



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/26182

17 September 2026

Notice of Meeting

Notice is hereby given that, the **Audit & Risk** committee meeting of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford**, on **Tuesday 22 September 2026**, beginning at **1.00pm**.

Additionally, notice is hereby given that, the **Policy & Services** committee meeting of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford**, on **Tuesday 22 September 2026**, beginning at **3.00pm**.

The timetable is as follows:

10.00am	Workshop • Long Term Plan – Early Conversations ○ Assets Department
12.30pm	Lunch for Councillors
1.00pm	Audit & Risk Committee
3.00pm	Policy & Services Committee

Yours faithfully

Sven Hanne
Chief Executive

2026 - Agenda - Audit and Risk - September

22 September 2026 01:00 PM - 03:00 PM



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AGENDA

Audit and Risk Committee



F22/96/005 – D26/34978

Date: Tuesday 22 September 2026 at 1pm
Venue: Council Chambers, 63 Miranda Street, Stratford

1. Welcome

1.1 Opening Karakia
D21/40748 Page 7

1.2 Health and Safety Message
D21/26210 Page 8

2. Apologies

3. Announcements

4. Declarations of members interest

Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.

5. Attendance Schedule

Page 9

Attendance schedule for Audit and Risk Committee meetings.

6. Programme of Works

D25/45958 Page 10

Recommendation

THAT the Audit and Risk Committee's rolling programme of works be received.

Moved/Seconded

7. Confirmation of Minutes

7.1 Audit and Risk Committee - 14 July 2026

D26/25834 Page 11

Recommendation

THAT the minutes of the Audit and Risk Committee Meeting, held on Tuesday 14 July 2026 be confirmed as a true and accurate record.

Moved/Seconded

8. [Matters Outstanding](#)
None

9. [Information Report - Health, Safety and Wellbeing](#)
D26/34879 Page 18

Recommendation

THAT the report be received.

Moved/Seconded

10. [Information Report - Risk Management](#)
D26/34954 Page 25

Recommendation

THAT the report be received.

Recommended Reason

To provide an update to the Audit and Risk Committee of any risk events or threats in relation to significant risks on Council's risk register, as part of Council's risk management processes.

Moved/Seconded

11. [Information Report - 2027/37 Long Term Plan Update](#)
D26/35081 Page 40

Recommendation

THAT the report be received.

Recommended Reason

This report informs the Committee on progress made on issues identified in the Deloitte Audit Reports for the 2024/25 Annual Report.

Moved/Seconded

12. [Information Report - 2025/26 Annual Report update](#)
D26/34516 Page 46

Recommendation

THAT the report be received.

Recommended Reason

To provide an update to the Committee on the progress of the 2025/26 Annual Report, including draft financial statements.

Moved/Seconded

13. [Information Report - 2025/26 Capital Works Programme - Key Projects Update](#)
D26/34621 Page 73

Recommendation

THAT the report be received.

Recommended Reason

To provide a summary on the progress of our main capital expenditure budgets for the 2026/27 financial year and assess Council's ability to complete them on time and within budget.

/_____
Moved/Seconded

14. [Correspondence](#)
15. [General Business](#)
16. [Questions](#)
17. [Closing karakia](#)
D21/40748 Page 82



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.



Our reference
F19/13/03-D22/17082

Health and Safety Message

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

If there is an earthquake, please drop, cover and hold where possible. Remain indoors until the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

5. Attendance schedule for 2026 Audit and Risk Committee meetings.

Date	17/03/26	19/05/26	14/07/26	22/09/26	17/11/26
Meeting	A	A	A	A	A
Neil Volzke	✓	✓	✓		
David Chadwick					
Steve Beck		✓	✓		
Jaimie Bertie	✓	✓	✓		
Josh Best					
Grant Boyde	✓	✓	✓		
Annette Dudley	✓	✓	✓		
Jono Erwood	✓	✓	✓		
Ellen Hall	✓	✓	✓		
Amanda Harris	✓	✓	✓		
Katherine Sextus	✓	✓	✓		
Mathew Watt					
Philip Jones (External Chair)	✓	✓	✓		

Key	
A	Audit and Risk Meeting
D	Meeting deferred
	Non-committee member
✓	Attended
A	Apology/Leave of Absence
AB	Absent
S	Sick
(AV)	Meeting held, or attended by, Audio Visual Link

Audit and Risk Committee - Programme of Works

	Sep-26	Nov-26	Mar-27	May-27	Jul-27	Sep-26	Nov-27
Standing Items	- Correspondence Received - Health and Safety Report - Risk Management Review - LTP Capital Projects status update - Implementation Plan update - LTP Update	- Correspondence Received - Health and Safety Report - Risk Management Review - LTP Capital Projects status update - PTT - Quarterly Report (Sep 26) - Implementation Plan update - LTP Update	- Correspondence Received - Health and Safety Report - Risk Management Review - LTP Capital Projects status update - LTP Update	- Correspondence Received - Health and Safety Report - Risk Management Review - LTP Capital Projects status update - PTT Quarterly Report - Mar 27 - LTP Update	- Correspondence Received - Health and Safety Report - Risk Management Review - LTP Capital Projects status update	- Correspondence Received - Health and Safety Report - Risk Management Review - LTP Capital Projects status update	- Correspondence Received - Health and Safety Report - Risk Management Review - LTP Capital Projects status update - PTT Quarterly Report - Sep 27
Annual Items	- 2025/26 Annual Report update	- 2025/26 Audit Matters Raised - Audit New Zealand - Insurance Renewal 2026/27 - PTT - 2025/26 Annual Report (subject to audit timing)	- PTT - Statement of Intent - PTT - Half Yearly Report	- Internal Audit (Plan for 2027/28) - 2026/27 Annual Report Audit Plan - 2025/26 Audit Matters Raised - status update	- 30 June 2027 Asset Revaluations review	- 2026/27 Annual Report update	- 2026/27 Audit Matters Raised - Audit New Zealand - PTT - 2026/27 Annual Report (subject to audit timing) - Insurance Renewal 2027/28
One-Off Items		- LTP Significant Forecasting Assumptions / Environmental Scan - LTP Audit Plan					

MINUTES

Audit and Risk Committee



F25/96/006 – D26/25834

Date: Tuesday 14 July 2026 at 1.00PM

Venue: Council Chambers, 63 Miranda Street, Stratford

Present

Mr Phillip Jones (the Chair), the District Mayor Neil Volzke, the Deputy Mayor Amanda Harris, Councillors: Grant Boyde, Jono Erwood, and Ellen Hall.

In attendance

Councillors: Steve Beck, Annette Dudley, Jaimie Bertie, Katherine Sextus, the Chief Executive –Sven Hanne, the Director – Corporate Services –Raelene Johnson, the Director – Community Services –Kate Whareaitu, the Director – Assets –Victoria Araba, the Health and Safety/Emergency Management Advisor –Daniel Pemberton (part meeting), the Governance Advisor and Executive Assistant – Gareth Hancock.

1. Welcome

The opening karakia was read.

2. Apologies

None.

3. Announcements

None.

4. Declarations of Members Interest

The Chair requested councillors to declare any real or perceived conflicts of interest relating to items on the agenda. Councillor Hall declared an interest around item sixteen on the agenda.

5. Attendance Schedule

The Attendance schedule for Audit and Risk Committee meetings was attached. It was noted Councillor Beck attended the previous meeting. The Governance Advisor would correct the record.

6. Programme of Works

D25/45958

Page 11

Recommendation

THAT the Audit and Risk Committee's rolling programme of works be received.

BOYDE/HARRIS
Carried
A&R/26/31

It was noted that the insurance renewal item would likely now be in September, depending on timing.

7. Confirmation of Minutes

7.1 Audit and Risk Committee - 19 May 2026
D26/18682 Page 12

Recommendation

THAT the minutes of the Audit and Risk Committee Meeting, held on Tuesday 19 May 2026 be confirmed as a true and accurate record.

JONES/VOLZKE
Carried
A&R/26/32

8. Matters Outstanding

None

9. Information Report - Health, Safety and Wellbeing

D26/24804 Page 22

Recommendation

THAT the report be received.

ERWOOD/HARRIS
Carried
A&R/26/33

The Health & Safety Advisor noted the following points:

- Noted the proactive approach to contractor management, particularly engagement with the large contractors. There has also been a significant increase in reports submitted by contractors.
- June was Wellbeing Month and was considered a great success. Key highlights are outlined. One initiative that pleasantly surprised the team was the Loop Challenge, which saw participants walk the equivalent distance to Oamaru.

Questions/Points of Clarification:

- The Chair noted that two contractor sites were shut down and this is a positive example of health and safety management. He enquired about the vehicle accident, asking whether it was minor, and this was confirmed.

10. Information Report - Risk Management

D26/24661 Page 29

Recommendation

THAT the report be received.

BOYDE/JONES
Carried
A&R/26/34

Recommended Reason

To provide an update to the Audit and Risk Committee of any risk events or threats in relation to significant risks on Council's risk register, as part of Council's risk management processes.

The Director – Corporate noted the following points:

- This is a regular report and is largely a continuation of the May report. The headline risk remains central government reform.

Questions/Points of Clarification:

- Councillor Boyde noted the significant changes arising from the reforms and asked whether the organisation has sufficient resources to manage them. The CE acknowledged that the reforms are placing considerable pressure on the organisation, particularly given their duration, including the ongoing water reforms. The CE noted that where resources are unavailable internally, specialist contractors such as Morrison Low can be engaged as required. However, outsourcing too much work can result in a loss of ownership. It was noted that there is a fine balance to be maintained and that resources remain stretched. The CE also commented that the success of Wellbeing Month was not accidental, as staff have been operating under sustained pressure for some time.
- Councillor Boyde sought assurance that the focus on reforms would not result in further delays to capital works programmes and queried whether the organisation was taking on too much. The CE advised that the staff working on reform are generally not the same staff responsible for delivering infrastructure projects. However, recruitment and retention within the infrastructure sector remain challenging, and the labour market continues to be difficult.

11. Information Report - 2027/37 Long Term Plan Update

D26/25236 Page 36

Recommendation

THAT the report be received.

HARRIS/ERWOOD

Carried
A&R/26/35

Recommended Reason

This report informs the Committee on progress made on issues identified in the Deloitte Audit Reports for the 2024/25 Annual Report.

The Director – Corporate noted the following points:

- One of the greatest challenges is not having legislation in place, which is creating difficulties for the work programme. The associated timelines and impacts are outlined in the report.

Questions/Points of Clarification:

- The Chair noted the Environmental Scan and emphasised that it is an important document. He commented that elected members should be involved early in the process.
- The Chair sought clarification from the Director as to whether they had reviewed the draft mandatory activities. It was noted that the Government is again proposing to mandate how activities are grouped together. The Director advised that this forms part of the System Improvements Bill and is not legislation.

12. Information Report - 2025/26 Capital Works Programme - Key Projects Update
D26/24466 Page 42

Recommendation

THAT the report be received.

BOYDE/ERWOOD
Carried
A&R/26/36

Recommended Reason

To provide a summary on the progress of our main capital projects for the 2025/26 financial year and assess Council's ability to complete them on time and within budget.

The Director – Assets noted that this report captures information up to May 2026 and does not reflect the full year-end position.

Questions/Points of Clarification:

- The Chair sought further clarification from the Director regarding the year-end position. The Director noted that invoicing is still being received and that projects are currently 58% complete, with 42% expected to be carried forward. It was further noted that five projects make up the majority of the carry forwards, and that, excluding these projects, approximately 95% of projects would be completed by dollar amount. Further discussion elaborated on the number and status of the projects.
- The Chair asked about projections for the coming year. It was noted that the target remains 95% project completion, and the team is aiming to achieve this again in the coming year.
- The Chair sought information on the key risks to completing the projects. The Director advised that the recruitment market for project managers remains a key risk and expanded on the challenges associated with this and the team.
- Councillor Beck sought information on LTP practices and the process for projects being carried forward. This practice was explained to the member.

13. Information Report - Stratford Waters Internal Business Unit (SWIBU) -
Implementation Plan Update #3
D26/25262 Page 50

Recommendations

1. THAT the report be received.
2. THAT the Committee notes that future risk reporting will be made to the Water Services Committee.
3. THAT the Committee notes that exceptional risk reporting will continue to be reported to the Committee through regular organisational risks reporting.

BOYDE/VOLZKE
Carried
A&R/26/37

Recommended Reason

This report covers the progress made to date regarding the implementation of the Stratford Waters Internal Business Unit. It enables Council to monitor compliance with the submitted Water Services Delivery Plan and keeps it abreast of progress as well as any subsequent changes.

The General Manager – Water Services noted the following points:

- This was the initial report presented to the Water Services Committee. It separates operational and governance matters relating to Water Services and outlines nine key workstreams. A key feature of the reforms is the simplifying local government and water service delivery.

Questions/Points of Clarification:

- The Chair asked what the next key risk would be following the simplifying local government. The General Manager explained that the main risks relate to resourcing, staff wellbeing, and ensuring certainty throughout the transition process. These matters are being addressed through the transition plan.
- The Chair sought clarification on whether staff would remain employees of the Council. It was noted that staff would become part of the new business unit and that this would effectively involve a restructuring process.

