



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

FINANCE, AUDIT AND RISK COMMITTEE

Agenda

NOTICE OF MEETING

An ordinary meeting will be held in the Supper Room, Waihinga Centre, Texas Street, Martinborough on Wednesday 11 August 2021 at 10:00am. The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

MEMBERSHIP OF THE COMMITTEE

Councillors Leigh Hay (Chair), Pam Colenso, Garrick Emms, Brian Jephson, Brenda West, Ross Vickery and Mayor Alex Beijen. Independent member: Kit Nixon

Open Section

Health and Safety Procedures

A1. Apologies

A2. Conflicts of interest

A3. Public participation

As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.

A4. Actions from public participation

A5. Extraordinary business

A6. Minutes for Confirmation: Finance, Audit and Risk Committee
Minutes of 16 June 2021

Pages 1-4

Proposed Resolution: *That the minutes of the Finance, Audit and Risk Committee meeting held on 16 June 2021 are confirmed as a true and correct record.*

B. Information and Verbal Reports from Chief Executive and Staff

B1.	Corporate Services Report	Pages 5-10
B2.	Official Information Request Topic Trends 1 July 2020 – 30 June 2021	Pages 11-16
B3.	Action Items Reports	Pages 17-19
B4.	Final Audit Report 30 June 2020	Pages 20-43

C. Public Excluded Business**C1. Confirmation of Public Excluded Minutes from 16 June 2021**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Confirmation of Public Excluded Minutes from 16 June 2021	Good reason to withhold exists under section 7(2)(a)(c)(f)	Section 48(1)(a)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied.	Section 7(2)(c)(i)
The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.	Section 7(2)(c)(ii)
The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any person to whom section 2(5) applies, in the course of their duty.	Section 7(2)(f)(i)

The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.	Section 7(2)(f)(ii)
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Proposed Resolution: *That the public excluded minutes of the Finance, Audit and Risk Committee meeting held on 16 June 2021 are confirmed as a true and correct record.*



FINANCE, AUDIT AND RISK COMMITTEE
Minutes from 16 June 2021

Present: Councillors Leigh Hay (Chair), Pam Colenso, Garrick Emms, Brian Jephson, Brenda West, Mayor Alex Beijen (from 10:07am) and independent member Kit Nixon.

In Attendance: Katrina Neems (Chief Financial Officer), Harry Wilson (Chief Executive), Karen Yates (Policy and Governance Manager) and Suzanne Clark (Committee Advisor).

Conduct of Business: The meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and was conducted in public between 10:00am and 1:10pm except where expressly noted.

Also in Attendance: Anna Neilson (Destination Wairarapa).

Open Section

A1. Apologies

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/13) to accept apologies from Cr Ross Vickery.

(Moved Cr Colenso/Seconded Cr Emms)

Carried

A2. Conflicts of Interest

There were no conflicts of interest declared.

A3. Public Participation

There was no public participation.

A4. Actions from Public Participation

There were no actions from public participation.

A5. Extraordinary Business

There was no extraordinary business.

DISCLAIMER

Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness

A6. Minutes for Confirmation

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/14) that the Finance, Audit and Risk Committee minutes from the meeting held on 21 April 2021 are a true and a correct record.

(Moved Cr West/Seconded Cr Colenso)

Carried

FINANCE, AUDIT AND RISK RESOLVED (FAR2021/15) that the public excluded Finance, Audit and Risk Committee minutes from the meeting held on 21 April 2021 are a true and correct record.

(Moved Cr Hay/Seconded Cr West)

Carried

B Information and Verbal Reports from Chief Executive and Staff

B1. Corporate Services Report

Mayor Beijen joined the meeting at 10:07am.

Members discussed breaches to the Investment Policy, rates arrears and payment methods, estimated number of new rating properties, and rates rebate entitlements, and variances to income and expenses.

Mrs Neems was happy with the projected financial forecast but noted that Wellington Water were likely to be over budget at year end due to emergency works.

Mrs Neems noted that the CAPEX report carried forward figure was incorrect and would be amended for the next meeting.

Members noted a correction needed to the Rates Arrears-Prior Year graph, the date should be May 2020 rather than May 2021 as shown.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/16) to receive the Corporate Services Report.

(Moved Cr Hay/Seconded Cr Jephson)

Carried

B2. Health and Safety Report

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/17) to receive the Health and Safety Report.

