



Finance and Performance Committee

Meeting of 25 March 2026

Business Unit: Infrastructure
Date Created: 06 March 2026

NZTA Procedural Audit of Manawatu District Council

Purpose Te Aronga o te Pūrongo

To inform the committee of the outcomes of the recently completed procedural audit undertaken by New Zealand Transport Agency (NZTA) specifically addressing if funding investment in the Manawatu District Roding activity is in accordance with requirements of the National Land transport fund.

Recommendations Ngā Tūtohinga

Manawatu District Council receives the report completed by NZTA and notes the recommendations made in the report.

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Approved for submission by:
Hamish Waugh
General Manager - Infrastructure

1 Background Ngā Kōrero o Muri

1.1 The Council's Delegations Manual records the authority delegated by Council to the Chief Executive and Council officers, and the delegations then made by the Chief Executive to the officers to ensure the effective conduct of business. NZTA co-invests in the land transport programme undertaken by MDC and periodically undertakes a procedural audit to monitor the effectiveness of the procedures and process required to satisfy the ongoing investment.

2 Strategic Fit Te Tautika ki te Rautaki

2.1 This matter is administrative in the nature and does not directly relate to strategic priorities. However, the decision supports Council's commitment to efficient internal processes and effective service delivery.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 The reason for the report is to inform the committee of the audit outcome and note the actions proposed from the recommendations.

3.2 The proposed additions are listed in the Table below.

That Manawatū District Council:		Council Comments and Implementation Date
R2.1	Confirms that the following amounts are subject to recovery by NZTA: FY 2022/23: Road to Zero: \$17,447 FY 2023/24: Structures Maintenance: \$20,347 FY 2024/25: Street Cleaning: \$135,564.04 Total to recover \$173,358.04 + GST.	MDC has identified where this discrepancy has originated and addressing the coding for the non-subsidised component of the street cleaning. Road to zero and structures items accepted. MDC does however request that the pay-back is made on the 1st July 2026 to allow for management of current budgets.
R2.2	Ensures that only 30% is claimed for street cleaning in FY2025/26 and future financial years.	As addressed above. Non-sub code setup correctly. Completed 30th Jan 2026

R2.3	Meets the conditions of funding for the LCLR programme, and any associated programmes that utilise the LCLR spreadsheet, for future years.	Noted. 30th Jan 2026
R2.4	Formally documents its process for claiming funding assistance.	Noted and being documented. 1st April 2026 completion
R3.1	Updates and enforces internal procedures for contract award notice publication and documentation.	Noted and refresher of Council project management processes. Ongoing alongside some other procurement works. 30th Jan 2026
R4.1	Ensures Safe System Audits reports for Rongotea Rd Right Turn Bay Project and Awahuri Fielding Safety Improvements are completed and signed by relevant parties.	Working with external safety consultant to complete the signing process. Noted following site inspection that works are completed. 1st April 2026
R4.2	Ensures all future Safe System Audits reports are finalised, signed by relevant parties, and filed appropriately.	Noted as process improvement 30th Jan 2026
R4.3	Files a documented exemption declaration where it elects not to undertake a Safe System Audit.	Noted and implement as determined. 30th Jan 2026
R5.1	Reviews its inhouse professional services costs to ensure that all costs associated with the roading unit are fully reflected.	has been discussed and under review as 27-30 NLTP development. Wider review of procurement and service delivery model in-progress. Will be presented in procurement policy which is subject to review by NZTA by 1st July 2027

4 Risk Assessment Te Arotake Tūraru

- 4.1 There are no risk associated with the proposed recommendations. Failing to address the legal compliance and reduces the risk of the operational delays or decision made without appropriate authority. Recommendations may result in funding assistance.

5 Engagement Te Whakapānga

Significance of Decision

- 5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

- 5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

- 5.3 No community engagement is required.

6 Financial Implications Ngā Pānga Ahumoni

- 6.1 There are minor financial implications with this report resulting in reduced operational budget in 26/27 to cover the reimbursement component.

7 Statutory Requirements Ngā Here ā-Ture

- 7.1 There are no statutory requirements for this report.

8 Next Steps Te Kokenga

- 8.1 Monitor the progress of the agreed items to meet the implementation dates and continue further conversations associated with improving the internal processes and review the in-house professional services/procurement options.

9 Attachments Ngā Āpitihanga

- Report attached (Manawatu District Council FINAL Procedural Audit Report 2025)