14. Information Report - Land and Buildings - 31 March 2026 Valuation

D26/25261 Page 60

Recommendations

THAT the report be received.

JONES/HALL
Carried
A&R/26/38

Recommended Reason

To inform the Committee of the asset valuations of the Council land and building assets as at 31 March 2026, and to provide the opportunity for their review by elected members ahead of their inclusion in the 2025/26 Annual Report.

The Director Corporate Services noted the following points:

- The valuation is undertaken every three years in accordance with Council's accounting policies, and there has been little change since the last valuation.

Questions/Points of Clarification:

- The District Mayor sought clarification on valuation, depreciation and rating changes. This was explained further, noting that any impact would likely be minimal.
- Councillor Beck sought clarification on the information included in the LTP and whether there would be any difference in the valuation. It was noted that discussions with the valuer would be required. Roading was provided as an example.
- Councillor Boyde sought information on the farm and aerodrome and queried why they were not separated. This was explained.

15. Information Report - 2025/26 Infrastructure Assets - Fair Value Assessments

D26/25486 Page 84

Recommendations

THAT the report be received *and the committee endorses the approach.*

BOYDE/ERWOOD
Carried
A&R/26/39

Recommended Reason

To inform the committee of the fair value assessments of the infrastructure assets as at 30 June 2026, and to provide the opportunity for their review by elected members ahead of finalising the 2025/26 Annual Report.

The Director - Corporate noted the following points:

- This was similar to previous paper but relates to infrastructure assets that are normally assessed on a three-year cycle. However, the assessment was undertaken two years ago. As a result, we are required to make an assessment. We have been in discussions with engineers and have considered the impacts of the fuel crisis, and are taking a longer-term view. The Director did not believe this would have any material impact on our financial statements.

Questions/Points of Clarification:

- The Chair noted that a recommendation should be added to record that the Committee endorsed the assessment, and this was agreed.

16. Decision Report - Percy Thomson Trust - Letter of Expectations

D26/25053 Page 90

Recommendations

1. THAT the report be received.
2. THAT elected confirm their intention to present Percy Thomson Trust with a Letter of Expectations for the 2026/2027 financial year.
3. THAT elected members adopt the attached Letter of Expectations
4. THAT the Chief Executive and District Mayor be authorised to make any required minor or editorial changes.

BOYDE/ERWOOD
Carried
A&R/26/40

Recommended Reason

Elected Members have voiced concerns regarding certain areas of Percy Thomson Trust's performance and operations and have recently twice declined to adopt a Statement of Intent presented by the trust. A Letter of Expectations is the appropriate mechanism for council to express its expectations and highlight areas of concern to a council controlled organisation.

The Chief Executive noted the following points:

- This was a direct outcome of discussions with elected members and has contributed to the draft letter. Today's decision provides an opportunity for members to suggest any additions or deletions they would like made to the letter.

The Chair allowed Councillor Hall speaking rights and the following points were noted:

- A spelling error was identified in the letter. Concerns were raised regarding financial accuracy. It was noted that this issue had been addressed since the initial report. The Trust considers communication by telephone to be more constructive. It was noted that the letter did not acknowledge the hard work of the Trust. The Trust appreciates the letter and will provide a response once it has been received. The Trust would, however, appreciate more timely correspondence in the future.

Questions/Points of Clarification:

- The District Mayor noted the review process that the letter had undergone and asked whether it would be appropriate to include a provision allowing the Chief Executive or Mayor to make minor editorial changes. This was agreed.

17. Correspondence

There was no correspondence.

18. General Business

There was no general business.

19. Questions

There were no questions.

20. Closing karakia

The closing Karakia was read.

The Meeting closed at 2.12 pm.

Philip Jones
Chairman

Confirmed this 22th day of September 2026.

Neil Volzke
District Mayor

INFORMATION REPORT



F25/96/004 – D26/34879

To: Audit and Risk Committee
From: Health and Safety/Emergency Management Advisor
Date: 22 September 2026
Subject: Health, Safety and Wellbeing Report

Recommendation

THAT the report be received.

/_____
 Moved/Seconded

1. Purpose of Report

- 1.1 This purpose of this report is to receive and consider information on health, safety and wellbeing performance.

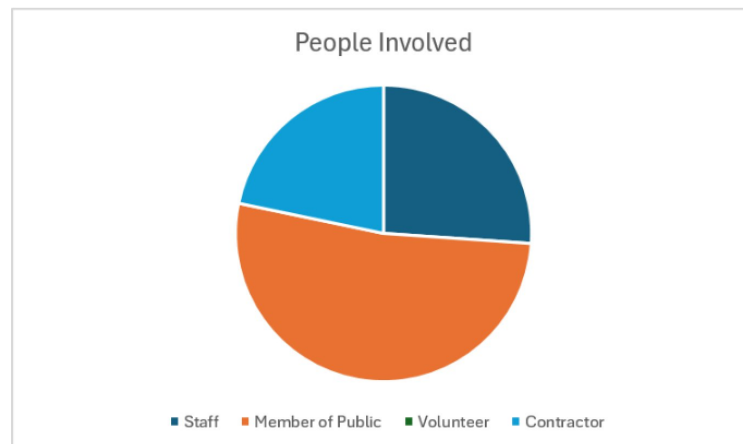
2. Executive Summary

- 2.1 There were 23 events during the 1 July – 31 August 2026 reporting period. Engagement in health and safety practices across the Council is trending positively. Contractor engagement continues to improve as evidenced in the incident reporting.

3. Events

Events 1 July - 31 August 2026

Illness 0	Incidents 11	Injury 6
ACC Claims 0	Near Miss 6	Notifiable Injury 0



3.1 Chlorine Gas Evacuation – Wai O Rua Aquatic Centre

Outside the reporting period, a chlorine gas evacuation occurred at Wai O Rua Aquatic Centre on 9 September. The alarm was automatically triggered by the facility's chlorine detection system and the staff evacuated accordingly.

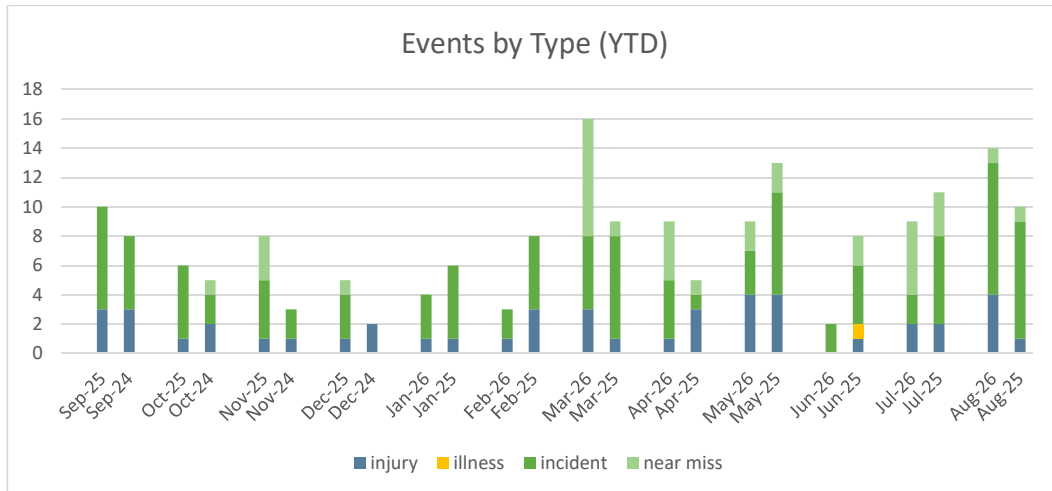
Wai O Rua staff responded promptly and completed the emergency evacuation. The evacuation was well managed, and staff have been commended for their actions.

A debrief has been completed, and the resulting action points are being progressed. These actions will provide assurance that any future evacuations can be carried out to the same standard.

3.2 Injury Events

There were 6 injury events during July and August. All were minor injuries.

4. Events YTD



5. Types of Reported Events - 23 YTD (2025: 24)

Types of Reported Events

Behaviour	4	Live Animals	
Being Hit by Moving Object		Long term contact with chemicals or substance	
Biological Agencies		Long term exposure to sounds	
Burn		Manual Handling	1
Chemicals or Substance		Machinery	
Contact or Exposure to Heat or Cold	2	Non-powered hand tools/equipment	
Contact with electricity		Other Agencies	1
Contact with, or exposure to biological factors		Other and Multiple mechanisms of injury	
Environmental	3	Other muscular stress	1
Exposure to mechanical vibration		Personal Safety	3
Exposure to mental stress factors		Plant/Equipment	2
Exposure to radiation		Repetitive movement with low muscle loading	
Exposure to sharp sudden sound		Rescue - Dry	1
Exposure to variations in pressure (Other than sound)		Rescue - Wet	
Falls from height		Slide or cave-in	
Falls on the same level (including trips and slips)	1	Substances	
Foreign Body		Traffic Incident	2
Hitting objects with a part of the body	2	Underground environment	
Human Agencies		Unspecified mechanisms of injury	
Indoor Environment		Vehicle accident	

6. Reported Events by Department - YTD

Team	Categories	Event Type			Total
Data from Vault since 1 July 2026		Near Miss	Incident	Injury	23
Assets	Traffic, Abusive Customer, Sprain, Equipment, graze, Damage to asset	1	5	2	8
CEO Office					0
Community services	Environment, Other, Horseplay		3		3
Corporate Services					0
Environmental Services					0
Wai O Rua	Bleeding, Other, Facility, Horseplay, Lost Child, Bruise, Strain, Burn/Scald, Rescue	5	3	4	12

7 Contractors

7.1 Four site inspections were conducted during the reporting period.

Excellent: 3
Very Good: 1
Good:
Satisfactory:
Poor:
Very Poor:

8 Facility Lockdown Procedures

8.1 Council is reviewing lockdown procedures across all facilities following recent events in the community. The review is underway and is intended to confirm that current procedures remain practical, effective, and fit for purpose. Future drills are also being planned to support staff readiness and ensure procedures can be applied confidently if required.

9 Health and Wellness

- 9.1 Wellness webinar focussed on change and uncertainty was offered to staff on 31 July, with approximately 12 staff attending.
- 9.2 Mole Map visited the Council on 14 August. 20 staff skin checks were undertaken.
- 9.3 Staff eye checks booked for September.

10 Quarterly Health and safety Critical Deep Dives

- 10.1 A critical risk review schedule has been developed (Appendix 1).
- 10.2 Below is the summary of the Critical Risk deep dives for the quarter.

Critical Risk Review		
Risk	Exposure to Hazardous Substances	
Description	IF staff are affected by exposure to hazardous substances eg chemicals, liquids, fumes and other toxic substances THEN there are possible risks to staff health and wellbeing.	
Current Control Measures		Control Measure Overview
Safe Storage Procedures		Use appropriate PPE gear at all times in the vicinity of the hazardous substances. Regular health checks for staff.
Correct Handling and PPE		All hazardous substances are correctly labelled and stored according to best practice safety procedures and guidelines. Training is mandatory for all staff working with hazardous substances.
Raw Risk Score	6 - High	
Residual Risk	3 - Moderate	

Critical Risk Review		
Risk	Aerodrome - Unsafe Conditions	
Description	IF the Council fails to carry out its legislative responsibilities to ensure aircraft movements are restricted or prohibited in unsafe conditions/areas of the Aerodrome, THEN lives could be put at risk and property damaged.	
Current Control Measures		Control Measure Overview
Administrative	Establish operational procedures specific to this risk, and regularly monitor compliance. Council has Airport Owner and Operators Liability insurance cover of up to \$10m for all related costs Council is legally obligated to pay for property damage or bodily injury including death.	
Maintenance	Council maintains the runway to the CAA standards. Council responds to maintenance requirements through contractors.	
Raw Risk Score	4 - High	
Residual Risk	2 - Moderate	



D Pemberton
Health and Safety/Emergency Management Advisor



[Endorsed by]
Raelene Johnson
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date 11 September 2026

Health and Safety Critical Risk Review Schedule 2026-2028					
	Sep-26	Nov-26	Mar-27	May-27	Jul-27
Risks to be Reviewed	Risk 659 - Exposure to Hazardous substances	Risk 637 - Workplace Bullying or Harassment	Risk 629 - Lone Worker	Risk 665 - Water Supply network is contaminated	Risk 632 - Parking Control
	Risk 676 - Aerodrome- Unsafe conditions	Risk 636 - Swimming Pool Accident	Risk 628 - Abusive customer	Risk 633 - Council Vehicle accident	Risk 631 - Food/Health and Safety
	Sep-27	Nov-27	Mar-28	May-28	Jul-28
	Risk 626 - Public Events	Risk 125 - Playground equipment failure	Risk 665 - Water Supply network is contaminated	Risk 629 - Lone Worker	Risk 125 - Armed Robbery
	Risk 184 - Dog Attack	Risk 183 - Employee Substance Abuse	Risk 633 - Council Vehicle accident	Risk 628 - Abusive customer	Risk 634 - Staff under Stress

INFORMATION REPORT



F25/96/004 – D26/34954

To: Audit and Risk Committee
From: Director - Corporate Services
Date: 22 September 2026
Subject: Risk Management

Recommendation

THAT the report be received.

