

CONFIRMED MINUTES

**OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBER, THIRD FLOOR, OFFICE OF THE WAITAKI DISTRICT
COUNCIL, 20 THAMES STREET, OAMARU
ON TUESDAY, 26 AUGUST 2025 AT 9:00 AM**

PRESENT: Simon Neale (Chair), Mayor Gary Kircher, Deputy Mayor Hana Halalele, Cr Tim Blackler, Cr Brent Cowles, Cr Jim Hopkins, Cr John McCone

IN ATTENDANCE: Alex Parmley (Chief Executive Officer)
Paul Hope (Support Services Director)
Joanne O'Neill (Strategy, Performance & Design Director)
Roger Cook (Natural & Built Environment Director)
Amanda Nicholls (Chief Financial Officer)
Arlene Goss (Governance Services Lead)
Allyson Woock (Governance Services Officer)
Jason Lilley (Website & Digital Content Creator)

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:

Dereck Ollsson (Audit Director, Audit New Zealand)
Laura Song (Audit Manager, Audit New Zealand)

MEETING LIVESTREAM RECORDING: THIS MEETING WAS LIVESTREAMED ON COUNCIL'S YOUTUBE CHANNEL, THE RECORDING OF WHICH CAN BE FOUND AT THE FOLLOWING LINK: [HTTPS://WWW.YOUTUBE.COM/LIVE/O6INOWU0XNU?SI=WEZFESLWQSUU_R3C](https://www.youtube.com/live/O6INOWU0XNU?SI=WEZFESLWQSUU_R3C).

MEETING OPEN

THE CHAIR DECLARED THE MEETING OPEN AT 9:01AM AND WELCOMED EVERYONE PRESENT.

1 APOLOGIES

RESOLVED PAR 2025/035

Moved: Mayor Gary Kircher
Seconded: Deputy Mayor Hana Halalele

That the apology received from Cr Rebecca Ryan (for absence) be accepted.

CARRIED

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 CONFIRMATION OF PREVIOUS MEETING MINUTES

3.1 PUBLIC AND PUBLIC EXCLUDED MINUTES OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING HELD ON 29 JULY 2025

RESOLVED PAR 2025/036

Moved: Cr Jim Hopkins

Seconded: Mayor Gary Kircher

That the Performance, Audit and Risk Committee confirms both the public and public excluded minutes of the Performance, Audit and Risk Committee Meeting held on 29 July 2025, as circulated, as a true and correct record of that meeting.

CARRIED

4 MEMORANDUM REPORTS

4.1 AUDIT REPORT ON THE FINDINGS FROM THE LTP AUDIT

The circulated report summarised the contents of Audit New Zealand's report to Council on the Consultation Document and Long Term Plan for the period 1 July 2025 to 30 June 2034.

Waitaki District Council Chief Financial Officer Amanda Nicholls and Audit New Zealand Audit Director Dereck Ollsson spoke to the report and responded to questions.

There was discussion surrounding the accounting treatment for intangible assets and the capitalisation of staff costs, as committee members sought to understand Audit New Zealand's stance on this matter.

A question was raised as to why the disclosure underpinning Audit New Zealand's modified opinion of Council's Consultation Document could not have been rectified at the time and was instead rectified during the audit of the final Long Term Plan document.

It was explained that agreement between Council and Audit New Zealand on the accounting treatment for the disclosure could not be reached at the time of the audit of the Consultation Document.

Chair Simon Neale expressed his support of the Council's approach to the accounting treatment of intangible assets during the LTP consultation. This approach was in the interests of the community during consultation because of the regulatory uncertainties, despite this resulting in a modified opinion. Mayor Gary Kircher agreed with the Chair on this matter.

A question was raised as to when the Long Term Plan amendment referred to in the report will take place. It was responded that the Long Term Plan is still in effect and that the requirement for there to be an amendment will depend on the feedback Council receives from the Department of Internal Affairs on its Water Services Delivery Plan. Mr Neale agreed that waiting for further direction on this matter was a prudent approach.

RESOLVED PAR 2025/037

Moved: Mayor Gary Kircher

Seconded: Deputy Mayor Hana Halalele

That the Performance, Audit and Risk Committee receives and notes the information.

CARRIED

4.2 AUDIT COSTS AND LTP FEE RECOVERY

The circulated report detailed Audit New Zealand's request for additional fee recoveries for their audit of Council's Consultation Document and Long Term Plan. The report also highlighted historic audit fees.

Chief Financial Officer Amanda Nicholls spoke to the report and noted that negotiations between Council and Audit New Zealand were ongoing in order to reach agreement over the request for additional fee recoveries.

