

Risk & Assurance Committee

9 April 2026

Report for Agenda Item | Rīpoata moto e Rāraki take [5]

Department: Assurance, Finance & Risk

Title | Taitara: Deloitte 2024/25 Annual Report Management Letter

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to provide the Risk & Assurance Committee with a summary of observations made by Deloitte in the 2024/25 Annual Report Management Letter for the year ended 30 June 2025.

Recommendation | Kā Tūtohuka

That the Risk & Assurance Committee:

1. **Note** the contents of this report.

Prepared by:



Name: Mariano Niveiro
Title: Internal Audit Manager
4 March 2026

Reviewed and Authorised by:



Name: Katherine Harbrow
Title: GM – Assurance, Finance & Risk
13 March 2026

Context | Horopaki

1. In accordance with normal practice, Deloitte evaluated and provided comments on certain internal controls and accounting practices which came to its attention during the audit of the consolidated financial statements of the Queenstown Lakes District Council (the “Council” or “QLDC”) and its subsidiaries (the “Group”) for the year ended 30 June 2025. The matters raised in this report have been discussed and agreed with management of the Group and their comments have been included. Findings in respect of Queenstown Airport Corporation have been distributed and communicated to the board.
2. Deloitte’s audit was not designed to provide assurance as to the overall effectiveness of the controls operating within the Group, although it has reported to management any recommendations on controls that it identified during its audit work. The matters being communicated are limited to those deficiencies that Deloitte has identified during the audit and that Deloitte has concluded are of sufficient importance to merit being reported.
3. Deloitte has provided a written consent for this report to be made available to third parties

Analysis and Advice | Tatāritaka me kā Tohutohu

4. The following is the “Executive Summary” from the Management Letter (the full report is attached – **Attachment A**) outlining the observations identified during the assessment process`.

Current Period Improvement Points

Observation	Area	Rating	Ease of Fix	Status
Improvement points				
Review of journal entries	General	Moderate	Medium	Delayed
Cyclical Review of Company Policies	General	Moderate	Simple	In Progress
Monitoring Fees in Advance	Liabilities	Low	Simple	Not Started
Delegated Authority	General	Moderate	Simple	Completed
Sensitive Expenditure	Expenses	Low	Simple	Completed
Reasonableness of Doubtful Debts Provision	Assets	Moderate	Simple	In Progress
Investment Property Review	Assets	Moderate	Simple	Not Started
Vested asset review	Assets	Moderate	Simple	In Progress
Collection of SSP Data	SSP	Moderate	Medium	In Progress
Reconciliation of underlying support	General	Low	Simple	Not Started
Information technology improvement points				
Access Security -Configuration changes	IT	Low	Simple	Not Started
Access Security -Authentication- Process Improvement only	IT	Low	Simple	Not Started

5. Details of management's responses are provided in **Attachment A**.
6. Options have not been presented as this report is for noting purposes only.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

7. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because it will not:
- significantly impact on the environment, culture and people of the district;
 - significantly affect individuals, organisations, groups and sectors in the community;
 - be inconsistent with existing policy and strategy; and
 - significantly impact the objectives set out in the Financial Strategy, Long Term Plan and Annual Plan.

Māori Consultation | Iwi Rūnaka

8. As the significance of this matter is low, no consultation with the community or local iwi is required.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

9. This matters relate to RISK10035 Ineffective business processes in the Business Continuity risk category. The risk has been assessed as having a moderate residual risk rating.
10. The recommended risk mitigation options provided by Deloitte, along with QLDC management's responses regarding their implementation, are detailed in Attachment A.

Financial Implications | Kā Riteka ā-Pūtea

11. There are no direct financial implications associated with this matter.

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

12. The following Council policies, strategies and bylaws were considered:
- QLDC Risk Management Policy
 - QLDC Compliance Management Policy
 - Fraud Policy
 - Climate and Biodiversity Action Plan

- Vision 2050
- QLDC Long Term Plan
- QLDC Spatial Plan
- 30 Year Infrastructure Strategy
- Conflict of Interest Policy

13. This matter supports the Long Term Plan/Annual through ensuring that effective assurance and mitigations are in place that support risks that could impact planned objectives.

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

14. 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. This audit report enhances democratic decision-making by ensuring transparency and accuracy in financial management, and it promotes economic well-being by recommending improvements to the efficiency and effectiveness of assurance, controls and processes. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

15. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- 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	Deloitte - Management Letter Report for the year ended 30 June 2025
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