Recommended Reason

To provide an update to the Audit and Risk Committee of any risk events or threats in relation to significant risks on Council's risk register, as part of Council's risk management processes.

/_____
Moved/Seconded

1. Purpose of Report

- 1.1 To provide a high-level update on Council risk, with a particular focus on the Significant Risks Register (**Appendix 1**), and in accordance with Council's Risk Management Policy.

2. Executive Summary

- 2.1 The Audit and Risk Committee Terms of Reference provides that its purpose includes ensuring that the Council is managing risk in an appropriate manner.
- 2.2 The following significant risks are requiring active management by the Senior Leadership Team:
- Risk 9 – LTP/Annual Plan
 - Risk 31 – Abusive Customers
 - Risk 32 – Lone Worker
 - Risk 72 – Elected Members Decision Making
 - Risk 78 – Government Policy Impacting on Local Government
- 2.3 Additionally, the following risks are being actively managed:
- Council building compliance issues
 - Current consenting matters
 - Historic consenting matters
 - Council sites and facilities safety risks

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		Effective risk management has an impact on council's ability to promote all four wellbeings.	
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

4. Background

- 4.1 The Council maintains a full risk register, which currently has 98 organisational risks. Of these, the most significant risks in terms of likelihood and consequence are monitored by the Audit and Risk Committee, via the Significant Risks Register. This report includes any incidents, events, and/or threats in relation to risks on the Significant Risks Register. The senior leadership team is reviewing the entire risk register, with an intention to provide a fully updated version to this committee.
- 4.2 The risk register includes a description of the risk and provides an evaluation of the risk in terms of likelihood and consequence without any controls in place. Controls (risk reduction methods and mitigations) have been established for each risk, and then the risk is re-evaluated to get a residual risk score. In terms of what constitutes a significant risk, the raw risk score is considered, rather than the residual risk, as it is important that the senior leadership team and the Audit and Risk Committee regularly monitor that the controls in place are appropriate and effective.

5. Information Summary

5.1 Significant Risk Events - Update

Risk 9 – LTP/Annual Plan

2027/37 Long Term Plan

The work to prepare and adopt the Council 2027/37 Long Term Plan (LTP) by 30 June 2027 is well underway. The project plan is in progress and is monitored regularly.

A separate standalone report on the 2027/37 LTP Project Plan is being presented to this Committee meeting.

Risk 31 – Abusive Customers

Pockets of anti-government movement around the country is on-going and increases the risk of abusive behaviour to Council staff and Councillors.

Management continues to monitor public behaviour and may need to consider increased security at some Council events or situations in the future.

The district is experiencing a current increase in protest activity. In response, Council staff are reviewing and updating lockdown procedures, with future drills planning in progress.

Risk 32 – Lone Workers

There is a risk that if a staff member is seriously injured or in danger when working out in the field, that the consequences could be worse if they cannot notify or contact others to assist them in the situation.

Management recognises this risk. Our recommended procedures for staff include avoiding dangerous sites when alone, and to wear lone worker devices that can be activated for assistance should they find themselves in danger.

Council has recently invested in new and more user-friendly lone worker devices and the uptake and response from staff has been very positive.

Risk 72 – Elected Members Decision Making

Due to the number and/or significance of decisions elected members make, there is a risk that elected members may not make decisions that will create good outcomes for the community and align with the adopted Community Outcomes. The best way we can manage this risk is to ensure elected members are provided with quality information, including consideration of all available options, in a timely manner.

Recent decisions made by Elected Members since the July 2026 Audit and Risk Committee report are noted below:

July 2026

- Approval of \$15,000 contribution to Percy Thomson Trust's annual audit costs for the 2025/26 financial year
- Adoption of the new Council Farm – Financial Allocations and Reserves Policy
- Declining of a Rates Remission Application – Excessive water use due to a leak
- Head Start Pathway Proposal – confirmation of preferred option

August 2026

- Adoption of revised Delegations Policy
- Approval of Environmental Services – new and amended Delegations
- Adoption of the Te Kahui o Maru Mana Whakahono a Rohe
- Approval of the Taranaki Electricity Trust (TET) 2026 funding application
- Adoption of Percy Thomson Trust - Letter of Expectations
- Approval of road closure for a Car Club Event
- Approval of the Head Start Pathway Proposal

September 2026

- Approval of carry forward Capital Expenditure Budget from 2025/26 to 2026/27
- Approval of restriction of access to Lower Kohuratahi Bridge #2
- Approval of Local Government Act 2002 Delegations
- Approval of new Delegations for Corporate Services and Community Services
- Approval of the Waste Services Joint Committee Agreement, including the establishment of the Waste Services Joint Committee and its Terms of Reference
- Resolved to retain the First Past the Post Electoral system for the 2028 Council triennial elections.

Risk 78 – Government Policy impacting on Local Government

Rates Capping

The government intends to introduce rates capping, with a phased approach, and full implementation by 2029.

Instead of a definitive cap, the government intends setting a target range of around 2 - 4%.

While water services are expected to be excluded from these restrictions, it is concerning that the proposal captures core infrastructure and services like roads and bridges, which the government previously indicated would be excluded.

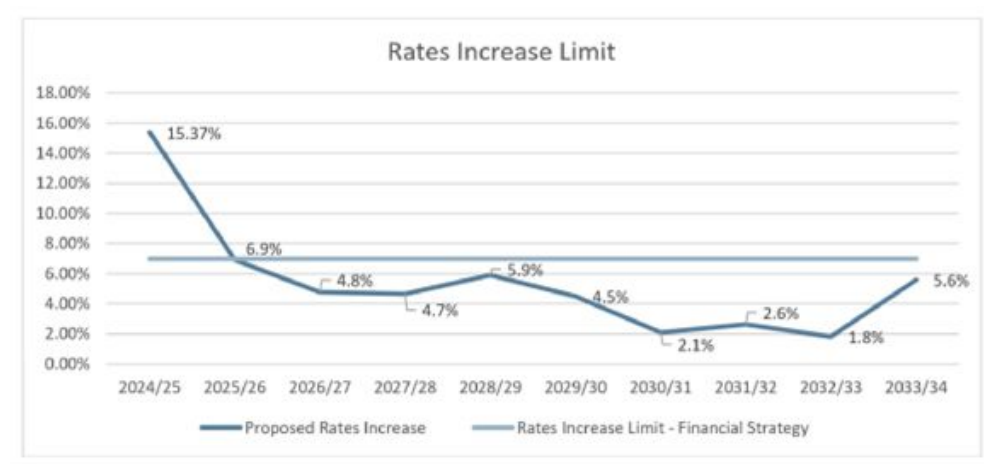
Consultation on the proposals has closed, and the government is still working through the legislative process.

The Ministry for Cities, Environment, Regions and Transport (MCERT), have recently published a *Rates Capping Model Summary* which provides further information. This is attached as **Appendix 2**.

Rates capping creates a financial risk, particularly for smaller councils that have limited access to alternative funding.

It is highly probable that fees and charges and council work programmes will need to be reconsidered, to enable Council to meet the new legislative requirements.

Below are the Council's forecasted rates increases (compared to its self-imposed rates increase limit of 7%) over the 2024/34 Long-Term Plan period:



Council has started preparing 2027/37 Long-Term Plan financial estimates, these will need to adhere to the new rates capping limits from 1 July 2029.

Simplifying Local Government Reform

The government's intention to reform the structure of local government has the potential to have an enormous impact on the future of the Council.

On 5 May, Government wrote to Council to announce their decision to introduce a Head Start pathway to enable fast progress on proposals for Simplifying Local Government.

The Head Start pathway is a voluntary option for councils that are ready to progress regional reorganisation now. The pathway will be open to territorial and/or unitary

authorities that want to come together to form new unitary authorities. For Councils that do not progress through Head Start, reform will not occur until after the 2028 local elections, through the compulsory backstop process.

Under this pathway, proposals were due by 9 August 2026, and SDC has submitted a Head Start proposal in collaboration with South Taranaki District Council. Government decisions on these proposals are due by end of September 2026 and will determine which proposals will proceed to detailed design before final decisions in 2027.

Council has continued to work with STDC on preliminary work for the next phase, assuming that the combined SDC/STDC proposal will be allowed to proceed.

Resource Management Legislation Reform

The government intends to replace the Resource Management Act with two new Acts, a Natural Environment Act, and a Planning Act.

The Natural Environment and Planning Bills both passed their second reading in Parliament on 4 August and are currently awaiting their third reading. The house rises for the election on 24 September, so the third reading is expected any time before then.

Building Act Reform

In 2025 the government announced a series of changes to building legislation. Most of these changes are now in force but there are also changes relating to earthquake prone building requirements and to accountability. The changes to accountability are in the Building Amendment Bill 2026 which is currently open for submissions.

The changes to the building system affect several areas and it is difficult to measure the impact of each change because there are so many. The changes relating to accountability could be significant for councils.

Local Government (Systems Improvement) Bill

The Government's intention with this proposed Bill is to help alleviate pressure on Council rates, by amending the purpose and role of local government, focusing on specific core services and "spending on the basics".

These amendments, and other proposed changes, are intended to address the Government's concern about a lack of financial discipline by the local government sector.

Changes the Bill proposes includes:

- Refocusing the statutory purpose of local government;
- Placing focus on certain types of "core services";
- Better measurement and publicising of council performance;
- Strengthening council transparency and accountability rules, to improve the relationship between councils and their communities;
- Reducing some regulatory requirements applying to councils.

While the Council's plans are mainly in alignment with this reform, these changes are likely to impact priorities and the Council's activity structure for the 2027/37 Long Term Plan.

This Bill is expected to be enacted shortly.

5.2 Other Risks – Update

- Council building compliance issues – TET building compliance requirement works for a Code Compliance Certificate have been identified through a Notice to Fix. A Passive Fire Report was commissioned, and officers are now working to remedy the issues identified. The facility is currently operating under a *Certificate for Public Use (CPU)*.
- Current consenting matters – Work associated with a current building consent has been stopped to enable revised designs to be prepared and consented. This is causing frustration with the owner of the building who is investigating the reasons for the delay and has sought a determination from the Ministry of Building, Innovation and Employment on two applications to amend the consent.
- Historic consenting matters – Council Officers are dealing with a matter relating to stormwater drainage within a subdivision. Options for rectifying the drainage issues have been investigated and work on a solution is due to start soon.
- Letter from the Minister of Local Government (20 August 2026) – The Minister used the release of the report into the Mount Maunganui Beachside Holiday Park landslide as a reminder (**refer Appendix 3**) for councils to ensure they are aware of their operational risks and have processes, mitigations and escalation in place to ensure that risks are understood and managed. We are using this as an opportunity to undertake a bottom-up review of our existing risk registers, with a focus on risks that we may have become too comfortable accepting as business-as-usual.

6. Strategic Alignment

6.1 Direction

Not applicable.

6.2 Annual Plan and Long-Term Plan

Not applicable.

6.3 Sustainability Consideration

Note – it is proposed that the Risk Management framework incorporate the new Sustainability Policy principles.

6.4 District Plan

Not applicable.

6.5 Legal Implications

Council has engaged legal advice regarding a historical subdivision consent matter.

6.6 Policy Implications

Not applicable.

Attachments:

- Appendix 1** Significant Risks Register
Appendix 2 MCERT – Rates Cap Model Summary (August 2026)
Appendix 3 Letter from the Minister of Local Government (20 August 2026)



Raelene Johnson
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date 11 September 2026

2026 - Agenda - Audit and Risk - September - Information Report – Risk Management

Stratford District Council - Significant Risks Register

This report presents the most significant risks to Council in terms of likelihood and impact at any given time.