(Moved Cr Hay/Seconded Cr Colenso)

Carried

B3. Policy and Governance Report

Members discussed staff training on Official Information Act requests and numbers of requests received, privacy complaints and inclusion of a YTD position in presented information, the customer service survey, selection of the survey provider and conducting a post-survey review of the provider.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/18) to receive the Policy and Governance Report.

(Moved Cr Hay/Seconded Cr West)

Carried

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The meeting adjourned at 11:35am.

The meeting reconvened at 11:48am.

B4. Audit 2021–2031 Long Term Plan Consultation Document

Mrs Hay congratulated staff on an outstanding audit report and result.

Members discussed capital programme reporting, that the roading asset management plan was done with the expectation of full funding from Waka Kotahi, and creation of a roading realignment policy.

Officers undertake to incorporate climate change components into future landfill contracts.

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/19) to receive the Audit of 2021–2031 LTP Consultation Document Report.

(Moved Cr Hay/Seconded Cr West)

Carried

B5. Action Items Report

FINANCE AUDIT AND RISK COMMITTEE RESOLVED (FAR2021/20) to receive the Action Items Report.

(Moved Cr Hay/Seconded Cr Colenso)

Carried

C. Presentations from Funded Organisations

C1. Destination Wairarapa

Ms Neilson gave an overview of the current state of domestic tourism to NZ and the Wairarapa, discussed the changing nature of i-SITEs, plans to undertake a strategic review of the events environment, Destination Wairarapa membership and resourcing.

Officers undertook to review what data could be made available to Destination Wairarapa for the purposes of tourism.

FINANCE AUDIT AND RISK COMMITTEE NOTED:

1. Action 259: To review what data, sourced from subscription databases, could be made available to Destination Wairarapa for the purposes of tourism planning; K Yates

D. Public Excluded Business

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Staff Survey Report	Good reason to withhold exists under section 7(2)(a)(c)(f)	Section 48(1)(a)

DISCLAIMER

Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness

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This resolution (FAR2021/21) is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

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The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees, and persons from improper pressure or harassment.	Section 7(2)(f)(ii)

(Moved Cr Colenso/Seconded Cr West)

Carried

Confirmed as a true and correct record

.....(Chair)

.....(Date)

DISCLAIMER

Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness

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FINANCE, AUDIT AND RISK COMMITTEE

11 AUGUST 2021

AGENDA ITEM B1

CORPORATE SERVICES REPORT

Purpose of Report

To present the Finance Report for June 2021.

Recommendations

Officers recommend that the Committee:

1. *Receive the Corporate Services Report.*

1. Executive Summary

Officers present the following Reports for review by the Finance, Audit and Risk Committee:

- Investments
- Rates arrears report to 30 June 2021
- Liability Insurance Renewal

2. Financial and Other Reports

2.1 Financial Report

There are no financial statements to be presented at this meeting as the June year end financial statements and annual report are in the process of being prepared. The pre year end audit was completed in July with the main audit due to commence on 4th October 2021. The Annual Report for the year ended 30 June 2021 is due for approval by Council on 27th October 2021.

2.2 Investments in term deposits

SWDC's investment policy provides that financial investments should be spread around a number of financial institutions to reduce the risk of loss to Council.

Clause 2 of the Investment policy covers the 30% rule:

- *The maximum amount to be invested with any one approved institution is 30% of Council's total investments except for the Wairarapa Building Society which shall be 10%.*

