

DRAFT UNCONFIRMED 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, 9 DECEMBER 2025 AT 9:00 AM**

PRESENT: Interim Independent Chairperson Simon Neale, Cr Sven Thelning (Deputy Chairperson), Cr John McCone, Cr Frans Schlack

IN ATTENDANCE: Mayor Melanie Tavendale
Cr Jeremy Holding
Cr Dan Lewis
Lisa Baillie (Deputy Chief Executive | Director Community Engagement & Experience)
Paul Hope (Director Support Services)
Joanne O'Neill (Director Strategy, Performance & Design)
Roger Cook (Director Natural & Built Environment)
Allyson Woock (Governance Services Officer)
Amanda Nicholls (Chief Financial Officer)
Helen Pickering (Strategic Communications & Engagement Manager)
Jason Lilley (Website & Digital Content Creator)

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:

Dereck Ollsson (Audit Director, Audit New Zealand), Agenda Item 3.1
Laura Song (Audit Manager, Audit New Zealand), Agenda Item 3.1
Ken Palomar (Risk & Assurance Advisor), Agenda Item 3.2
Richard Maher (Performance & Continuous Improvement Manager), Agenda Items 3.3 and 3.4
Angela Murray (Procurement Advisor), Agenda Item 3.3

MEETING LIVERSTREAM 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/-02V6mJ4VAU?si=ENC5mJiXgsBWMqhg>.

MEETING OPEN

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

1 APOLOGIES

RESOLVED PAR 2025/055

Moved: Cr John McCone

Seconded: Mayor Melanie Tavendale

That the apologies for absence received from Cr Jim Hopkins and Cr Brent Cowles be accepted.

CARRIED

This decision was unanimous.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MEMORANDUM REPORTS

3.1 DISCUSSION ON FY 24/25 AUDIT PROCESS

The 2024-25 Annual Report was scheduled for adoption at the Council Meeting immediately following this Performance, Audit & Risk Committee Meeting.

Dereck Ollson and Laura Song from Audit New Zealand attended online to answer questions regarding the FY 24/25 audit process.

Chief Financial Officer Amanda Nicholls opened the discussion by summarising some key aspects of the audit process.

Challenges during the audit process resulted in Council not meeting its legislative deadline of 31 October 2025. Council had self-disclosed the breach of the legislative deadline in the 2024-25 Annual Report.

Mr Ollsson advised the committee that an unqualified audit opinion had been issued with an emphasis of matter related to the Secretary for Local Government having not accepted Council's Water Services Delivery Plan.

A formal report from Audit New Zealand regarding the audit process had been received that day and will be presented at the next Performance, Audit & Risk Committee Meeting in February 2026.

RESOLVED PAR 2025/056

Moved: Deputy Chairperson Cr Sven Thelning

Seconded: Mayor Tavendale

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

CARRIED

This decision was unanimous.

3.2 RISK MANAGEMENT UPDATE QUARTER 4 2025

The report, as circulated, provided an update on risk management activity across the organisation for Quarter 4 2025. It outlined Council's key risks and informed discussion on both the external and internal risk landscape, highlighting where operational pressures, compliance requirements, climate impacts, and sector-wide uncertainty continue to influence Council's overall exposure.

Risk & Assurance Advisor Ken Palomar spoke to the report.

Chairperson Simon Neale commented that the recruitment of Mr Palomar after a 10-month vacancy in the role presented a good opportunity to review how Council measures and reports risks to the Performance, Audit & Risk Committee. Mr Neale indicated that going forward, the committee should focus on discussing top risks and any risks that are either new or have changed significantly. He expressed a preference for committee members to be able to access the risk register directly to review other risks as needed.

Mr Neale also pointed out that some risks on the register showed no reduction between inherent and residual risk levels despite having multiple controls in place. This suggested either that the controls were not as effective as they should be, or that Council was being too conservative in assessing control effectiveness. Mr Neale assured committee members that he would be working through these issues with Mr Palomar in the near future.

There was discussion regarding whether the risk '3 Waters Management' should remain on the Key Strategic Risk Register given the appointment of a Crown Facilitator. Mr Neale stated this would be something Mr Palomar would need to continue to monitor closely.

RESOLVED PAR 2025/057

Moved: Mayor Melanie Tavendale

Seconded: Cr Frans Schlack

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

CARRIED

This decision was unanimous.