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
78	Operational	Government Policy Impacting on Local Government	IF Government Policy significantly changes the services Council delivers or the way they are delivered, THEN this could put financial pressure on the district to fund investment in changes, or it may mean previous investment has become redundant.	20 Extreme	Where a policy change may have a significant negative impact on the Council then staff and elected members should consider making a submission to suggest and encourage alternative options. Council officers and elected members need to keep up to date with proposed changes to legislation and govt policy, and anticipate potential impacts of legislative changes and respond strategically, rather than being in a reactive position or being overly proactive. This could include joint collaboration with business and other councils, accessing alternative funding sources, or obtaining legal or professional advice. Council should aim to maintain a position where it can be adaptive and respond well to change, e.g. low to medium debt levels, diversification, good employment relationships.	20 Extreme
12	Data and Information	Cyber Attack	IF the systems are compromised and subject to a cyber attack, THEN system downtime, loss of data, ransoms may be demanded, potential privacy breach, reputational damage, and potential loss of funds.	16 Very High	Council have several security measures in place such as enterprise grade firewalls, email filtering, backups, antivirus and device management. If a breach was detected Council would activate the insurance policy and engage an IT security company resource to assist with recovery.	4 High
51	Operational	Natural Disaster or Fire - Response preparedness	IF a Natural Disaster or Fire causes significant damage to infrastructure and buildings THEN community welfare may be severely compromised, putting peoples lives at risk, and staff may be unable to access systems to carry out their day to day duties and functions.	15 Very High	Civil Defence Emergency Management plans are in place. Procedures following an emergency event are widely known by a number of staff due to Civil Defence Foundational training being rolled out to majority of council staff. Business Continuity Plans need to be in place and practiced regularly for all activities - Directors responsible for having a plan in place for each of their departments to ensure core functions can continue to be delivered.	12 Very High
71	Operational	Critical Asset Failure	IF a critical asset (water treatment plants, stormwater, wastewater, reticulation, roading) failed, THEN unexpected financial burden may arise and there could be significant disadvantage and risk to the community.	15 Very High	Conduct 2 yearly Asset Criticality Review. Ensure there are established Civil Defence Emergency Management response procedures in relation to fixing critical assets in an emergency event. Management practices and staff training, retention to ensure appropriate skill level in critical asset maintenance.	4 High
11	Data and Information	Server Failure	IF the server failed THEN systems down, data unavailable, potential data loss	12 Very High	Restore from backup - backups encrypted, and stored off-site at approved data-centres (Tier 3). Fail-over for Melbourne data centre replicates to Sydney data centre.	3 Moderate
32	Health, Safety, and Wellbeing	Lone Worker	IF a staff member is seriously injured or killed during field inspections/site visits, THEN possible health and safety breaches, death or serious injury.	12 Very High	Quality assurance, Ongoing training/awareness of HSE requirements and responsibilities, Better use of council data/knowledge base on dangerous or insanitary sites before staff member deploys to site, Use of GPS tracking, mobile phone tracking. Compliance officers to wear body cameras when on duty.	3 Moderate
58	Reputational and Conduct	Contractor Damage or Breach	IF Council and/or council contractors are found to be liable for public/environmental damage, or any actions that are unsafe or non-compliant with legislation and applicable policies and standards, THEN fines, possible injury, long-term damage, reputational damage could result.	12 Very High	Appropriate procedures and guidelines are in place to monitor contractor actions and our own including health and safety audits, contractor meetings/KPI's. The Council requires all physical works contractors to go through a thorough health and safety pre-qualification process and become approved before commencing any physical work. All relevant staff are kept up to date with pre-approved contractors register. Mini audits and random checks should be built into contracts. Contractor public liability insurance required for all major contracts.	3 Moderate

2026 - Agenda - Audit and Risk - September - Information Report – Risk Management

Risk Alert Number	Risk Category	Risk Subject	Risk Description	Risk Score Raw	Control Description	Residual Risk Score
72	Reputational and Conduct	Elected Members - Decision Making	IF elected members make significant decisions based on inaccurate/insufficient information, "biased" influences, conflicts of interest not disclosed, or lack of understanding of the financial or legislative impacts, THEN there could be funding access difficulties, audit scrutiny, financial penalties, and/or community distrust in elected members. Potential breach of Local Authorities (Member's Interests) Act 1968, and Councillors may be personally financially liable under S.47 of LGA 2002.	12 Very High	Relies on the accuracy and quality of the advice given by staff to elected members - ensure agenda, reports, and other papers are always reviewed by CEO, and Directors if appropriate. Information related to decision making should be given to elected members in a timely manner. Elected members should receive initial induction training and attend LGNZ, SOLGM conferences where material is relevant to get a better understanding of governance decision making. Council has a Professional Indemnity insurance policy for all elected members and independent committee members.	4 High
31	Health, Safety, and Wellbeing	Abusive Customers	IF council staff and/or representatives are exposed to abuse from the public during, or as a result of their association with council, THEN this could impact on staff safety and council's responsibility to ensure the safety of staff.	12 - Very High	Staff have personal alert alarms if in danger, customer service training and policies on how to deal with situations so they do not escalate. Security cameras in place. Fob access required to access staff office area. Mayor's office is secured by glass entry way.	4 High
74	Financial	Inadequate financial provision to fund asset replacement	IF there is inadequate financial provision in reserves to fund the replacement of assets, THEN the Council may have to borrow more than expected, or asset replacement may need to be delayed which may affect service level performance.	12 - Very High	Ensure annual depreciation is based on accurate fixed asset values (replacement cost) and accurate useful lives. Assets should not, unless necessary, be replaced before the end of their useful life.	2 Moderate
9	Compliance and Legislation	LTP/Annual Plan	IF LTP/Annual Plan is not adopted by 30 June (updated to 31 July for 2024) THEN council rates setting is compromised, statutory breach reported to Minister, there is no mandate for service delivery, additional audit scrutiny, and uncertainty around future service provision for the community.	12 - Very High	Set a timetable to ensure statutory deadline is met. Good project management. Good quality data is provided. Keep abreast of possible changes to legislation and plan accordingly. Good communication to all staff and liaison with Audit NZ.	8 High
92	Reputational and Conduct	Community Engagement	IF Council does not engage with the community in line with its Significance and Engagement Policy and the requirements of sections 76-82 of the Local Government Act 2002, THEN Council decisions will lack a community mandate, may not be fit for purpose, and may be scrutinised and subject to legal challenge.	12 - Very High	Prepare engagement strategy and communication plans for major decisions. An engagement strategy for the LTP is a must. Targeted engagement should be considered where decisions affect particular groups or individuals disproportionately.	4 High

Rates Cap Model Summary

What is the rates cap model?

The rates cap model is the Government's approach to limiting how much councils can increase the rates they collect from ratepayers.

What will it do?

The rates cap limits how much revenue councils can raise rates over a set period. It does not limit revenue from growth, such as new properties being added to the rating base.

How will it work?

Every six years the Government will set a target range for rates increases (for example, 2–4%). Councils will only be able to increase rates within the target range.

The range will be based on changes in the costs councils face. The lower end will help councils maintain essential services, assets, and infrastructure; while the upper end will keep rates increases affordable for households and businesses.

Councils will have flexibility in how they apply rates increases across different properties. This means rates for some properties may increase by more or less than the target range. Councils will need to keep their average total rates increase within the target range over a three-year period. This means increases can vary from year to year, provided the average remains within the range.

The model allows for growth in the number of rateable properties. Councils will need to make reasonable forecasts of the growth when preparing their long-term plans.

The model includes flexibility for unexpected significant cost pressures that affect councils across the country, such as new central government obligations on local government, or major global economic events. The Minister will take these costs into account when setting the target range every six years.

The Minister will undertake a post-implementation review by 31 December 2033. In preparing the report to present to Parliament the Minister must ensure that councils and the Regulator are consulted.

What will it cover?

The rates cap will apply to:

- general rates
- uniform annual general charges
- most targeted rates.

The rates cap will not apply to charges and rates for water services (drinking water, wastewater and stormwater). These will be managed under separate arrangements.

When will it apply?

From 1 July 2027 to 30 June 2029, councils will need to take the target range into account when setting rates.

From 1 July 2029, local authorities will be required to comply with the target range.

Who will set the target range?

The first target range of 2-4% per year will be set in the legislation. This range will be reviewed and reset before councils prepare their 2030 long-term plans, based on advice from the Regulator. After that the Minister of Local Government will set a new target range every six years, based on advice from the Regulator.

When setting future ranges, the Minister must consider:

- costs faced by councils in carrying out their functions
- expected new costs resulting from Government decisions
- whether adjustments are needed to account for unexpected costs in the previous period.

Exemptions

The model includes flexibility for individual councils through an exemption process. Councils can operate outside the target range if an exemption is approved.

Exemptions are time limited and rare. There will be two main types of exemption:

Exceptional circumstances (e.g. natural disasters)
Who decides: the Minister, with advice from the Regulator
Regulator will consider whether: • there are exceptional circumstances; and • if an exemption is necessary or desirable to enable the local authority to respond or recover.
Timing for application: as needed, following unpredictable, unforeseen or extreme events.
Description: this exemption allows a council to increase rates above the target range in response to exceptional events that are unexpected, outside the council's control, or particularly severe. If an exemption is approved, the Minister will set a new target range for the council. The exemption is intended to apply for as long as needed (up to 10 years) to help the council respond to, recover from, or manage the effects of the exceptional event.

Future financial planning (starting from 2030/31)
Who decides: the Regulator
Regulator will consider: • how the council has considered the purpose of local government, the provision of core services and its statutory functions in its financial management; • how the council has used other funding and financing sources; • whether the council has considered asset recycling; and • the council's plan to return to the target range over an agreed period.
Timing for application: before public consultation on the council's long-term plan.
Description: Where a council can demonstrate that its finances are being managed prudently, it may apply to increase rates above or below the target range. If an exemption is approved, the Regulator will set a new target range for the council and the council will be required to consult its community on the proposed rates increase.

Councils will retain the final decision on whether to apply for and use an exemption.

Role of the Regulator

An independent regulator will oversee the rates cap system. The Regulator will provide guidance to councils and monitor compliance.

The Regulator will:

- advise the Minister on setting the target range
- advise the Minister on applications for exceptional circumstances exemptions
- approve applications for exemptions for financial planning
- issue invitations and approve applications for 2029/30 financial year exemptions (see below)
- monitor council compliance
- require councils to remake rates decisions if they do not comply with the target range
- publish information about how the system is working.

The Regulator will be a statutory officer located in the Ministry of Cities, Environment, Regions and Transport and appointed by the Ministry's Chief Executive.

Transition period

A transition period will run from 1 July 2027 to 30 June 2029 to give councils time to adjust to the rates cap before it becomes mandatory.

During the transition period, councils must have regard to the target range but are not required to comply with it.

A special approach for exemptions applies for the 2029/30 financial year. This is because the rates cap will become mandatory at the beginning of the third year of the 2027–37 long-term plans. Applications will be by invitation only. There will be two types of exemptions:

Capital works (2029/30 only)

Who decides: the Regulator

Regulator will:

- invite specific councils to apply if they meet certain criteria outlined in legislation.

Timing for application: councils will be invited in early 2027 and the application will be determined no later than 29 June 2027. Exemptions will last for the 2029/30 financial year only, and then a council can apply in 2029 for a Type-2 (future financial planning) variation for the 2030 long-term plan if needed.

Description: councils which have significant capital expenditure planned or underway at the time the legislation comes into force may increase rate above the target range for the 2029/30 financial year. This exemption applies as part of their 2027–37 long-term plan and only for 2029/30. The exemption will not set a new target range.

Financial difficulty

Who decides: the Regulator

Regulator will:

- invite specific councils to apply if they meet certain criteria outlined in legislation.

Timing for application: councils will be invited to apply for an exemption in early 2029. Decisions will be made no later than 29 June 2029. Exemptions will last for as long as needed for councils not to be financially at-risk (assumption that this will be a short duration due to the transition period).

Description:

Councils that are at risk of financial distress may be allowed to increase rates above the target range from 2029/30. This exemption can remain in place for as long as needed to address the council's financial situation and to avoid the rates cap worsening existing financial pressures. The exemption does not create a new target range. Instead, it allows the council to exceed the existing target range for the period of the exemption.

How does this fit into the wider local government reform?

If councils are involved in a major local government reorganisation, such as an amalgamation, under the current Local Government Act processes they will need to follow a process set out in legislation to reset their rates before the target range fully applies. The reset process will be based mainly on the rates of the predecessor entities, with some allowance for the cost of reorganisation and changes in funding structures.

During the reset period, the new council or councils will have flexibility to set rates while taking the target range into account. The requirement to stay within the target range will then apply to the council's first long-term plan prepared after the reorganisation.

Any reorganisations under the Simplifying Local Government process (Head Start or the proposed back stop process) are different. How the rates cap will apply to councils undergoing those reorganisations will be managed through the legislation for those processes. The intention is that the rates cap target range should apply as soon as possible to the reorganised entity.

Hon Simon Watts

Minister for Building and Construction
Minister of Climate Change
Minister of Local Government
Minister of Revenue
Minister for Auckland



MIN127

20 August 2026

Dear Chairs, Chief Executives, and Mayors

Yesterday the Tauranga City Council released the report of Hon Paul Davison KSO KC into the Mount Maunganui Beachside Holiday Park landslide. Its findings make for sobering reading.

I was concerned to read that warnings over some years about the vulnerability of Mauao were not acted upon. This raises questions about risk and assurance processes across the country. The lessons learned in Tauranga should be noted across New Zealand. We do not want another repeat of this tragedy.

Councils manage sites and facilities across a range of terrain, hosting millions of New Zealanders and visitors each year. Appropriate systems are required to ensure that risks are identified, managed, and, where possible, mitigated.

I ask all councils to review this report. The Central Government is doing so and will take its findings into account for the Crown's review into this matter.

Councils have an important role in keeping our communities safe. I look forward to you prioritising this important matter.

Yours sincerely

A handwritten signature in dark ink, consisting of a series of loops and a long horizontal stroke.

Hon Simon Watts
Minister of Local Government

INFORMATION REPORT



F25/96/004 – D26/35081

To: Audit and Risk Committee
From: Director - Corporate Services
Date: 22 September 2026
Subject: 2027/37 Long Term Plan Update

Recommendation

THAT the report be received.

