

Schedule of Changes

Page 3	Mayors Letter	Fourth Paragraph - minor changes	<ul style="list-style-type: none"> Second sentence: added words in bold "We did this in the context of unprecedented geopolitical tensions and a maelstrom of economic uncertainty and inflation the likes of which we have not seen in more..." Next sentence: apostrophe removed now written as "Councils"
Page 167	Note 22 Provisions	Estimating the landfill aftercare costs	Removal of line "Peter Askey, Technical Principal Solid Waste of WSP confirmed that Council had 'taken a reasonable approach to setting the budget allocations' "
Page 173-178	Note 23 Equity	Reserves Tables	Adjusted by +\$1M in transfers to and -\$1M to transfers from in Operating Reserves Statement of Equity and total reserves remains the same
Page 179	Note 25 Related Party Transactions	Key Management personnel compensation	Reference to Note changed from "Note 4" to "Note 3"
Page 180	Note 26 Events after balance date	Local Water done well	Second sentence changed to past tense of 23 February and added that report is due back to parliament in June 2025 Last sentence changed from "confirms at" to "confirms that" Last bullet point changed to " There will be a singular approach to resource consenting processes for and mandatory national engineering standards for wastewater and stormwater infrastructure. "
Page 189	Note 28 Explanations of major variances	Revenue	Revenue rounded to \$11.6M rather than \$11.5M
		Expenditure	Personnel and finance cost variances deleted due to immateriality
		Statement of Financial Position	Net Assets changed from \$114M to \$114.5M
		Statement of Cashflows	Variances deleted due to Audit recommendation as not being applicable

Independent Auditor's Report

To the readers of Whakatāne District Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Whakatāne District Council (the District Council). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 20 March 2025. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the non-financial performance information

In our opinion:

- the financial statements on pages xx to xx and pages xx to xx:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2024; and
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on page xx, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement about capital expenditure for each group of activities on pages xx to xx, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages xx to xx, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Qualified opinion on the non-financial performance information

In our opinion, except for the possible effects of the matter explained in the *Basis for our opinion on the audited information* section of our report, the non-financial performance information on pages xx to xx:

- presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages xx to xx, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's Long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to uncertainties over the Whakatāne Boat Harbour project. In addition, we outline the responsibilities of the Council

and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Non-financial performance information: Our work was limited in respect of the number of complaints received about water supply, wastewater, and stormwater

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measures Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The District Council and its afterhours call centre provider have not been recording and classifying complaints in accordance with this guidance and the method of recording was likely to have understated the actual number of complaints received.

As a result, our audit work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

Our opinion on these performance measures was also qualified for the 2023 performance year.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate *the Professional and Ethical Standards* and *the International Standards on Auditing (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Emphasis of matter – Uncertainties over the Whakatāne Boat Harbour project

Without further modifying our opinion, we draw your attention to Note 15 on page 50, which describes the District Council's interest in the Whakatāne Boat Harbour project through its investment in a limited partnership (Te Rāhui Herenga Waka 2021 Whakatāne). The project is affected by cost escalations, and as a result there is uncertainty over whether the project will progress. The three shareholders will consider the future of the project after the date of the audit report, which may include a decision to scale down or close the project.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan and Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the non-financial performance information, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on **pages 1 to 33 and 84 to 87**, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be

materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed an audit on the Council's Long-term plan 2024-34 and a limited assurance engagement related to the District Council's debenture trust deed. These engagements are compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the District Council.

Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand