Council

Meeting of 4 November 2026

Business Unit: Finance
Date Created: 12 October 2026

Adoption of the 2025-26 Annual report

Purpose Te Aronga o te Pūrongo

To adopt the Annual Report for the year ending 30 June 2026.

Recommendations Ngā Tūtohinga

1. That the Council adopt the Annual Report for the year ending 30 June 2026.

2. That the Council note that Audit Office will issue a formal Audit Report with findings and recommendations which will be presented to the Finance & Performance Committee.

3. Council permits the Chief Executive to make minor changes as necessary within the Annual Report in order to meet any further requirements from Audit Office and the proofreader.

Report prepared by:
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Approved for submission by:
Joel Richards
Chief Financial Officer

1 Background Ngā Kōrero o Muri

1.1 Each year the Council is required to report against its key performance indicators, financial projections and projects set in the Annual Plan and the relevant year of the Long-Term Plan.

1.2 The Annual Report for the year ending 30 June 2026 compares actual performance against 2025-26 Annual Plan. Performance has also been reported quarterly to the Finance and Performance Committee during the financial year.

1.3 The draft Annual Report was presented to the Finance and Performance Committee meeting 23 September 2026 and subsequently adopted by Council at the following meeting.

1.4 The annual 3 waters asset revaluation as at 30 June 2026 was undertaken. This was not externally reviewed as the external review is undertaken every 3 years.

1.5 An internal fair value assessment was undertaken of Roading assets at 30 June 2026. It was determined that the movement in asset value was not material and did not require a revaluation to be undertaken.

1.6 An external fair value assessment was undertaken of land and buildings at 30 June 2026 and determined that the movement was not material and did not require a revaluation to be undertaken.

1.7 Changes made to the report during the audit process are summarised in section 3.

2 Strategic Fit Te Tautika ki te Rautaki

2.1 This is a report on the 2024-34 Long Term Plan which is one of Council's key strategic documents.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 The Annual Report has been externally audited by The Audit Office on behalf of the Auditor General, against the statutory requirements of the Local Government Act 2002. The Annual Report is a key accountability document to the community.

3.2 The Annual report statutory deadline for adoption (including completed audit) was 31 October 2026. This date has not been met.

3.3 The draft report outlined a financial result of $1.985M surplus against a budget deficit of $4.864M, with the main variances outlined in note 36. Audit changes have not impacted the surplus and it remains $1.985M. Other key financial adjustments made during the audit process include:

3.3.1 An adjustment to the current vs non-current split of council assets investments council organisations and similar entities. This reflects that a portion of

Councils community loans with MCT ($48k) and borrower's notes ($278k) were incorrectly classified as non-current assets.

3.3.2 Increase in revaluation to $19.5M in Infrastructural Assets leading to an increase in the Net Assets/Equity. The Roading revaluation was reverted and a fair value assessment was completed confirming there was no material movement. This was a result of Audit identifying issues with the revaluation which highlighted RAMM system issues Council is working with the provider to correct.

3.3.3 Property Plant and Equipment - Note 20 and Equity – Note 26 reconciliation completed with the revaluation changes.

3.3.4 A range of changes to the financial notes taking into account the change made above combined with any minor changes audit identified.

3.4 The draft report outlined Council achieved 88 of the 102 performance indicators (81.1%). In previous year's the results were: 83% (2024/25) and 77.9% (2023/24). The final result is now 82.1% (improvement) due to change in level of service for roading responsiveness to non-urgent requests increasing the result to 95.7% (previously 88.2%) which meant the performance measure was achieved.

3.5 The draft report did not include the disclosures for Feilding Civic Centre Trust as the draft Annual Report had not been prepared. The Feilding Civic Centre Trust has now been disclosed in the annual report as required by the LG Act and the Group Financial results have been updated.

4 Risk Assessment Te Arotake Tūraru

4.1 There are no significant risks associated with adopting the Annual Report, as the document has been audited by Audit Office and reviewed by the Finance and Performance Committee.

5 Engagement Te Whakapānga

Significance of Decision

5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

6 Operational Implications Ngā Pānga Whakahaere

6.1 A summary of the Annual Report document will be created and subsequently audited by Audit Office.

6.2 A copy of the adopted Annual Report including the Audit Opinion is required to be published on the website within 28 days of adoption.

6.3 The Audit report will be presented to the Finance & Performance Committee once received from Audit Office. Recommendations received through the Audit Report are then brought into business as usual practices as required.

7 Financial Implications Ngā Pānga Ahumoni

7.1 There are no unplanned/unbudgeted consequences of this report going forward.

8 Statutory Requirements Ngā Here ā-Ture

8.1 Section 98 of the Local Government Act 2002 sets out the requirements for preparing and adopting the Annual Report.

8.2 The Annual Report (including the Audit opinion) must be completed and adopted, by resolution of Council, within four months after the end of the financial year to which it relates (31 October 2026).

8.3 Due to a delay in finalising Roading asset fair value assessment the statutory deadline was not meet, instead being 2 days late.

9 Next Steps Te Kokenga

9.1 Audit Office will issue a formal Audit Report with findings and recommendations

9.2 A summary Annual Report will be produced within 30 days of adoption of the Annual Report and requires to be audited and an audit opinion issued.

10 Attachments Ngā Āpitihanga

- Annual Report for the year ending 30 June 2026 – late attachment (separate to the agenda)