Recommended Reason

This report provides the Committee with an update on the status and project plan for the *2027/37 Long Term Plan*, and an opportunity to comment on associated risks.

/_____
 Moved/Seconded

1. Purpose of Report

- 1.1 The purpose of this report is to give an update to the Committee on the progress and project plan of the *2027/37 Long Term Plan*.

2. Executive Summary

- 2.1 The preparation of the *2027/37 Long Term Plan* is well underway, and progress is on track.
- 2.2 A detailed project plan has been prepared and is being monitored as Council works through the significant work programme. The current progress to plan is satisfactory.
- 2.3 The *2027/37 Long Term Plan* is a significant challenge due to the extra pressures in the current local government environment. Council is addressing this through trying to be well-planned and starting financial estimates early - to enable additional time and resource for later in the process, if required.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"

Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:

Yes

Social	Economic	Environmental	Cultural
✓	✓	✓	✓

All four well-beings are addressed in the Long Term Plan document.

4. Background

- 4.1 The Council is required to prepare and adopt a Long Term Plan (LTP) every three years. Section 93 of the Local Government Act 2002 sets out the requirements for a LTP – refer **Appendix 1**.
- 4.2 The LTP is the key planning tool for Councils that outlines the vision, projects, priorities, budgets and financial strategy for the next ten years, and involves a significant work programme.
- 4.3 Key characteristics of the LTP are:
- **Strategic** – Primary vehicle through which Council sets out what Council wants to achieve over the long term, what the objectives are in the short term, and the costs it will take to deliver on them.
 - **Legislatively required** – Council must always have a LTP in place, and it must meet specific requirements set out in legislation.
 - **Audited** – The LTP, its components and the Consultation Document will all be audited by Audit New Zealand.
 - **Challenging** – It involves making trade-offs about what is most important.
 - **Consultative** – Requires consultation with the community in the development of the plan.

5. Information Summary

- 5.1 The preparation of the *2027/37 Long Term Plan* is well underway. A detailed project plan is being followed, and project meetings are scheduled on a fortnightly basis.
- 5.2 The project team is led by the Director – Corporate Services and includes staff members from the critical areas of Assets, Communications, Finance and Governance.
- 5.3 The LTP work programme is within the critical and busy “Building the Plan” phase. **Figure 1** illustrates the current LTP process and timeline.
- 5.4 Since July 2026, Early Conversation workshops have continued, Vision and Community Outcomes is mainly complete, Level of Service workshops were conducted and proposed changes to the Significance and Engagement Policy have been workshopped.
- 5.5 Managers submitted their initial operating revenue and expenditure budgets in June. These are currently going through a second departmental review, to incorporate any final changes – to enable finalisation of estimates in October/November.
- 5.6 The next stage of finalising financial estimates also includes incorporating the 3 waters structural changes to the financial model and the final capital programme forecasts from the Early Conversation workshops.
- 5.7 The Environmental Scan and Financial Strategy work is ongoing.



Figure 1: 2027/37 Long Term Plan Process and Timeline

6. Risk Analysis

- 6.1 The LTP is recognised as a significant risk on the Council's Risk Register, as IF the LTP is not adopted by 30 June 2027 THEN Council rates setting is compromised, a statutory breach would be reported to the Minister, there would be no mandate for service delivery, Council would have additional audit scrutiny, and there would be uncertainty around future service provision for the community.
- 6.2 Risk control and mitigations to lower this risk includes:
- A monitored LTP Timetable/Timeline
 - Good Project Management by key staff
 - Council keeping updated with legislation changes
 - Good communication to all staff and elected members
 - Good engagement with Audit New Zealand

- 6.3 The *2027/37 Long Term Plan* is shaping up to being a significant challenge due to the following factors:
- **Rates affordability and financial constraints** – The rising cost of living, limited financial resources, and proposed rates capping makes it difficult to maintain services and infrastructure while preparing for the future.
 - **Involving the community** – Satisfaction and trust in the Council's decision making, while higher than most Councils, is still under pressure. Generally, people's attitude towards the public sector continues to deteriorate and meaningful engagement is more difficult to obtain.
 - **Local Water Done Well impacts** – The Council is currently transitioning water services from core Council activities to an In-House Business Unit. This is creating further complications in determining the structure of the LTP document and what disclosures remain in and out. So far advice on this separation has been limited and will require additional work during the coming months. In addition, a *Water Services Strategy* is also required to be prepared during this time – creating further pressure.
 - **Central government reform impacting local government** – The immense uncertainty and high resource requirements to respond well to recent central government reforms and to incorporate these into 10-year plans is a huge task, especially when legislation has not yet been formally enacted and for smaller Councils who have less capacity in their teams.
- 6.4 Our Council's best response to the additional challenges for the *2027/37 Long Term Plan* is to try and get work underway early - to enable additional time and resource (if needed) to address these. Consequently, we started working on our financial estimates early.
- 6.5 We have also engaged with Audit New Zealand early in the process. Audit visits are already planned for January and May 2027, and monthly auditor meetings have commenced.
- 6.6 Rates capping and the Systems Improvement Legislation have not yet been enacted, which is affecting the initial phases of the LTP process. Council officers are aware that the LTP documents may require further changes and development as legislative requirements become clearer and are factoring this into their work planning.

7. Strategic Alignment

7.1 Direction

All Community Outcomes are affected by the Long Term Plan.

7.2 Annual Plan and Long Term Plan

The *2027/37 Long Term Plan* will be Council's primary strategic document, identifying what it aims to achieve over the next ten years, how much it will cost, and who will pay for it.

7.3 Sustainability Consideration

The principals and objectives within the Sustainability Policy are considered by officers when preparing Long Term Plans.

7.4 District Plan

Not applicable.

7.5 Legal Implications

Council is legally required to adopt its *2027/37 Long Term Plan* by 30 June 2027.

7.6 Policy Implications

Council must consider the Revenue and Financing Policy when looking at altering any funding positions.

Attachments:

Appendix 1 Section 93 of the Local Government Act 2022



Raelene Johnson
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date: 11 September 2026

Appendix 1:

Section 93 of the Local Government Act 2022

93 Long-term plan

- (1) A local authority must, at all times, have a long-term plan under this section.
- (2) A local authority must use the special consultative procedure in adopting a long-term plan.
- (3) A long-term plan must be adopted before the commencement of the first year to which it relates, and continues in force until the close of the third consecutive year to which it relates.
- (4) A local authority may amend a long-term plan at any time.
- (5) A local authority must use the special consultative procedure in making any amendment to a long-term plan.
- (6) The purpose of a long-term plan is to—
 - (a) describe the activities of the local authority; and
 - (b) describe the community outcomes of the local authority's district or region; and
 - (c) provide integrated decision-making and co-ordination of the resources of the local authority; and
 - (d) provide a long-term focus for the decisions and activities of the local authority; and
 - (e) provide a basis for accountability of the local authority to the community.
 - (f) *[Repealed]*
- (7) A long-term plan adopted under this section must—
 - (a) cover a period of not less than 10 consecutive financial years; and
 - (b) include the information required by [Part 1](#) of Schedule 10.
- (8) A local authority must, in complying with the requirements of this Act in relation to the preparation and adoption of a long-term plan, act in such manner, and include in that plan such detail, as the local authority considers on reasonable grounds to be appropriate.
- (9) A local authority must, in deciding what is appropriate for the purposes of subsection (8), have regard to—
 - (a) the provisions of [sections 77, 78, 79, 80, 81, 82, 83, 84, 96, 97, and 101](#); and
 - (b) the significance of any matter; and
 - (c) the extent of the local authority's resources.
- (10) A local authority must, within 1 month after the adoption of its long-term plan, make the plan publicly available.
- (11) However, this section—
 - (a) does not apply to information relating to water services if the information is included in a water services strategy adopted under [section 230](#) of the Local Government (Water Services) Act 2025; but
 - (b) despite paragraph (a), applies to information described in paragraph (a) that relates to—
 - (i) an infrastructure strategy (*see* [section 101B\(5A\)](#)); or
 - (ii) a revenue and financing policy (*see* [section 103](#)); or
 - (iii) a funding impact statement (*see* [clause 15](#) of Schedule 10).

INFORMATION REPORT



F25/96/004 – D26/34516

To: Audit and Risk Committee
From: Director - Corporate Services
Date: 22 September 2026
Subject: 2025/26 Annual Report update

Recommendation

THAT the report be received.

Recommended Reason

To provide an update to the Committee on the progress of the 2025/26 Annual Report, including draft financial statements.

/_____
Moved/Seconded

1. Purpose of Report

- 1.1 To present draft information from the 2025//26 Annual Report relevant to this Committee, and to provide an update on Audit New Zealand's progress with the annual audit.

2. Executive Summary

- 2.1 The Local Government Act 2002 requires all local authorities to complete and adopt by Council resolution its Annual Report within four months after the end of the financial year to which it relates.
- 2.2 The 2025/26 Annual Report document is still being prepared by council officers and cannot be presented in full at this stage. A preliminary 2025/26 draft Statement of Comprehensive Revenue and Expense and Statement of Financial Position is attached to this report (**Appendix 1 and 2**). These statements are subject to change as financial results continue to be finalised.
- 2.3 The IT controls audit and the interim audit - which focuses primarily on internal controls for financial information and authorisations have been completed.
- 2.4 The final audit of the 2025/26 Annual Report is proposed to commence onsite on 21 September 2026.

3 Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

- 3.1 The Annual Report addresses all four wellbeing areas and is a key document for performance reporting in all four of these aspects.

4 Background

- 4.1 Local authorities are required to provide to elected members an audited Annual Report for the year ended 30 June, for adoption by 31 October.
- 4.2 Audit New Zealand continues as the Office of the Auditor General appointed auditor for the 2025/26 Annual Report.
- 4.3 The 2025/26 Audit Engagement letter and Audit Plan Report - **Appendix 3** were reviewed and approved at the Audit and Risk Committee meeting in March.
- 4.4 The 2025/26 Audit Proposal letter was reviewed and approved at the Audit and Risk Committee meeting in May.

5 Information Summary

5.1 Financial Result

The draft 2025/26 year-end results show a net surplus for the year of \$3.8 million, compared to a budgeted net surplus of \$1.0 million.

This significant \$2.8 million increase in net surplus from budget is largely due to:

- Increased revenue from roading subsidies (\$1.8M), mainly due to significant roading capital expenditure, and the July 2025 weather event damage;
- Increased Deferred Better Off Funding revenue (\$1.6M) being recognised due to the delay in the Grit Tank project from 2024/25.

The total comprehensive revenue and expense surplus of \$4.7 million, is significantly less than budget due to the lower inflationary conditions only increasing property, plant and equipment valuations moderately at \$1.0 million, compared to the over budgeted \$35.2 million estimate.

The net surplus is still subject to change as financial results continue to be finalised.

5.2 **Statement of Financial Position**

The Council's 2025/26 draft balance sheet remains strong and is in a good equity position.

The main changes from budget and/or the previous year are:

- Cash reserves are higher and debt is less than planned, due to capital expenditure being under budget, and;
- Property, plant and equipment values are lower, due to the revaluations not being significant.

The final Statement of Financial Position is still subject to change as financial results continue to be finalised.

5.3 **Capital Expenditure**

The 2025/26 financial year capital expenditure draft total is \$15.9 million. This is above the annual plan forecast of \$14.2 million, but less than what was planned due to significant capital carry forwards from 2024/25.

While the financial underspend (including 2024/25 carryovers) is significant, a good number of capital projects have been completed to 2025/26 budgeted timeframes.

An approval from Council has been granted to carry forward \$11.8 million of remaining capital budget unspent in the 2025/26 financial year to the 2026/27 financial year to enable the completion of outstanding projects.

5.4 **Non-Financial Performance Measures**

At the time of this report, the collation of the non-financial performance measures was not yet complete. Council staff will work to ensure that these are complete ahead of Audit New Zealand's arrival onsite in September.

5.5 **Audit Progress**

Audit New Zealand have already made two site visits to complete the interim audit functions of checking internal controls, financial processes and authorisations, and the IT audit is also completed. The final audit visit is planned to commence on 21 September with the final audited annual report adoption expected to occur on 27 October.

Council staff are prioritising audit requests, and the reviewed Land and Buildings valuations and Infrastructure fair value assessments have been provided well in advance, thus providing the auditors additional time to have these reviewed prior to their final visit.

6. **Strategic Alignment**

6.1 **Direction**

The Annual Report has a direct impact on all the Council's stated Community Outcomes.

6.2 **Annual Plan and Long Term Plan**

This report is consistent with the Long-Term Plan 2024-34, and reports against the targets and measures set in the Plan.

6.3 **Sustainability Consideration**

The principals and objectives within the Sustainability Policy are considered by officers when completing the Annual Report and reporting against non-financial performance measures.

6.4 **District Plan**

Not applicable.

6.5 **Legal Implications**

There is a statutory deadline of 31 October 2026 for the council adoption of the audited 2025/26 Annual Report.

There are also legislative requirements in terms of what must be included in an annual report and how it should be presented. Audit New Zealand, as auditors appointed by the OAG, will review Council's annual report, and provide an audit opinion on Council's compliance with these legislative requirements.