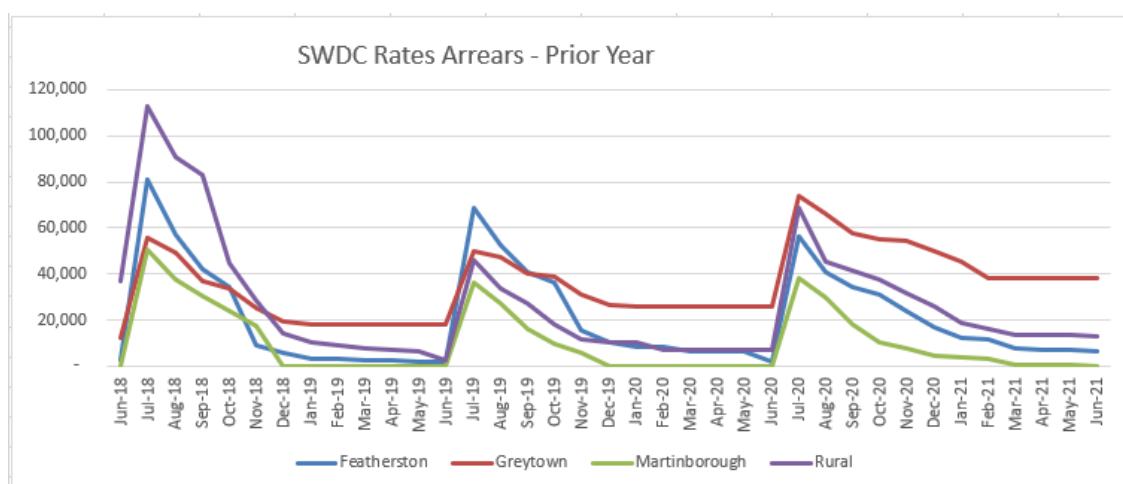
- Occasional and short term exceedances of the 30% rule are allowed, such exceedances are to be reported to the Audit and Risk Working Party [Finance, Audit and Risk Committee].

Date	Exceedances	Percent
May 2021	No exceedances	
June 2021	No exceedances	

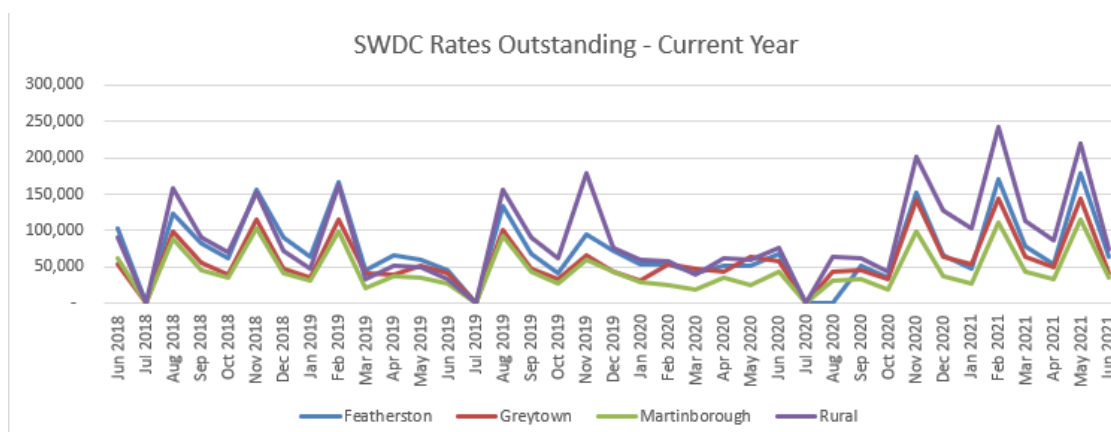
There were no instances where the 30% threshold has been exceeded.

2.3 Rates Arrears

The rates arrears graphs below shows an increase in amount of unpaid rates carried forward from the previous year (2019/20).