3.3 PROCUREMENT UPDATE DECEMBER 2025

The report, as circulated, provided an update on procurement activity over \$10,000 in the months of September, October, and November 2025.

Procurement Advisor Angela Murray and Performance & Continuous Improvement Manager Richard Maher spoke to the report and responded to questions.

Chairperson Simon Neale pointed out that almost \$1.7m of the \$2.1m in activities greater than \$10,000 not governed by the Procurement Policy was for software/licencing, and asked how the committee could have confidence that Council was getting value for money.

Ms Murray responded that it was difficult to go to market for Office 365 licenses other than purchasing directly from Microsoft, which was the case with most software renewals. She noted that value-for-money decisions should be made at the initial procurement stage.

Mr Maher added that initial software procurement does follow the policy with market testing, but subsequent renewals were treated like utility bills and continued until wholesale change was needed. He noted that for some software like Microsoft licenses, Council had limited choice as changing to alternatives like Google Docs would require significant organisational change.

It was asked whether Council had considered custom-built digital products to minimise software and licensing expenditure. Director Natural & Built Environment Roger Cook responded that there were risks associated with bespoke systems, including regarding future interoperability with neighbouring districts.

It was requested that future procurement reports identify whether procurements are capital or operational expenditure.

It was noted that a full review of the Procurement Policy was scheduled for March 2026. The committee agreed to defer the interim changes requested at the September 2025 Performance, Audit & Risk Committee Meeting until the full review, which would also allow incorporation of any changes arising from the new Government Procurement Rules.

RESOLVED PAR 2025/058

Moved: Deputy Chairperson Cr Sven Thelning

Seconded: Cr John McCone

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

CARRIED

This decision was unanimous.

3.4 WAITAKI ANNUAL RESIDENT SATISFACTION SURVEY REPORT 2024-25

The report, as circulated, presented the results of the Annual Residents' Satisfaction Survey for the information of the Performance, Audit and Risk Committee.

Performance & Continuous Improvement Manager Richard Maher spoke to the report.

A question was raised about whether feedback could be collected at the point of contact rather than months later through the survey. Mr Maher responded that the survey was an annual sentiment assessment of community attitudes towards Council and its services. He noted that Council was beginning to implement point-of-service satisfaction testing in addition to the annual survey, which would provide more timely insights to complement the annual results.

Mr Maher advised that his team could conduct a deeper analysis of specific questions and verbatim feedback if the committee wished. Mayor Tavendale acknowledged that the survey highlighted community frustration, particularly regarding affordability amidst cost-of-living pressures. She commented that the results provide food for thought for Council's decision-making going forward. In response to Mr Maher, Mr Neale stated that a deeper analysis was unnecessary, as Council already understood where improvements were needed and where to focus their efforts.

Mr Neale commented that it would be useful in future to see how Council is performing against other councils through benchmarking.

There was discussion regarding controls to prevent skewed or biased results. Mr Neale responded that despite the change in methodology from random sampling to an open online platform, the trends remained consistent with previous years, suggesting the results were reliable.

RESOLVED PAR 2025/059

Moved: Mayor Melanie Tavendale

Seconded: Deputy Chairperson Cr Sven Thelning

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

CARRIED

This decision was unanimous.

3.5 FINANCIAL SUMMARY (TO 31 OCTOBER 2025)

The report, as circulated, presented a high-level financial summary for the four months ended 31 October 2025.

Chief Financial Officer Amanda Nicholls spoke to the report.

Chairperson Simon Neale commended Ms Nicholls and her team for their cash management, noting that finance costs continued to remain under budget and Council had not needed to take on short-term debt to cover cash shortfalls.

Mr Neale commented that a previous report had shown personnel costs at both a gross level and adjusted for capitalisation. He found this useful for understanding the success of transformation and reduction in our personnel costs, and indicated he would like to continue monitoring this going forward.

A question was raised regarding the timing of grants and what certainty Council had about receiving them. Ms Nicholls responded that the funding for the Forrester Gallery was secured and committed, with only timing differences affecting receipt. She noted that some Event Centre funding was delayed due to timing, but a report addressing the uncommitted \$900k shortfall would be presented at the Council Meeting immediately following this Performance, Audit & Risk Committee Meeting.

