

# MINUTES

## Audit and Risk Committee



TE KAUNIHERA Ā ROHE O  
WHAKAAHURANGI  
**STRATFORD**  
DISTRICT COUNCIL

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.

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### 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.

### 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.

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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 members 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.

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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 22<sup>th</sup> day of September 2026.



Neil Volzke  
**District Mayor**