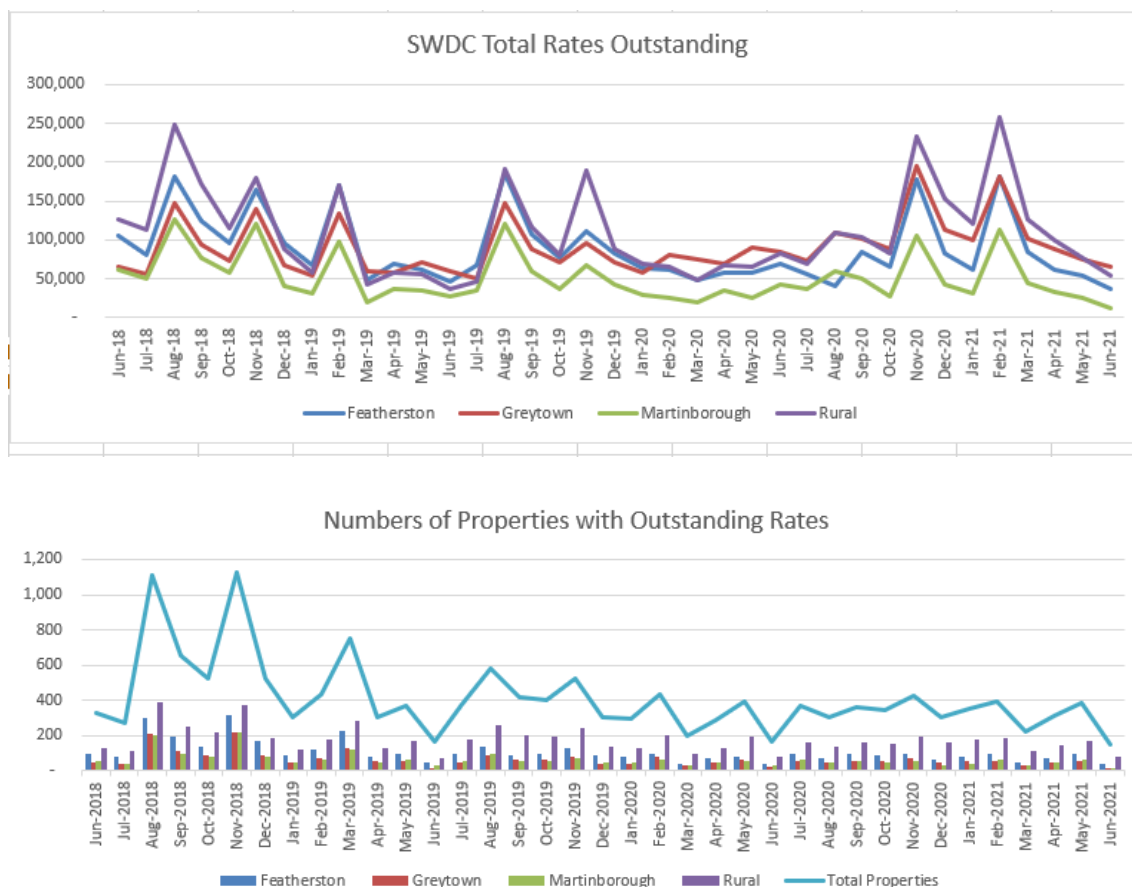
Prior years arrears have increased \$23k (65%) from the same time last year.



At the end of June 2021, the current years amount was \$214K, 7% higher than the same time last year.

Total rates outstanding have decreased by \$443k (67%) from the same month last year.

Outstanding rates were \$170k in June 2021 to \$280k June 2020.



The total number of properties with outstanding rates has decreased by 136 in June 2021 (152), a decrease in the number of properties in each sector (rural, Featherston, Greytown and Martinborough) although a slight increase \$1K in the total Greytown balance. We have received a \$17K payment towards the arrears for the Greytown property. This is currently on the market (by Tender) and it is expected this will be sold by the end of August with all overdue rates to be paid at settlement. There was also a rural property with \$5K rates arrears which sold 2/7/21 and payment has been received in full. These 2 properties were the oldest arrears on our books.

2.4 Liability Insurance Renewal 2021/22

This year's insurance renewal took place against the backdrop of a High Court case (Napier City Council v NZ Mutual Funds Trustee Ltd) where the Council is challenging the application of the "weathertight" exclusion. The Council (Napier City) has argued that the exclusion doesn't operate to exclude other defects that at some point in time might discovered to co-exist with "weathertight" defects in a single claim against the Council. At the time of renewing our insurances the judgement in that case has not been delivered.

With reference to the letter in Appendix 1, whilst our insurers, Marsh, have challenged insurers as to the need or basis for the conditions they have imposed, they have made

it clear that they will only provide insurance terms if those conditions are accepted. The reason they give, in summary, is that they wish to offer renewed policies on amended terms that clarify their position going forward so that the same issues will not arise in future claims, but only if those same amendments cannot be used in argument against them in disputes over the meaning of the existing policies.

SWDC have limited cover up to \$500,000 per year.

3. Appendices

Appendix 1 – QBE Liability Insurance Renewal 2021/22

Contact Officers:	Katrina Neems, Chief Financial Officer
Reviewed by:	Harry Wilson, Chief Executive Officer

Appendix 1 – QBE Liability Insurance Renewal 2021/22

Liability Insurance Renewal – 2021/22

Dear Council

On behalf of those insurers in the London Market who have, or are, underwriting your liability insurance program, we are pleased to be able to consider renewal terms for your Public Liability and Professional Indemnity policy for the 2021/22 policy year.

