

Risk & Assurance Committee

1 October 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [4]

Department: Assurance, Finance & Risk

Title | Taitara: Audit of the Annual Report 2025-2026

Purpose of the Report | Te Take mō te Pūroko

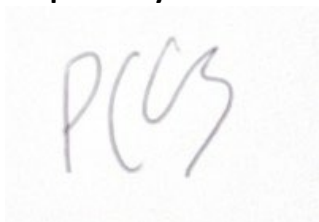
The purpose of this report is to provide the Risk & Assurance Committee (the Committee) with an update on the Annual Report 2025-2026 and to communicate all significant matters arising from the audit of the Annual Report of Queenstown Lakes District Council (QLDC) and its Council controlled entities for the year ended 30 June 2026.

Recommendation | Kā Tūtohuka

That the Risk & Assurance Committee

1. **Note** the contents of this report;
2. **Note** that Deloitte will be presenting its Audit Report at this meeting; and
3. **Recommend to Council** that the 2025-26 Annual Report be adopted.

Prepared by:



Name: Priya Bhuller

Title: Business Planning Project Manager
10 September 2026

Reviewed and Authorised by:



Name: Katherine Harbrow

Title: General Manager, Assurance, Finance & Risk
10 September 2026

Context | Horopaki

1. Under the Local Government Act 2002 (LGA 2002) Section 98 (3), local authorities must adopt their annual report within four months of the end of the financial year.
2. At the time of writing, the audit team from Deloitte has completed its on-site visit and is following up remotely in the lead up to this Risk & Assurance Committee meeting.
3. The audit report from Deloitte is included as part of this agenda item. The audit report is an opportunity for the auditors and the Committee to discuss the findings of the audit, particularly in relation to any focus areas that were identified in the audit plan which was presented to the Committee at its April 2026 meeting.
4. The draft Annual Report 2025-2026 at **Attachment A** excludes the final audit opinion from Deloitte which will be provided before the report is sent to Council for adoption on 8 October 2026. Officers will notify Councillors at the meeting if any changes have been made to the draft Annual Report 2025-2026 subsequent to distribution of the agenda.

Analysis and Advice | Tatāritaka me kā Tohutohu

5. The Committee is asked to receive the external audit report and the draft Annual Report 2025/26, in accordance with its Terms of Reference.
6. QLDC has received a clean audit result with no qualifications. There was one emphasis of matter which relates to its Council Controlled Trading Organisation (Queenstown Airport Corporation), this is noted on page 12 of **Attachment B**. QLDC also received this same emphasis of matter in last year's audit.
7. Key topics addressed in the audit are noted on pages 6 – 17 of **Attachment B** and included the below:
 - Property, plant and equipment valuations
 - Statement of service performance
 - Revenue recognition – rates
 - Group audit
 - Management override of controls
 - Audit Office audit brief
8. No options are presented because the Risk & Assurance Committee (and the Council) have a statutory duty to adopt an Annual Report.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

9. This matter is of medium significance, as determined by reference to the Council's Significance and Engagement Policy 2024 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.
10. The Annual Report provides a basis for communication between the Committee and its professional advisors, and as such no wider consultation is required.
11. The persons who are affected by or interested in this matter are residents/ratepayers of the Queenstown Lakes District community.
12. The Council has consulted with the residents/ratepayers of the Queenstown Lakes District community as part of its 2024-2034 Long Term Plan process.

Māori Consultation | Iwi Rūnaka

13. The Council has consulted with Te Ao Marama and Aukaha on behalf of Mana Whenua as part of its 2024-2034 Long Term Plan process.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

14. This matter relates to the Regulatory/Legal/Compliance risk category. It is associated with RISK10030 Audit of annual report or long term plan identifies non-compliance/corrective action within the QLDC Risk Register. This risk has been assessed as having a low residual risk rating.
15. Adoption of the Annual Report by the Full Council is expected at the 8 October 2026 Council meeting. Approval of the recommended option will allow Council to implement additional controls for this risk. This will be achieved through ongoing monitoring and reporting by the Internal Audit Lead who will report back at future meetings to the Committee on the status of any actions to implement additional controls for this risk.

Financial Implications | Kā Riteka ā-Pūtea

16. The Annual Report provides the main mechanism for reporting back to the community on the year's financial results and on organisational performance. It does not create any financial implications for Council in and of itself.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

17. The following Council policies, strategies and bylaws were considered:

- Long Term Plan 2024 –2034

- Annual Plan 2025 –2026

18. The recommended option is consistent with the principles set out in the named documents.

19. This matter is not specifically included in the Long Term Plan/Annual Plan but reports on how the Council has performed against its intentions in financial year 2025-2026 as set out in the 2024-2034 Long Term Plan and the 2025-2026 Annual Plan.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

20. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The Annual Report 2024-2025 delivers this purpose as it provides the main mechanism for reporting back to the community on the year's financial results and on organisational performance.

21. The recommendation:

- Is consistent with the Council's plans and policies; and
- Would not significantly alter 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 | Kā Tāpirihaka

A	Draft Annual Report 2025 – 2026 (<i>circulated separately</i>)
B	Deloitte Report to the Risk & Assurance Committee (<i>circulated separately</i>)
C	Draft Representation Letter (<i>circulated separately</i>)