6.6 **Policy Implications**

Not applicable.

Attachments

Appendix 1	Draft 2025/26 Statement of Comprehensive Revenue and Expense
Appendix 2	Draft Statement of Financial Position as at 30 June 2026
Appendix 3	2025/26 Audit Plan Report



Raelene Johnson
Director – Corporate Services



[Approved by]
Sven Hanne
Chief Executive

Date: 11 September 2026

**DRAFT STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2026**

	Note	Council		
		Actual 2025/26 \$000	Budget 2025/26 \$000	Actual 2024/25 \$000
Revenue				
Rates Revenue	4	20,063	19,938	18,642
Subsidies, Grants and Other Revenue	5	10,321	6,707	6,336
Development and Financial Contributions		26	-	166
Fees and Charges		2,346	3,103	2,208
Milk Proceeds		777	642	807
Interest Revenue	9	420	410	603
Gains on property, plant and equipment	6	5	-	12
Vested Assets		-	-	-
Other Gains		-	-	-
Sundry Revenue	5	134	55	134
Total Revenue	5	34,091	30,856	28,907
Expenses				
Personnel Costs	7	6,874	6,576	6,491
Depreciation and Amortisation	15 & 16	7,913	8,167	8,049
Other expenses	8	13,983	13,495	12,177
Finance Costs	9	1,536	1,588	1,481
Total Expenses		30,306	29,826	28,198
(DEFICIT) / SURPLUS BEFORE TAX		3,785	1,030	709
Income Tax Expense	10	-	-	-
(DEFICIT) / SURPLUS BEFORE TAX		3,785	1,030	709
Other Comprehensive Revenue and Expense				
<i>Items that will not be reclassified to surplus / (deficit)</i>				
Fair value movement of listed and unlisted shares	21	(74)	-	285
Property, Plant and Equipment Revaluations	21	1,020	35,214	-
Total Other Comprehensive Revenue and Expense		946	35,214	285
Total Comprehensive Revenue and Expense		4,731	36,244	994
Total Comprehensive Revenue and Expense attributable to:				
Stratford District Council		4,731	36,244	994
		4,731	36,244	994

This Financial Statement is draft and subject to change

DRAFT STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	Council		
		Actual	Budget	Actual
		2025/26	2025/26	2024/25
		\$000	\$000	\$000
Assets				
Current Assets				
Cash and Cash Equivalents	11	2,709	1,396	2,984
Short Term Deposits	11	5,000	5,000	6,000
Receivables	12	3,144	2,837	2,683
Prepayments		193	-	121
Other Financial Assets	14	365	-	334
Total Current Assets		11,411	9,233	12,122
Non-Current Assets				
Receivables	12	11	-	16
Property, Plant and Equipment	15	524,934	567,184	516,866
Intangible Assets	16	590	-	450
Other Financial Assets	14	8,845	8,467	8,654
Total Non-Current Assets		534,380	575,651	525,986
Total Assets		545,791	584,884	538,108
Liabilities				
Current Liabilities				
Payables and deferred revenue	17	4,233	3,862	4,223
Employee entitlements	19	400	273	356
Borrowings	20	10,000	4,404	9,700
Total Current Liabilities		14,633	8,539	14,279
Non-Current Liabilities				
Provisions	18	-	-	-
Employee entitlements	19	-	-	-
Borrowings	20	31,600	39,638	29,000
Total Non-Current Liabilities		31,600	39,638	29,000
Total Liabilities		46,233	48,177	43,279
Equity				
Accumulated Funds	21	204,422	206,661	200,259
Reserves	21	295,136	330,046	294,570
Total Equity Attributable to Stratford District Council		499,558	536,707	494,829
Total Liabilities & Equity		545,791	584,884	538,108

This Financial Statement is draft and subject to change

Audit plan

Stratford District Council and group

For the year ending 30 June 2026

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Executive Summary

I am pleased to present our audit plan for the audit of Stratford District Council (the Council) and group for the year ending 30 June 2026. Our role as your auditor is to give an independent opinion on the financial statements and Service Performance Information. We also recommend improvements we identified during the audit.

The contents of this plan provide a basis for discussion with you. We are happy to elaborate further on the matters raised. If there are additional matters that you think we should include or any matters requiring clarification, please discuss these with me.

Nāku noa, nā



Chris Webby
Appointed Auditor
22 January 2026

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Focus areas: Risks and issues



Based on the planning work and discussions we have completed to date; we set out the main audit risks and issues in the table below. These will be the focus areas during the audit. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Risk/issue	Our audit response
Average quality of ride on the sealed local road network, measured by smooth travel exposure performance measure	
The audit opinion on the 2025 annual report was modified because we were not able to gain assurance over the performance measure, average quality of ride on the sealed local road network, measured by smooth travel exposure. This was due to the actual traffic counts used as an input to estimate traffic volumes was not sufficiently up to date, with only a small portion of the road network having counts in the last two years. In addition, Council also identified unresolved anomalies in its traffic volume estimates. Council will need to ensure enough of their roading network traffic counts is surveyed and anomalies between actual and estimated traffic counts are resolved to ensure an unmodified opinion in this year's annual report.	We will review the traffic count data and assess whether there is sufficiently up to date actual traffic count information that has been used to estimate traffic volumes. We will also test to ensure that anomalies between actual and estimated traffic counts have been resolved.
Fair value assessment of infrastructure assets (non-revaluation year)	
For those assets carried under the valuation model that the Council does not plan to revalue, the Council needs to perform a fair value movement assessment (assessment) to determine whether there could be a material difference between the fair value and the carrying value. An assessment should: factor in local cost information;	We will review the reasonableness of the Council's assessment including the appropriateness of the assumptions used in the assessment.



Risk/issue	Our audit response
• utilise relevant and reliable price movement indicators; and • involve consultation with valuers, where necessary. If the fair value movement of the assets, individually or in combination with other asset classes, is likely to be material, the Council will need to complete a full revaluation. If specified criteria are met, the Council may be able to undertake an index-based revaluation.	
Accounting for impairment, capitalisation of costs and recognition of completed assets	
Impairment of property plant and equipment Assets are required to be assessed for indicators of impairment at each reporting date. In addition, work in progress (WIP) values on projects that span an extended period of time should be assessed regularly for impairment over the period of the project. Capitalisation of costs The Council should ensure appropriate policies and processes are in place to identify and capitalise costs that are capital in nature. This includes both direct and indirect capital costs. Completed projects The Council also needs to ensure that, as phases of a project are completed, and assets become operational, capitalisation of the WIP balance is performed in a timely manner. This will ensure that depreciation on these assets starts when the asset is complete and ready for use. The Council had a significant WIP balance at 30 June 2025 with a risk that some projects within the balance may have been abandoned and should be written off. The Council should analyse the aging of WIP balances by year and consider whether any old balances should be written off or impaired.	We will: • assess the processes used by management to assess for impairment, including all significant WIP balances and review the analysis of WIP aging; • update our understanding of the Council policy and processes to identify and capitalise both direct and indirect capital costs; and • review management’s processes to ensure that the capitalisation of WIP costs is performed in a timely manner.



Risk/issue	Our audit response
The risk of management override of internal controls	
There is an inherent risk of fraud in every organisation due to management override of internal controls. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.	Our audit response to this risk includes: • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.

Local Water Done Well

The Council will need to decide on the appropriate accounting and reporting response to the changes in the management of their water assets under the Government's Local Water Done Well (LWDW) programme. The response will depend on the nature and timing of changes and the agreements expected to be in place within Council for the waters business unit. The Council will need to ensure robust systems and processes are in place to ensure Council are able to report separately on the waters business unit.

As your auditors, understanding Council's progress and what systems and processes are being established, will be important for future audit rounds.

Resource Management Act reforms

The Government is progressing reforms to replace the Resource Management Act 1991 (RMA) through the introduction of the Planning Bill and the Natural Environment Bill, with enactment expected by mid-2026.

Under the new planning system councils will have statutory responsibilities to:

- Jointly make and maintain a spatial plan for the region;
- Make and maintain a regulatory plan (a regional council makes a natural environment plan, each territorial authority makes a land-use plan, and a unitary authority prepares both); and



- Administer and implement their regulatory plans including consenting/permitting, monitoring and enforcing compliance, and regulating and managing effects.

The spatial plan, natural environment plan and land-use plans are proposed to be brought together into a combined regional plan.

As your auditors, understanding how Council is responding to these significant changes and what systems and processes are being established, will be important for the Long-Term Plan planning and future audit rounds.



Group audit

Our audit approach for the group is designed to obtain sufficient assurance on the group's financial statements and Service Performance Information. The assessed the risks of material misstatement and our approach for each component of the group is detailed below.

We will report any significant internal control deficiencies to the Council and management of the group, and in particular, deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

Deficiencies reported may be identified by the group engagement team or brought to our attention by a component auditor.

We will also communicate any fraud identified by the group engagement team or brought to our attention by a component auditor.



Materiality

Materiality refers to information that, if omitted, misstated, or obscured, could reasonably be expected to:

- influence readers' overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material considering the surrounding circumstances and its impact. Qualitative considerations are just as important as quantitative considerations.

The Council and management needs to make their own assessment of materiality from a preparer's perspective. The Council and management should not rely on our materiality assessment as a basis for making its own judgements about the integrity of the financial statements and service performance information.

Financial statements materiality

Group overall materiality - used for asset revaluations	\$46,730,000
Group specific materiality - used for all other items	\$830,000
Group clearly trivial threshold	\$41,500
Parent overall materiality - used for asset revaluations	\$46,270,000
Parent specific materiality - used for all other items	\$820,000
Parent clearly trivial threshold	\$41,000

This materiality is subject to change once the actual results for the current year are available.



We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the Council other than those that are **clearly trivial** with no relevant qualitative considerations. Where management does not wish to correct a misstatement, we will seek written representations from the Council on the reasons why the corrections will not be made.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and Service Performance Information. We assess the effects of any detected and uncorrected misstatements, individually and in aggregate, against materiality and qualitative considerations.

Materiality for service performance information

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the council's performance. In doing this, we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers' overall understanding, decision-making, or assessment of council's performance.

We normally express this materiality as a percentage of the reported result.

Outlined below are the measures we assessed as material and our materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality
Safety of drinking water The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules: (a) 4.4 T1 Treatment Rules; (b) 4.5 D1.1 Distribution System Rule; (c) 4.7.1 T2 Treatment Monitoring Rules; (d) 4.7.2 T2 Filtration Rules; (e) 4.7.3 T2 UV Rules; (f) 4.7.4 T2 Chlorine Rules; (g) 4.8 D2.1 Distribution System Rule; (h) 4.10.1 T3 Bacterial Rules; (i) 4.10.2 T3 Protozoal Rules; and (j) 4.11.5 D3.29 Microbiological Monitoring Rule.	5% of result
Drinking water – fault response times Where the local authority attends a call-out in response to a fault or unplanned interruption to its	8% of result



Material measure	Materiality
networked reticulation system, the following median response time measured: resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	
Compliance with wastewater resource consents Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, received by the territorial authority in relation to those resource consents."	5% of result
Wastewater – fault response times Where the TA attends to sewerage overflows resulting from a blockage or other fault in the TA's sewerage system, the following median response time measured: resolution time: from the time that the TA receives notification to the time that service	8% of result

Material measure	Materiality
personnel confirm resolution of the blockage or other fault.	
Roading - customer satisfaction Client/Customer satisfaction survey results.	8% of result
Road condition The average quality of ride on a sealed local road network, measured by smooth travel exposure.	8% of result



Expectations

For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet. Our respective responsibilities are set out in our audit engagement letter. Your responsibilities, with appropriate assistance from management, include:

- preparing the financial statements and performance information in accordance with legal requirements and financial reporting standards;
- providing us with access to all relevant records and providing information in a timely manner;
- providing access to staff, who will provide an appropriate level of assistance;
- providing draft financial statements and performance information, including all relevant disclosures, in accordance with the agreed timetable;
- maintaining accounting and other records supporting the information in the financial statements and providing us with access to those records; and
- subjecting the annual report, financial statements, and Service Performance Information to appropriate levels of quality review before they are provided to us.

Our responsibilities include carrying out the audit, maintaining our independence, and providing you with an audit report.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the

audit. We will use AuditDashboard to make these requests and for transferring files as part of the audit.

Draft financial statements and performance information

We expect that we will need to perform a detailed review of three versions of the annual report:

- A good quality draft set of financial statements and performance information (including notes) that is reasonably complete, received before or at the start of the final audit visit.
- A final set of financial statements and performance information incorporating all changes identified during the audit, received at the end of the audit.
- A final signed annual report or printers proof version.

We do not intend performing a detailed check of additional versions. If this becomes necessary, we will discuss this with you first and there will be an additional cost.

Year-end processes

The year-end financial statement close process and the preparation of the annual report require significant time and effort to complete them effectively. We want the audit process to run smoothly, and we will work with management to achieve this through:



Bringing forward audit procedures

A lot of audit work is traditionally performed after the financial year-end. Where possible, we will aim to bring audit procedures earlier in the year. This will be focused on year-to-date transactions for revenue, expenditure, and payroll, the fair value assessments of infrastructural assets and revaluations of land and buildings. Completion of these tests earlier in the year enables more timely identification and resolution of errors and reduces the time your management needs to support the audit process at year-end, when the annual report is being prepared.