As is common for insurance policies from time to time, we will be making some changes to our policies for the 2021/22 policy year. Those changes will be explained to you in due course by your broker. One change that will be made addresses the language in the “weathertight claims” exclusion(s) in previously issued policies. As you may be aware, there are proceedings currently before Court concerning that exclusion. In those proceedings the Court has been critical of the drafting of that exclusion. As we do not anticipate a final decision from the Courts for some time, we would like to take this opportunity to address that criticism now.

Whilst we are happy to provide renewal terms to New Zealand Councils, those renewal terms and any changes to the policy wording for the 2021/22 year should not risk prejudicing our position in the current proceeding, and any future proceeding, regarding the weathertightness exclusion(s) contained in earlier policies.

Accordingly, we can only offer renewal terms for the 2021/22 policy year (and any subsequent renewals) on the basis:

1. The terms offered are for a new policy, which is a standalone, separate policy, and is not a policy related to any prior year policies;
2. Council will not seek to rely on the terms of any new policy, or terms offered, including any amendments, in any dispute or litigation relating to the performance or interpretation of any prior policies; and
3. Council will keep confidential the terms of any new policy, or terms offered, including any amendments, as well as negotiations relating to that new policy, as between Council, Marsh and insurers, except as may be required by law.

By proceeding to seek renewal terms from us, the above will be taken as agreed.

Yours faithfully

Mike Reid (Director, International Liability)

QBE UK Limited

FINANCE, AUDIT AND RISK COMMITTEE

11 AUGUST 2021

AGENDA ITEM B2

OFFICIAL INFORMATION REQUEST TOPIC TRENDS

1 JULY 2020 – 30 JUNE 2021

Purpose of Report

To inform the Financial Audit and Risk Committee of topic and request trends under the Local Government Official Information and Meetings Act 1987.

Recommendations

Officers recommend that the Financial Audit and Risk Committee:

1. *Receive the Official Information Request Topic Trends Report.*

1. Executive Summary

To provide an analysis of official information requests we have received between 1 July 2020 and 30 June 2021. Specifically looking at the trends in topics and individuals we frequently receive requests from. This report identifies the functions within Council that attract official information requests and what these requests refer to.

2. Background

Between 01 July 2020 and 30 June 2021 South Wairarapa District Council received a total of 135 requests for information under the Local Government Official Information and Meetings Act 1987.

The requests received during this time were across the organisation with some functions being more targeted than others. These functions have included Finance, Governance and Policy, Roding, Animal Control/Bylaws, and Water Infrastructure. Occasionally some requests are sent to multiple councils for the purpose of nationwide data collection research.

Our main frequent topic trends over this period included:

- Long Term Plan
- Rates
- Roding
- Dog Registration/Animal Control

When reviewing our requests received under the Local Government Official Information and Meetings Act 1987 there is a high number of requestor trends being for the purpose of data collection or asking for rating details.

3. Discussion

The following list provides details on what has been requested across the last year. This is broken down into Council department.

The information contained in this section does not separate all media inquiries from requests for Official Information. We have since changed our process to handle these requests separately.

3.1 Requests

3.1.1. Policy and Governance

The finance team are also affected by these requests for financial input:

- Community consultation
- Long Term Plan document requirements
- Percentage rates increases
- MCB actions regarding Pain Farm
- List of all Councillors since 1989
- Formal complaints against elected members
- Sakura Featherston Gardens
- Waihinga playground project
- External consultancies
- Personal interest declaration
- Community recovery programme
- Māori wards
- Wairarapa Water correspondence

3.1.2. Finance

- Rates relating to a specific address – 3 requests
- Rates report
- Rates increases
- Rates revenue
- Rates objections – part transferred to QV
- Expenditure details - Waihinga Playground
- Numbers and remuneration of CEO, Staff, Contractors, Mayor and Councillors
- Māori engagement
- Cash flow modelling
- Mayor's expenses
- Gender pay equity

3.1.3. *Roading*

- Te Awaiti roading – 2 requests
- Roding costs
- Martinborough roads
- Ruakokoputuna Road – 2 requests
- Legal Road Access – Whakatomotomo Road
- Regent Street, Martinborough – 2 Requests
- RLTP 2021 consistency with GPS 2021
- Paper roads

