

# Annual Report 2020/2021 Adoption

**Meeting:** Kaipara District Council  
**Date of meeting:** 29 September 2021  
**Reporting officer:** Tracey Deane, Strategic Planner

## Purpose | Ngā whāinga

To adopt the Annual Report 2020/2021 which reports against measures and outcomes agreed in the Annual Plan 2020/2021.

## Executive summary | Whakarāpopototanga

The Annual Report reflects the work completed by Council for the year ended 30 June 2021. There is a statutory requirement for Council to adopt an Annual Report prior to 31 October 2021. While the legislative deadline for 2020/2021 Annual Reports was extended to 31 December 2021, this project remains on track to meet the standard statutory timeframe.

The results presented in the report are collated from, and are mainly in line with, information that has been provided to Council throughout the year.

The Annual Report has been audited by Deloitte, Council's auditors, and representatives from Deloitte will be present at this meeting to answer any questions elected members may have. Assuming adoption, an audit opinion will then be provided for inclusion in the final copy.

Part two of the Annual Report (financial information) has also been reviewed by the Audit, Risk and Finance Committee, which has recommended it to Council.

## Recommendation | Ngā tūtohunga

That the Kaipara District Council:

- a) Notes that the Audit, Risk and Finance Committee has reviewed Part Two of the Annual Report 2020/2021 (financial information) and has recommended it to Council.
- b) Notes that an audit report will be provided upon adoption of the Annual Report 2020/2021.
- c) Adopts the Annual Report 2020/2021 provided at **Attachment A**.
- d) Delegates the Mayor and Chief Executive the authority to approve minor editorial changes that do not alter the intent of the information in the Annual Report 2020/2021.
- e) Delegates the Mayor and Chief Executive the authority to approve the Annual Report Summary 2020/2021.

## Context | Horopaki

The Local Government Act 2002 (LGA) requires the Council to prepare and adopt an Annual Report within four months of the end of each financial year. Due to a shortage of auditors providing the audit reports on behalf of the Auditor-General, the legislative deadline for the 2020/2021 Annual Reports was extended to 31 December 2021. However, Council's auditors confirmed that they were in a position to meet original timeframes. Completing this project on time allows staff to then focus on next year's Annual Plan.

An Annual Report is to provide an outline of Council's performance in comparison with what was planned in its Annual Plan or the Long Term Plan. This year Council is comparing with the Annual

Plan 2020/2021. The Annual Report details the operating activities of Council and includes the financial statements for the year.

The LGA requires a Statement of Compliance to be included in the Annual Report indicating whether the statutory requirements in relation to the preparation of the Annual report have been met. The statutory requirements are outlined under Part 6, Section 98 and Part 3 of Schedule 10. Staff have ensured the 2020/2021 Annual Report meets these requirements.

A summary of the Annual Report will also be completed and audited but is not required to be adopted by Council. The summary is to be publicly available within one month of the Annual Report being adopted.

The Annual Report 2020/2021 has been reviewed by Deloitte on behalf of the Auditor-General who is appointed as Council's auditor under the Public Audit Act 2001. It is available at **Attachment A**. Once Council adopts the Annual Report, our auditor's will issue their audit opinion which will be included in the final Annual Report.

## Discussion | Ngā kōrerorero

Highlights this year include:

- \$441,000 of grants awarded
- 54,000 plants planted across Kaipara
- Customer services managed 55,447 enquiries
- Building processed \$72 million of consents
- All CCTV footage of pipes in now updated (long haul project)
- 272 resource consents processed with only 3 overdue in the whole year.
- 825 LIM's process with average 5 day timing (previous year it was 556 with average of 6 days)

Financial highlights include:

- Council finished the year with an operating surplus of \$19.2 million, \$2.9 million higher than planned. During the year Council experienced an increase in economic activity across the district which drove a significant increase in activity income, especially in the areas of building and planning. Subsidies and grants are significant up on last year and planned driven by the large number of externally funded work currently underway.
- Received \$25.1 million in subsidies from the government compared to \$13.1 the previous year of which most is funding the capital works programme. Some of this work enabled previously unemployed people to be upskilled.
- Spent \$23.7 million on capital works compared to \$16 million the previous year, however not all money budgeted was spent. Some of the larger components of that being \$2.1 million for heavy metalling roading improvements, \$3.3 million for unsealed road network improvements, \$3.3 million for sealed road resurfacing, \$650k for the Dargaville Pontoon, \$500k for the Wood Street, Mangawhai improvements and \$2.2 million of watermain renewals across the district.
- Debt at balance date is \$44 million which is the same as last year but \$7 million lower than planned. Finance costs are therefore lower than planned given the lower debt level.
- Council has kept within the required treasury ratios.
- The revaluation of infrastructure assets resulted in a gain in value of assets of \$24.7 million taking the total value of Council fixed assets to \$840 million.

## Options

### Option 1: Adoption of the Annual Report 2020/2021

Adoption of the Annual Report 2020/2021 and then a final audit opinion will be provided.

This is the recommended option.

**Option 2:** Ask for further adjustments.

Under this option Council would not adopt the Annual Report at this time and would ask for further adjustments to be made. Council would need to be clear about their concerns so that the Chief Executive can ensure that any changes proposed are adequately explained in order to be submitted for further audit clearance, bearing in mind that the annual report must be adopted by 31 December 2021.

**Policy and planning implications**

This Annual Report 2020/2021 contains both the financial statements and details how Council performed to what was planned in the Annual Plan 2020/2021.

**Financial implications**

There are no additional financial considerations.

At the time of preparing this report, the audit is substantially complete but is still in progress. If there are any changes required, these will be noted at the meeting.

**Risks and mitigations**

Council must ensure it adopts the Annual Report within the extended legislative timeframe of 31 December 2021. If adopted today, then Council will comply with legislation.

**Impacts on Māori**

Iwi and mana whenua were involved in the development of the Annual and Long Term Plan documents. The Annual Report reports back on those statutory documents.

**Significance and engagement | Hirahira me ngā whakapāpā**

The decisions or matters of this report are considered to have a low degree of significance in accordance with Council's Significance and Engagement Policy. No feedback is required, and the public will be informed of Council's decision via the agenda and minutes publication of this meeting, on the website and through other channels if appropriate.

The Annual Report and the Summary Annual Report must be available to the public one month after adoption of the Annual Report. These will be placed on Council's website and printed copies will be available at the library or on request.

The information contained within the Annual Report will be of considerable interest to the community and of some significance in that it reports on the performance of Council over the 2020/2021 financial year.

**Next steps | E whaiake nei**

Once Council adopts the annual report;

- Deloitte will issue an audit opinion which will be included in the Annual Report.
- The Annual Report will be finalised, signed and released.
- The Annual Report Summary will be produced, finalised and released. This is required to be publicly available one month after adoption.

**Attachments | Ngā tapiritanga**

	Title
A	Annual Report 2020/2021

Tracey Deane, 10 September 2021