We will work with management to ensure the required information is available at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.



Timetable

Our proposed timetable is¹:

Interim audit begins	16 March 2026
Valuation and fair value assessment information available for PPE	22 June 2026
Work on PPE values begins	29 June 2026
Pre final begins	29 June 2026
Draft financial statements and Service Performance Information available for audit (including notes) with actual year-end figures	14 September 2026
Final audit begins	21 September 2026
Final financial statements and Service Performance Information available, incorporating all agreed amendments	16 October 2026
Verbal audit clearance given	19 October 2026
Report to the Council issued	22 October 2026
Audit opinion issued	27 October 2026

¹ Timetable is still to be confirmed with management and may change.

Reporting

Communication with the Council and management

We will meet with the Council and management throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Meeting with	Planned timing
Mayor	10 December 2025
Chair of Risk & Assurance	Early 2026
Chief Executive	10 December 2025
Director – Assets	Early 2026
Director – Corporate Services	Early 2026
Director – Environmental Services	15 December 2025

Reports to the Council

At the end of the audit, we will report to the Council on:

- our findings on the audit risks identified in this plan;
- any other significant matters found during our audit, including significant deficiencies in internal controls;



- the level of prudence in key judgements made by management in preparing the financial statements; and
- the quality and timeliness of information provided for audit by management.

At our discretion, we may also provide an interim report to the Council and separate reports to management on less significant findings arising from our audit. We will advise the Council if we issue a report to management.



Our team

Our engagement team is selected to ensure we have the right subject-matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Chris Webby	Appointed Auditor
Megan Wassilieff	Audit Manager
Candice Lillington	Audit Supervisor



Our audit process



Fraud risks

Misstatements in the financial statements and Performance Information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. Our consideration of fraud risk covers both misstatements resulting from fraudulent reporting and misstatements resulting from misappropriation of assets.

Your responsibility

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management.

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and Service Performance Information are free from material misstatement, including any resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform audit testing to address the risks identified; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Professional judgement and professional scepticism

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mindset that leads to a questioning approach when considering information and forming conclusions. It means not accepting information at face value, being alert for inconsistencies or anomalies, and considering the possibility of fraud or error.

Exercising professional scepticism means that we will not accept everything you tell us at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgments and assumptions and weigh them against alternative possibilities.

It also means we do not assume that what was true last year remains true this year. Because of this, the audit team will ask management some of the same questions we asked last year. Circumstances can change, information can become outdated, and our audit evidence needs to be current.



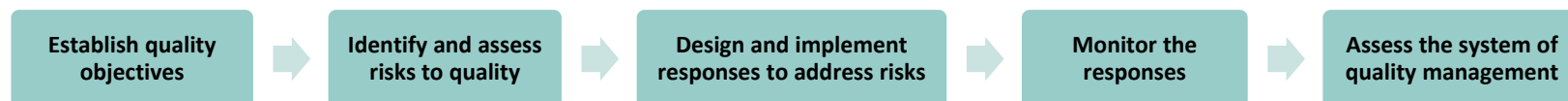
Wider public sector considerations

A public sector audit also examines whether:

- A public entity carries out its activities effectively and efficiently;
- waste is occurring or likely to occur because of any act or failure to act by a public entity;
- there is any sign or appearance of a lack of probity because of any act or omission by a public entity or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence because of any act or omission by a public entity or by one or more of its members, office holders, or employees.



How we manage quality



We apply a risk-based approach to designing, implementing, and operating the components of our system of quality management (SOQM) in an interconnected and coordinated manner to proactively manage the quality of our audits.

Quality objectives

Quality objectives are the desired outcomes for each component of the SOQM.

Audit quality encompasses the key elements that create an environment which maximises the likelihood that we perform quality audits on a consistent basis. Audit quality is about more than issuing the right audit opinion, it is also about how we reach that opinion. We maintain a persistent focus on audit quality and on continuing improvement to audit quality over time.

Quality objective	What this involves
Governance and leadership	Establishing an environment that supports the system of quality management.
Relevant ethical requirements	All staff understand and fulfil their responsibilities regarding ethical requirements.
Acceptance and continuance	Making judgments about accepting or continuing engagements and our ability to perform each engagement.
Engagement performance	Performing a quality engagement, including directing and supervising the team, exercising professional judgment, consulting on difficult or contentious matters, and ensuring appropriate engagement documentation.
Resources	Having sufficient and appropriate human, technological, and intellectual resources.
Information and communication	Maintaining and communicating information regarding the quality management system both internally and externally.

Risk identification and key responses included in our SOQM

We perform an annual risk assessment to identify any risks to achieving our quality objectives. We then implement responses to address these risks. The combination of responses ranges from specific controls to developing policies and procedures for our audit teams. Some of these operate at a firm level, while others are applied to each individual audit.

Of these numerous responses, there are two notable responses that we would like to share as examples:

Independence

Our independence and conflicts of interest policy require all employees to be scrupulous about identifying and managing any conflicts of interest or independence risks. We manage this through our ethics and independence declarations for every staff member, including a compulsory annual review, supplemented by individual independence declarations for each engagement.

Internal and external inspections

All our Appointed Auditors are subject to internal and external inspections on a cyclical basis to ensure that our engagements comply with standards. The Office of the Auditor-General, the Financial Markets Authority, and the New Zealand Institute of Chartered Accountants perform the external inspections. We perform a root cause analysis on selected findings from these reviews and develop action plans to address the identified root causes.



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INFORMATION REPORT



F25/96/004 – D26/34621

To: Audit and Risk Committee
From: Property and Projects Manager
Date: 22 September 2026
Subject: 2026/27 Capital Works Programme - Key Budgets Update

Recommendations

THAT the report be received.

Recommended Reason

To provide a summary on the progress of our main capital expenditure budgets for the 2026/27 financial year and assess Council's ability to complete them on time and within budget.

_____/_____
 Moved/Seconded

1. Purpose of Report

- 1.1. The purpose of this report is to provide the Audit and Risk Committee with updates on key capital budgets programmed for delivery in the 2026/27 financial year.
- 1.2. The purpose is to monitor these budgets, provide assurance to both the Council and ratepayers regarding the deliverability of the approved capital works programme in the 2024–34 Long Term Plan (LTP) and highlight key risks associated with its planned delivery.
- 1.3. This report also summaries the total capital expenditure budget for the 2026/27 financial year year-to-date (YTD).

2. Executive Summary

- 2.1. Council approved a total of **56** capital expenditure projects in Year 3 of the 2024–34 Long-Term Plan. A further **19** projects were carried forward from 2026/27 financial year, with a total capital expenditure of **\$22,725,462** for the 2026/27 financial year.
- 2.2. Year to date 31 August 2026,
 - 4 budgets have been completed (3 waiting on final invoice)
 - 4 budgets are not proceeding
 - 2 budgets are projected to carry forward (Council Subdivision and Desludging of the Wastewater Ponds). These budgets are included in the Long-Term Plan conversations.
- 2.3. **9%** of the 2026/27 capital budget is 'expended', 99% of which is carried forward budget.
- 2.4. This report looks at 13 budget lines that have been identified to be of significance. While this report primarily monitors capital budgets within the 2026/27 Capital Works Programme, it also includes the demolition of the Municipal Building, which is an operational budget. This has been included due to its significance, risk profile, anticipated community interest, strategic location, and potential impact on Council.

2.5. These budgets are assessed on the likelihood and consequence of their deliverability on time and within budget. The budgets are:

- **Roading, a total of \$2,535,662**, comprising of resilience crown funding, bridge and structural renewals, and emergency works.
- **3 Waters, a total of \$4,972,674**, comprising of stormwater modelling, wastewater treatment upgrade, Stratford bore, desludging wastewater treatment ponds, and Stratford grit tanks and raw delivery line.
- **Economic Development, a total of \$5,647,066**, for the Flint Road West Subdivision.
- **Civic Amenities, a total of \$2,813,525**, comprising of Prospero Place Development, TET stadium strengthening and infrastructure renewals, Demolition of the Municipal Building.

2.6. Significant budgets are assessed on the following risk criteria:

- Project Criticality
- Project Complexity
- Project Scale
- Potential adverse environmental effects on sensitive environments

2.7. In terms of delivery, 92% of the budgets are considered low or moderate in risk, while 8% are considered high risk.

2.8. In terms of budget, 92% are considered low or moderate in risk, while 8% are considered high risk.

3. Local Government Act 2002

Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

3.1. Good risk management and regular monitoring support the Council's social, economic, environmental, and cultural outcomes.

4. Information Summary

4.1. Council has approved the delivery of a total of 75 budget lines for the 2026/27 financial year, being Year 3 of the 2024–34 Long–Term Plan. Of these, 38 budget lines have been adjusted, bringing the total capital expenditure budget of \$22,725,462. These are split into the categories shown in **Table 1**.

Table 1: Capital Projects Expenditure Budget

Capital Expenditure 2026/27 financial year (Yr 3)						
	Budgets	Year 3 budget	Carried Forward from Year 2 Budget	Total Budget	Budget spent YTD	
					\$	%
New Year 3 budget lines	36	\$1,793,589		\$1,793,589	\$9,933	1
Budget Continued from Year 2	20	\$9,123,340	\$4,717,931	\$13,841,271	\$588,122	4
Budget Carried forward from Year 2	19		\$7,090,602	\$7,090,602	\$1,384,266	20
Total	75	\$10,916,929	\$11,808,533	\$22,725,462	\$1,982,321	

4.2. To date, **9%** of capital budget is 'expended', comprising:

Table 2: 2026/27 Capital Projects Budget Spend YTD

	Budgets	Total Budget	Budget spent YTD	
			\$	%
New Year 3 budget lines	36	\$1,793,589	\$9,933	1
Budget Continued and Carried Forward Year 2	39	\$20,931,873	\$1,972,388	9
Total	75	\$22,725,462	\$1,982,321	9

4.3. Significant budgets are assessed on the following risk criteria:

- Project Criticality
- Project Complexity
- Project Scale
- Potential adverse environmental effects on sensitive environments

4.4. The risk assessments were based on the risk matrix shown in **Table 3**.

Table 3: Risk Matrix

Consequences						
Likelihood		Minor	Important	Serious	Major	Catastrophic
	Almost Certain	2: Moderate	5: High	7: High	20: Extreme	25: Extreme
	Likely	2: Moderate	4: Moderate	6: High	16: Very High	20: Extreme
	Possible	1: Low	3: Moderate	4: High	12: Very High	15: Very High
	Unlikely	1: Low	2: Moderate	3: Moderate	8: High	10: Very High
	Rare	1: Low	1: Low	1: Low	4: Moderate	5: High

4.5. Of the **13** capital budget lines that have been identified as significant:

- **6** have been carried forward from the last financial year,
- **5** are continuing, and
- **2** are new budget lines.

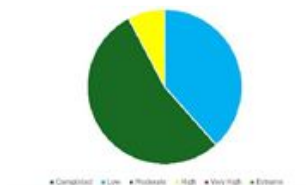
These budgets have been assessed for the likelihood and consequence of their deliverability on time and within budget, and along with their risk profiles, are listed in **Appendix 1**.

4.6. The demolition of the old Municipal Building has been added to this report. Even though it is an operational budget, the project meets the criteria above for risk to Council.

4.7. The risk assessment for timeframe delivery (**Figure 1**) for these significant budget show:

- 0% are completed.
- 38% are considered low risk.
- 54% are considered moderate risk.
- 8% are considered high risk.
- 0% are considered very high risk.
- 0% are considered extreme.

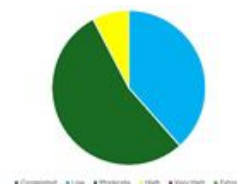
Figure 1: Risk profile of timeframe delivery for significant budgets



4.8. The risk assessment for on-budget delivery (**Figure 2**) for these significant budgets show:

- 0% are completed.
- 38% are considered low risk.
- 54% are considered moderate risk.
- 8% are considered high risk.
- 0% are considered very high risk.
- 0% are considered extreme.

Figure 2: Risk profile of budget tracking for significant budgets



5. Key Budget Update (See Appendix 1)

5.1. #1. 41 Flint Road Subdivision (Economic Development) – continuation from 2025/26 1% of total budget spent.

Council purchased the property at 39/41 Flint Road to extend the subdivision at Midsummer Avenue to Flint Road. This will improve SDC's road network resilience through a connecting access road to Flint Road, which is currently only accessed from State Highway 3. Due to its scale and proximity, External Project Leads have been appointed to deliver this project

- **Current Action:** Works have continued from the 2025/26 financial year. Resource consent applications are currently being processed (*Task 2*). This has and continues to slow progress at this stage. In parallel, the preparation of tender and contract documentation is underway (*Task 4*).
A quote from Powerco to underground the power lines has been accepted with works underway when the tender has been let. (*Task 3*).
- **Timeframe Delivery:** This will not be completed during the 2026/27 financial year. See **Table 4** below.
- **Budget:** An approved budget of **\$2,772,163** has continued into the 2026/27 financial year. This work is projected to be within budget. This budget will be included in LTP discussions to continue into the 2027–37 LTP.

