rangitikei District Council

Total collected YTD $ 917.2k

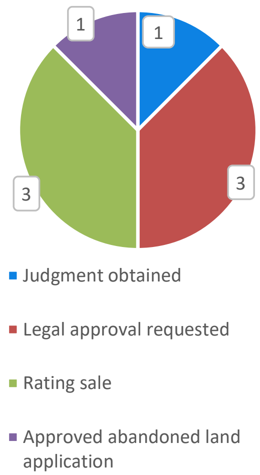
Summary of all files 408

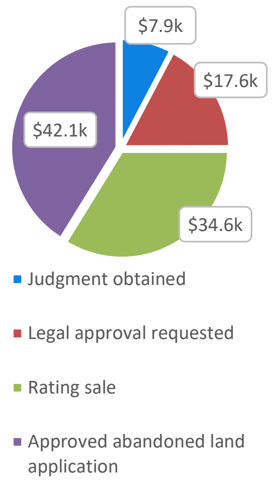


Summary of active files $ 569.3k

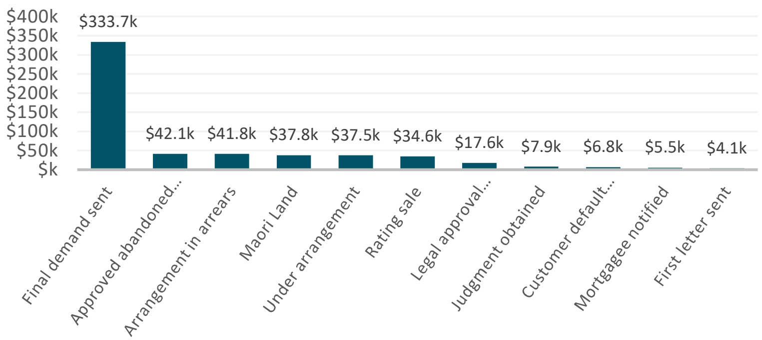


Summary of legal files

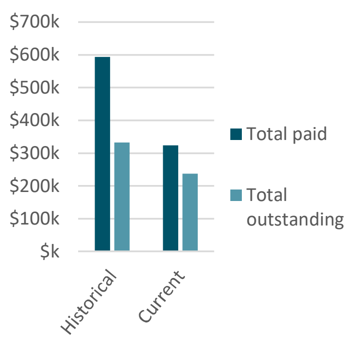




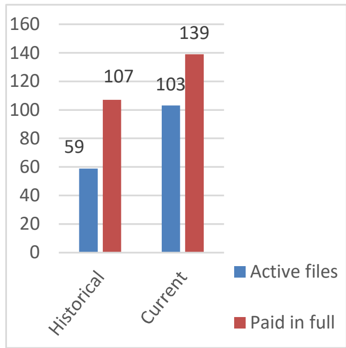
Status of active files



Debt Overview



File Overview



10.6 Insurance Update

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 an update on current Insurance related matters.

2. Context

2.1 This report is presented to the Committee on an annual basis unless there is an event to disclose.

3. Insurance Claims

3.1 Council has had the following Insurance Claims approved for financial year to 30 June 2026 (note - vehicle excess is $500):

3.1.1 Minor damage to motor vehicles through seven incidents (four related to reversing into an obstacle; one to February weather event; one bird strike and one animal control event) – no personal injury involved.

3.1.2 Claims made for historical fleet windscreen replacements not previously claimed.

3.1.3 Personal Accident claim submitted for staff member injured in an accident outside of work, resulting in inability to return to full duties for an extended period of time.

3.1.4 Potential liability claim notified relating to alleged property damage resulting from council works nearby.

4. Additional Cover

4.1 Contracts Works Insurance cover increased and extended for Santoft Domain public recreation building development, now to expire 31 May 2027.

4.2 Contracts Works Insurance cover for Marton Swimming Pool development for period June 2026 to February 2027.

4.3 New CDEM Liability Insurance cover negotiated by MWLASS confirmed and is now in place.

4.4 New Councillors and Officers specific liability policy is in draft form and currently in process of legal review.

5. Insurance Renewal

5.1 Officers have prepared initial proposals for the November Insurance renewals.

6. Financial Implications

6.1 Insurance premiums and associated costs are provided for within Council's approved budgets. Changes to premiums, deductibles or levels of cover may affect costs and the level of financial risk retained by Council.

7. Impact on Strategic Risks

7.1 Appropriate insurance cover supports the management of Council's strategic risks, particularly financial sustainability, asset protection and business continuity.

8. Strategic Alignment

8.1 Council's insurance programme supports prudent stewardship of public assets and resources. It also contributes to organisational and community resilience following significant adverse events.

9. Mana Whenua Implications

9.1 There are no specific mana whenua implications arising directly from this insurance update.

10. Climate Change Impacts and Consideration

10.1 Climate change may affect the frequency and severity of natural hazard events and the future availability and affordability of insurance. These factors will continue to be considered as part of Council's insurance and wider risk management approach.

11. Statutory Implications

10.1 There are no specific statutory implications arising from this insurance update. Council's insurance arrangements support prudent financial and risk management and compliance with any relevant contractual or statutory requirements.

12. Decision Making Process

12.1 This report is provided for information, there is no decision required.

Recommendation

That Insurance Update be received.

11 Meeting Closed.