When Mr Neale asked why there was a timing difference, Ms Nicholls responded that while the budget was linear, construction project expenditure varied significantly. She cited the Event Centre as an example, where monthly invoices could range from \$1.5 million to \$2.5 million. She explained that this resulted in some months being over budget and others under, but these variations balanced out by project completion.

RESOLVED PAR 2025/060

Moved: Cr John McCone

Seconded: Mayor Melanie Tavendale

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

CARRIED

This decision was unanimous.

3.6 FINANCIAL REPORT FOR QUARTER 1 FY2026

The report, as circulated, presented the financial results for the three-month period ended 30 September 2025, the first quarter of the 2026 financial year, and included explanations for significant variances against budget.

This report was noted without further discussion, having been covered under the previous item (Agenda Item 3.5).

RESOLVED PAR 2025/061

Moved: Cr John McCone

Seconded: Deputy Chairperson Cr Sven Thelning

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

CARRIED

This decision was unanimous.

3.7 TREASURY REPORT TO 30 SEPTEMBER 2025

The report, as circulated, provided members of the committee with an overview of the treasury function for the first quarter ended 30 September 2025 of the 2025-26 financial year, and the Bancorp Quarterly Treasury Dashboard Report for the same period.

Chief Financial Officer Amanda Nicholls spoke to the report and responded to questions.

There was discussion regarding the interest rates on Council's loans to other entities and short-term borrowings from the call account, to ascertain whether Council was achieving best value for money.

RESOLVED PAR 2025/062

Moved: Cr Frans Shlack

Seconded: Mayor Melanie Tavendale

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

CARRIED

This decision was unanimous.

4 DECISION REPORTS

4.1 TREASURY STRATEGY, FY 2025-2026 THIRD QUARTER

The report, as circulated, discussed Council's proposed Treasury Strategy for the third quarter of the 2025-26 financial year, reviewed the benefits arising from Council's membership of the Local Government Funding Agency (LGFA), and considered the recommendations put forward by officers.

Chief Financial Officer Amanda Nicholls introduced the report.

There was minimal discussion, having been covered under the previous item (Agenda Item 3.7).

RESOLVED PAR 2025/063

Moved: Mayor Melanie Tavendale

Seconded: Deputy Chairperson Cr Sven Thelning

That the Performance, Audit and Risk Committee recommends:

That Council:

1. Adopts a Treasury Strategy for the third quarter of the 2025-26 financial year which includes:
 - a) Monitoring available cash and projecting future cash requirements
 - b) Liaising with the Local Government funding Agency (LGFA) to ensure Council's ability to function and deliver on behalf of its communities is not impeded by lack of funds
 - c) Obtaining advice and support from Bancorp Treasury Services on key projects in addition to ensuring compliance with policy limits
 - d) Investing funds considered surplus to immediate requirements based on current forecasts to best advantage to maximise returns.

CARRIED

This decision was unanimous.

Agenda Item 3.8 was addressed out of sequence, following Agenda Item 4.1.

3.8 CONFIRMED MINUTES OF THE LAST PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING OF THE 2022-2025 TRIENNIUM

RESOLVED PAR 2025/064

Moved: Chairperson Simon Neale

Seconded: Cr John McCone

That the Performance, Audit and Risk Committee receives and notes the confirmed minutes from the last Performance, Audit and Risk Committee meeting of the 2022-2025 Triennium, held on Monday 29 September 2025.

CARRIED

This decision was unanimous.

5 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED PAR 2025/065

Moved: Mayor Melanie Tavendale

Seconded: Cr John McCone

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Accounts Receivable as at 30 September 2025	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Accounts Payable as at 30 September 2025	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

This decision was unanimous.

6 PUBLIC EXCLUDED SECTION

The Public Excluded section of the meeting commenced at 10:24am.

8 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RESOLVED PAR 2025/066

Moved: Member John McCone

Seconded: Mayor Mel Tavendale

That the Performance, Audit and Risk Committee resumes in open meeting and decisions made in the Public Excluded section of the meeting are confirmed and made public as and when required and considered.

CARRIED

1 MEETING CLOSE

The Chair declared the meeting closed at 10:45am.

TO BE CONFIRMED at the Performance, Audit and Risk Committee Meeting to be held on Tuesday 17 February 2026.

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CHAIRPERSON