

QLDC Council
30 October 2014

Report for Agenda Item: 2

Department:

Finance

2. Annual Report for the year ended 30 June 2014

Purpose

- 1 To adopt the QLDC Annual Report for the year ended 30 June 2014.

Recommendation

That Council:

adopts the Annual Report for the year ended 30 June 2014 pursuant to Sections 98 and 99 of the Local Government Act 2002.

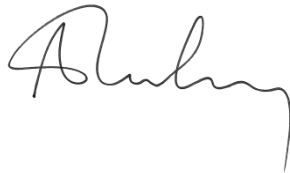
Prepared by:



Stewart Burns
Chief Financial Officer

15/10/2014

Reviewed and Authorised by:



Adam Feeley
Chief Executive Officer

15/10/2014

Comment

- 2 Sections 98 and 99 of the Local Government Act 2002 requires Council to prepare its Annual Report for the year ended 30 June 2014 in accordance with the information required by Part 3 of Schedule 10 of the same Act.
- 3 This report must be audited and adopted by the Council by the end of October 2014.
- 4 This Annual Report is produced under the requirements of the Local Government Act 2002 (the Act). 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.
- 5 A copy of the Annual Report 2014 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 for the year ended 30 June 2014.
- 6 It is expected that any changes required to be made to the draft Annual Report as a result of the auditors' final review will be minor in nature. Any significant changes will be reported and explained at the meeting.
- 7 The introductory information on pages 1 to 5 provides a summary of the main financial issues and also the major achievements over the period. The key features are:
 - Strong Financial Result – operating surplus of \$20m (up on budget & last year)
 - Debt reduced from \$107m to 102m
 - Increased community satisfaction with Council performance
 - Annual Plan 14/15 with zero rates increase
 - Successful implementation of new corporate software (Technology One)
 - On track with Financial Strategy – comply with all internal and external financial limits and benchmarks
- 8 It should be noted that the final published version of the Annual Report and the summary will be forwarded when they become available in November.

New Disclosures: Financial Reporting and Prudence Regulations 2014

- 9 This year, the council is required to include a new statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.
- 10 The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.
- 11 The statement is included on pages 64 to 67 of the Annual Report and provides financial benchmark information on rates affordability; debt affordability; balanced budget; essential services; debt servicing and debt control as well as operations control in prescribed graphical formats.

- 12 It is pleasing to note that Council complies with the targets set for each of these benchmarks which reinforces the effectiveness of Council's Financial Strategy introduced in July 2012.

Financial Implications

- 13 The Annual Report details the financial performance of the Council for the year ended 30 June 2014.

Local Government Act 2002 Purpose Provisions

- 14 It is a statutory requirement for Council to adopt an Annual Report for 2013/14 by the end of October, 2014.

Council Policies

- 15 The following Council Policies were considered:
10 Year Plan 2012-22, Annual Plan 13-14

Consultation

- 16 The Annual Report and Summary is made widely available and as such no wider consultation is required.

Attachments

- A Annual Report 2014