Table 4: Timeline for delivery of Flint Road Subdivision

	Task	Start Date	Finish Date
1	Preliminary Assessments and Reports	July 2025	January 2026
2	Planning, including consenting	August 2025	June 2026
3	Engineering Design	January 2026	June 2026
4	Tender	June 2026	July 2026
5	Construction Phase	September 2026	July 2027
6	Project Completion	July 2027	October 2027

5.2. #2. Resilience Crown Funding (Roading) – continuation from 2025/26 11% of total budget spent.

Works for this budget include installing new retaining walls at historical underslip sites that was previously not approved by NZTA.

- **Current Action:** Six retaining walls are under construction as continuation of a contract from the 2025/26 financial year. Further sites are being identified to continue this works.
- **Timeframe Delivery:** This budget is programmed to be delivered within this financial year.
- **Budget:** An approved budget of **\$629,724** has continued into the 2026/27 financial year. This work is projected to be within budget.

5.3. #3. Modelling (Stormwater) – Carried forward from 2025/26 0% of total budget spent.

This budget is to model the Stratford stormwater network and identify any areas that may be of risk to flooding.

- **Current Action:** Works have continued from the 2025/26 financial year. The Consultant is producing models to assist with early conversation reports for the 2027–37 LTP.
- **Timeframe Delivery:** This budget is programmed to be delivered within this financial year.
- **Budget:** An approved budget of **\$287,000** has been carried forward to the 2026/27 financial year. This work is projected to be within budget.

5.4. **#4. Treatment Upgrade (Wastewater) – carried forward from 2025/26**

0% of total budget spent.

This budget is to support the achievement of our resource consent conditions for the oxidation ponds with the installation of ultrasonic algae killers.

- **Current Action:** After a successful trial, more ultrasonic algae killers are being purchased for installation.
- **Timeframe Delivery:** This budget is programmed to be delivered within this financial year.
- **Budget:** The approved budget for the 2026/27 financial year is **\$200,000**. This work is projected to be within budget.

5.5. **#5. Stratford Bore (Water) – new budget for 2026/27**

0% of total budget spent.

This budget is to find alternative water source for the Stratford water supply, which currently relies on the Pātea River (mostly) and Konini Stream.

- **Current Action:** Tender documentation is currently being drafted for construction.
- **Timeframe Delivery:** This budget is programmed to be delivered within this financial year.
- **Budget:** The approved budget for the 2026/27 financial year is **\$540,000**. This work is projected to be within budget.

5.6. **#6. Prospero Place Development (Civic Amenities) – continuation from 2025/26**

0% of total budget spent.

The Prospero Place Development is a key initiative of Stratford 2035. It involves the acquisition of 247-257 Broadway and the development of an outdoor community gathering hub in the heart of Stratford. A concept plan was completed in 2022 and adopted by Council in 2024 for construction in years 1 to 3 of the 2024-34 Long Term Plan. The land was purchased in April 2025 with all conditions met for the sale.

A Landscape Architect was engaged in December 2024 to create the detailed design plans. The scope of works includes discussion with Elected Members and key stakeholders to finalise the design and produce detailed construction drawings. The design was released for community feedback with amendments made to the design and presented to Council at the August Ordinary Meeting. Following completion of the final design, Council granted approval in June 2026.

- **Current Action:** Tenders have closed for the development and are under evaluation by the Tender Evaluation Team.
- **Timeframe Delivery:** Physical works are anticipated to commence in October/November 2026 and will be completed within this financial year.
- **Budget Risk:** An approved budget of **\$1,146,579** has been carried forward to the 2026/27 financial year. This work is projected to be within budget.

5.7. **#7. TET Stadium Strengthening (Civic Amenities) – continuation from 2025/26**

0% of total budget spent.

This budget is for the seismic design to strengthen the TET Multi-sports Centre to IL4 for Civil Defence purposes.

- **Current Action:** A design peer review is underway for the design that was completed in 2025/26.
- **Timeframe Delivery:** Construction is expected to be completed in the 2026/27 financial year.
- **Budget:** An approved budget of \$1,308,146 has continued into the 2026/27 financial year. This work is projected to be within budget.

5.8. **#8. Kopuatama Cemetery Design (Parks and Reserves) – new budget for 2026/27**
0% of total budget spent.

This works consists of designing the new acquired land west of the existing cemetery for development in the 2027–37 LTP.

- **Current Action:** Tender documentation is being drafted for commissioning a suitable landscape architect to design the new part of the cemetery.
- **Timeframe Delivery:** This budget is programmed to be delivered within this financial year.
- **Budget:** An approved budget of **\$52,500** has been allocated to the 2026/27 financial year. This work is projected to be within budget.

5.9. **#9. Bridge and Structure Renewals (Roothing) – continuation from 2025/26**
24% of total budget spent.

Replacing any existing infrastructure (bridges and retaining walls) that needs to be replaced

- **Current Action:** Six retaining walls are under construction as continuation of a contract from the 2025/26 financial year. Further sites are being identified to continue this works.
- **Timeframe Delivery:** This budget is programmed to be delivered within this financial year.
- **Budget:** An approved budget of **\$769,148** has continued into the 2026/27 financial year. This work is projected to be within budget.

5.10. **#10. Emergency Works (Roothing) – carried forward from 2025/26**
11% of total budget spent.

In July 2025, Stratford experienced a significant storm event. NZTA has provided budget for the resulting damage to our roading network

- **Current Action:** Our maintenance contractor is providing an updated programme for the works to be completed.
- **Timeframe Delivery:** This budget is programmed to be delivered within this financial year.
- **Budget:** An approved budget of **\$1,136,790** has been carried forward to the 2026/27 financial year. This work is projected to be within budget.

5.11. **#11. Desludging Treatment Ponds (Wastewater) – carried forward from 2025/26**
3% of total budget spent

This budget is to de-sludge the oxidation ponds which was last undertaken in 2004.

- **Current Action:** Works have continued from the 2025/26 financial year. Progress has been slowed due to the amount of material found in the pond and blocking the sludging machine. The contractor has been losing up to 6 hours a day while unblocking.
- **Timeframe Delivery:** The de-sludging of the ponds will **not** be completed this financial year. Physical works completion is anticipated to be in April 2027, with the spreading of the sludge to be completed 12 months later, once dried.
- **Budget:** An approved budget of **\$2,772,163** has been carried forward to the 2026/27 financial year. This work is projected to be under budget.

5.12. **#12. Stratford Grit Tanks and Raw Water Delivery Line (Water Supply) – continuation from 2025/26**
99% of total budget spent

This will replace the 100-year-old grit tanks and provide resilience for the raw water delivery line. Detailed design for the grit tanks and the raw water delivery line is complete.

- **Current Action:** Construction has continued from the 2025/26 financial year.
- **Timeframe Delivery:** Construction will carry through to October 2026, due to testing of completed works highlighting issues. Testing and commissioning will be completed within the 2026/27 financial year.
- **Budget:** An approved budget of **\$1,173,511** has continued into the 2026/27 financial year. Due to the complexity of the project, several issues have been raised during construction and has changed the budget projection to over budget.

5.13. **#13. Demolition of the Municipal Building – continued from 2025/26**
18% of total budget spent.

While not a capital budget, the demolition of the office building of the former municipal building is considered a significant project due to the anticipated community interest and the strategic location of the project. The building is currently listed as a heritage building.

- **Current Action:** Separation works are underway with the separation of services. Architectural works are currently being procured for heritage and building consent purposes.
- **Timeframe Delivery:** This budget is programmed to be delivered within this financial year, depending on achieving building consent.
- **Budget:** An approved budget of **\$306,300** is allowed for in the 2026/27 financial year. This work is projected to be over budget.

6. Strategic Alignment

6.1. Direction

This report is consistent with our Long-Term Plan Outcomes and directly relevant to supporting the work of the Audit and Risk Committee.

6.2. Annual Plan and Long-Term Plan

This report is consistent with the Annual and Long-Term Plan outcomes.

6.3. Sustainability Consideration

All capital project procurement is consistent with the Sustainability Policy.

6.4. District Plan

There is no direct relationship with the District Plan.

6.5. Legal Implications

There are no legal implications for this report.

6.6. Policy Implications

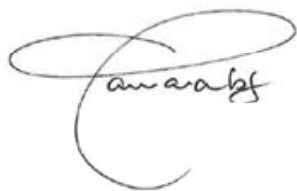
The report is consistent with Council policies relating to service delivery.

Attachment:

Appendix 1 – 2026/27 Significant Capital Work Budgets



Steve Taylor
Property & Projects Manager



[Reviewed by]
Victoria Araba
Director - Assets

A handwritten signature in blue ink, appearing to read 'S Hanne', with a long horizontal stroke extending to the right.

[Approved by]
Sven Hanne
Chief Executive

Date 22 September 2026

APPENDIX 1: 2026/27 SIGNIFICANT CAPITAL WORK BUDGETS

Budget Number	Budget	Category	Significance	Budget	Actual Spent as at 31 August 2026	Budget Spent	Total Allocated Budget	Years to be Delivered in 2024-34 LTP	Total Budget Spent to date	Total Budget Percentage to date	Delivery	Budget Tracking
1	41 Flint Road Subdivision	Economic Development (LoS)	Critical asset Complexity of project Scale of project Adverse environmental effects	\$ 5,647,066	\$ 70,523	1%	\$ 5,999,369	Years 1 to 3	\$ 513,458	9%	5: High Almost Certain/High	3: Moderate Possible/Important
2	Resilience Crown Funding	Roading (LoS)	Critical asset	\$ 629,724	\$ 72,438	12%	\$ 0		\$ 942,715		1: Low Rare/Important	1: Low Rare/Important
3	Modelling	Stormwater (LoS)	Critical asset Complexity of project Scale of project	\$ 287,000	\$ 0	0%	\$ 400,000	Year 1. Carry forward to Yr.2 and Yr.3	\$ 112,825	28%	1: Low Possible/Minor	2: Moderate Unlikely/Important
4	Treatment Upgrade	Wastewater (LoS)	Critical asset	\$ 200,000	\$ 0	0%	\$ 562,500	Years 1 to 2	\$ 223,034	40%	3: Moderate Unlikely/Serious	1: Low Rare/Important
5	Stratford Bore	Water Supply (LoS)	Critical asset to provide resilience to supply	\$ 540,000	\$ 0	0%	\$ 562,500	Year 2, physical works brought forward to Yr.3	\$ 128,389	23%	3: Moderate Possible/Important	3: Moderate Possible/Important
6	Prospero Place Development	Civic Amenities (LoS)	Critical asset Complexity of project Scale of project	\$ 1,146,579	\$ 0	0%	\$ 1,226,720	Years 1 to 3	\$ 122,827	10%	2: Moderate Unlikely/Important	3: Moderate Possible/Important
7	TET Stadium Strengthening	Civic Amenities (LoS)	Critical asset Complexity of project	\$ 1,308,146	\$ 0	0%	\$ 1,342,818	Years 2 to 3	\$ 35,000	3%	3: Moderate Possible/Important	3: Moderate Possible/Important
8	Kopuatama Cemetery Design	Cemeteries (LoS)	Critical asset	\$ 52,500	\$ 0	0%	\$ 52,500	Year 3	\$ 0	0%	3: Moderate Possible/Important	3: Moderate Possible/Important
9	Bridge and Structure Renewals	Roading (Replace)	Critical asset	\$ 769,148	\$ 181,108	24%	\$ 3,017,253	Years 1 to 3	\$ 2,306,315	76%	1: Low Rare/Important	1: Low Rare/Important
10	Emergency Works	Roading (Replace)	Critical asset Complexity of project Scale of project Adverse environmental effects	\$ 1,136,790	\$ 124,770	11%	\$ 0		\$ 1,122,370		1: Low Rare/Important	1: Low Rare/Important
11	Desludging Wastewater Treatment Ponds	Wastewater (Replace)	Critical asset Complexity of project Adverse environmental concerns	\$ 2,772,163	\$ 86,734	3%	\$ 3,400,000	Brought forward to Year 2. Carry forward to Yr.3	\$ 554,571	16%	2: Moderate Almost Certain/Minor	1: Low Rare/Important
12	Stratford Grit Tanks and Raw Water Delivery Line	Water Supply (Replace)	Critical asset Complexity of project Scale of project	\$ 1,173,511	\$ 1,167,512	99%	\$ 4,120,000	Years 1 to 2 Carry forward to Yr.3	\$ 4,114,807	99%	1: Low Rare/Important	5: High Almost Certain/Important
13	Demolition of Municipal Building	Civic Amenities (Opex)	Significant asset	\$ 306,300	\$ 56,509	18%	\$ 306,300	Year 2 Carry forward to Yr.3	\$ 54,909	18%	3: Moderate Possible/Important	3: Moderate Possible/Important
				\$ 15,968,927	\$ 1,759,594	11%	\$ 20,989,960		\$ 10,231,220	49%		



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.