

QLDC Council  
10 October 2019

Report for Agenda Item | Rīpoata moto e Rāraki take : 1

Department: Finance, Legal & Regulatory

Title | Taitara Annual Report 2018/19

PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO

The purpose of this report is to adopt the Annual Report for the year ended 30 June 2019 pursuant to sections 98 and 99 of the Local Government Act 2002.

RECOMMENDATION | NGĀ TŪTOHUNGA

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That Council:

1. **Adopt** the Annual Report for the year ended 30 June 2019 pursuant to sections 98 and 99 of the Local Government Act 2002, and as recommended by the Audit, Finance and Risk Committee.

Prepared by:



Stewart Burns  
GM Finance Legal & Regulatory

26/09/2019

Reviewed and Authorised by:



Mike Theelen  
Chief Executive

26/09/2019

## CONTEXT | HORPOAKI

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- 1 Sections 98 and 99 of the Local Government Act 2002 require Council to prepare its Annual Report for the year ended 30 June 2019 in accordance with the information required by Part 3 of Schedule 10 of the same Act.
- 2 Council is required to adopt its Annual Report by 31 October 2019. However, due to the local body election occurring on 12 October 2019, it is considered best practice to bring the Annual Report to the final meeting of the out-going Council. This has compressed our normal timeframes by at least two weeks.

## ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU

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- 3 The Annual Report was considered at the meeting of the Audit, Finance and Risk Committee (“the Committee”) on 3 October 2019.
- 4 The auditors attended this meeting and briefed the Committee on the audit process for the Annual Report 2018/19. Council is expecting to receive an unqualified audit opinion.
- 5 This Annual Report is produced pursuant to the requirements of the Local Government Act 2002. The purposes of an annual report as per section 98 (2) are:
  - a. to compare the actual activities and actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the 10 Year plan and the annual plan; and
  - b. to promote the local authority’s accountability to the community for the decisions made throughout the year by the local authority.
- 6 A copy of the Annual Report 2018/19 has been circulated to all elected members and it is expected that Council’s auditors (Deloitte) will have issued an unqualified opinion on the report by the meeting date. This means that in the opinion of the auditors, the financial statements fairly reflect the financial performance and position of the Council and Group for the year ended 30 June 2019.
- 7 The audit process will have been completed by the time this agenda is circulated and no changes are expected to the Annual Report at Attachment A.

### Financial Summary

- 8 The introductory information in Section One provides a summary of the main financial issues and also the major achievements over the financial year. The key features are:
  - a. QLDC recorded a surplus of \$52.9m for the year. This is up from the \$51.5m surplus recorded last year but down against a budget of \$58.0m.
  - b. The main reasons for the lower surplus to forecast are related to higher expenses (\$7.2m) to budget.

- c. Both revenue and operating expenditure were above budget for the year ended 30 June 2019. Revenue was above estimate by 1.0% or \$2.0m and expenditure was over by 5.2% or \$7.2m. This reflects continued high levels of activity across all activities.

#### Options:

- 9 Option 1 Adopt the Annual Report for 2018/19
- 10 Option 2 Do not adopt the Annual Report for 2018/19
- 11 This report recommends **Option 1**.

#### CONSULTATION PROCESS | HĀTEPE MATAPAKI:

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##### > SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA

- 12 This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy because the adoption of the Annual Report is an important element of Council's accountability to the community for the decisions made throughout the year.

##### > MĀORI CONSULTATION | IWI RŪNANGA

- 13 The Council consulted with Te Ao Marama and Aukaha on behalf of Mana Whenua as part of the 10 year Plan (LTP) process.

#### RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

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- 14 This matter relates to the Regulatory/Legal/Compliance risk category.

#### FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

- 15 The Annual Report provides the main mechanism for reporting back to the community on the year's financial results and on organisational performance.

#### COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

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- 16 The following Council policies, strategies and bylaws were considered:

- 17 2018-28 Ten Year Plan,

#### LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

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- 18 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.

## ATTACHMENTS | NGĀ TĀPIRIHANGA

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- A Summary Annual Report for the year ended 30 June 2019
- B Annual Report for the year ended 30 June 2019