Chair Simon Neale expressed his disappointment that staff at Audit New Zealand did not reach out to him as requested when they first began to observe cost overruns during the audit of the 2025-34 Consultation Document and Long Term Plan, nor at a later stage of the process.

Mr Neale also emphasised the significance of the cost overruns and stressed the importance of Audit New Zealand being prepared to continue to negotiate a more realistic fee with Council staff.

Audit New Zealand Audit Director Dereck Ollsson fielded questions from committee members as they sought to understand how the additional work carried out by Audit New Zealand resulted in additional fees of the magnitude requested.

Noting that additional fees place a burden on ratepayers, Deputy Mayor Hana Halalele asked Mr Ollsson if Audit New Zealand could consider writing off a significant portion of the additional fees in the interest of the community.

RESOLVED PAR 2025/038

Moved: Cr Jim Hopkins

Seconded: Mayor Gary Kircher

That the Performance, Audit and Risk Committee receives and notes the information.

CARRIED

4.3 AUDIT REPORT ON THE FINDINGS FROM THE FY25 INTERIM AUDIT

The circulated report summarised the contents of Audit New Zealand's report to Council on the interim audit for the 2025 financial year.

Waitaki District Council Chief Financial Officer Amanda Nicholls and Audit New Zealand Audit Director Dereck Ollsson spoke to the report.

Chair Simon Neale asked Ms Nicholls if there were any concerns about audit's areas of focus for the final 2025 audit, to which she responded that there were not.

When asked if there were any areas of the final 2025 audit which could be foreseen to require additional work, Mr Ollsson responded no, however, he noted that the audit of Waitaki District Health Services Ltd (WDHSL) was delayed and that this may have a flow-on impact on the delivery of the final 2025 audit of Council.

He stated that this was due to Council having made a request to the Office of the Auditor General for WDHSL to be exempt from the audit of the 2026 financial year, as while this request was being assessed, the 2025 audit of WDHSL was temporarily put on hold.

Mr Neale questioned the requirement for the 2025 audit of WDHSL to have been temporarily put on hold given the request for exemption applied to the 2026 financial year only. Ms Nicholls added that Council staff had been under the impression that the 2025 audit of WDHSL was underway as planned.

Mr Ollsson was asked whether work identified to take place but not completed by Audit New Zealand during the interim audit of Council would incur additional costs when completed at the final audit stage. Mr Ollsson stated he would do a cost analysis and provide an update on this.

There were questions regarding the status of outstanding recommendations from previous audits, including the recommendation to obtain a full seismic assessment report of all Council buildings. It was explained that seismic assessments of Council's buildings have been prioritised on a risk basis and that the percentage of buildings which have been assessed could be circulated to committee members following the meeting.

RESOLVED PAR 2025/039

Moved: Cr Tim Blackler

Seconded: Cr Jim Hopkins

That the Performance, Audit and Risk Committee receives and notes the information.

CARRIED

4.4 VERBAL UPDATE ON ANNUAL REPORT INCLUDING VALUATIONS

Chief Financial Officer Amanda Nicholls provided a verbal update on the 2024-25 Annual Report progress to date, including progress on valuations.

Officers were preparing the 2024-25 Annual Report at the time of this update. There had been no significant movement on the draft financial results since they were received and noted at the Performance, Audit and Risk Committee meeting held on 29 July 2025.

Progress on valuations at the time of this update:

- The roading revaluation was noted as being in the final stages;
- The forestry revaluation was noted as being received and in the process of being reviewed;
- The revaluation of land and buildings was noted as being in progress;
- The three waters valuation was noted as not being subject to revaluation this year, however, it was stated a fair value assessment will be completed.

Audit New Zealand has brought forward the audit of Council's non-financial performance reporting and are due to start on 8 September 2025. The non-financial performance section of the 2024-25 Annual Report had been drafted at the time of this update.

It was noted that Council has previously received qualifications regarding two areas of its non-financial reporting: road smoothness and water loss. It was indicated that Council will likely receive the same qualification for road smoothness this year, as the same approach to measurement has been used. Improvements to the measurement of water loss have been made to avoid future qualifications on Council's water loss reporting.

In response to questions regarding road smoothness, Support Services Director Paul Hope noted that the qualification does not impact Council's relationship with New Zealand Transport Agency Waka Kotahi and that they are still happy with Council's asset management practice.

Audit New Zealand will begin its audit of the financial section of the 2024-25 Annual Report on 22 September 2025.

RESOLVED PAR 2025/040

Moved: Cr John McCone

Seconded: Cr Tim Blackler

That the Performance, Audit and Risk Committee receives and notes the information.

CARRIED

1 MEETING CLOSE

The Chair declared the meeting closed at 10:17am.

CONFIRMED at the Performance, Audit and Risk Committee Meeting to be held on Monday 29 September 2025.

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CHAIRPERSON