3.1.4. *Animal Control/Bylaws/Health*

- Featherston Dog Pound
- Dog attack data
- Animal control and euthanasia
- Animal testing
- Dog control complaints
- Desexing
- Fees – 2018/19 & 2019/20
- Dog Rangers
- Hygiene Standards – Nail bars and beauty therapy
- Inspections of private rentals
- Roadside grazing
- Trade waste
- Food service outlets
- Illegally parked vehicles
- Freedom camping

3.1.5. *Water Infrastructure*

- Water races
- Water infrastructure
- Water fluoridation
- Water bleaching

Note that any water-related official information requests are part transferred to Wellington Water to assist in response.

3.1.6. *Amenities*

- Artwork assets – 2 requests
- Waste survey
- Building energy performance
- SWDC tree planting
- Land fill space
- Council campgrounds and inspection

- Recycling figures
- Removal of vegetation
- Greytown's current and propose recreation reserve land and reserve contribution fund

3.1.7. Human Resources

- Code of conduct
- Staff driver policy
- Disability Advisor recruitment
- Site contamination in Greytown
- Staff drug and alcohol testing

3.1.8. Planning

- Onoke Waka Centre
- Residential status – commercial zones
- LIM cost and process
- Clarification regarding commercial use
- Tararua Junction
- Correcting an error on resource consent process

3.1.9. Building

- Complaints regarding contractor
- Plumbing and drainage issue – Vineyard Lane
- Council Land in Greytown
- Steel shed consenting

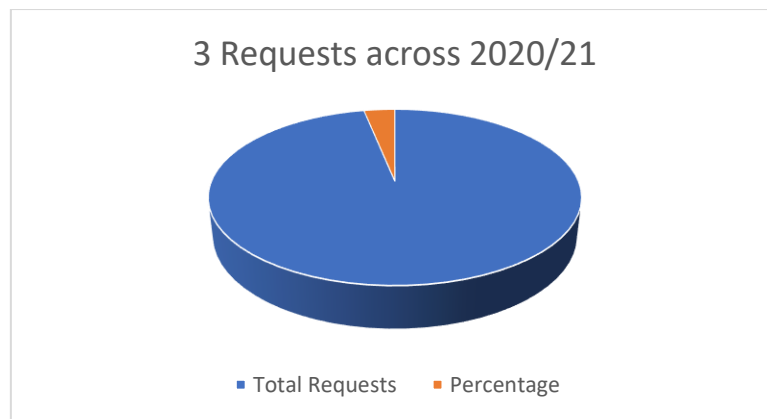
3.1.10. Communications

- Work undertaken by Rigg-Zschokke – media inquiry
- Wairarapa projects funded by central government – media inquiry
- LGOIMA stats – media inquiry
- Website planning and accessibility standards

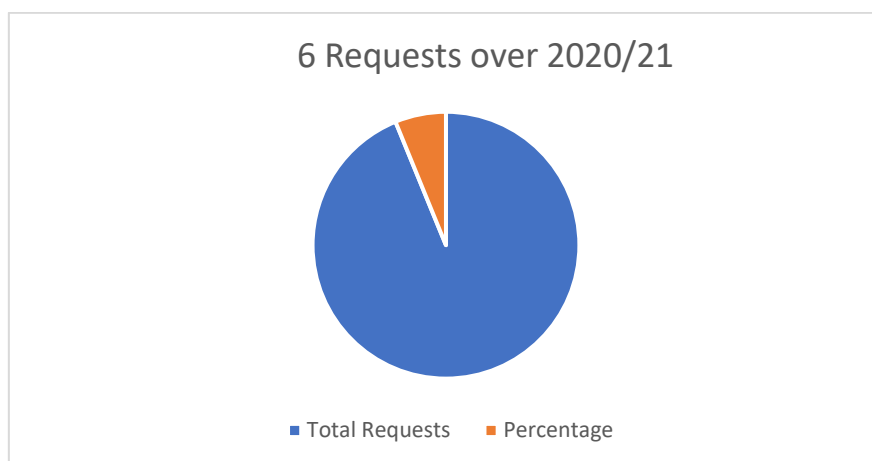
3.2 Requestors

Between 1 July 2020 and 30 June 2021, 47 out of the 135 requests received were from individuals who had previously asked for information (35% of requests). This is further broken down into the following:

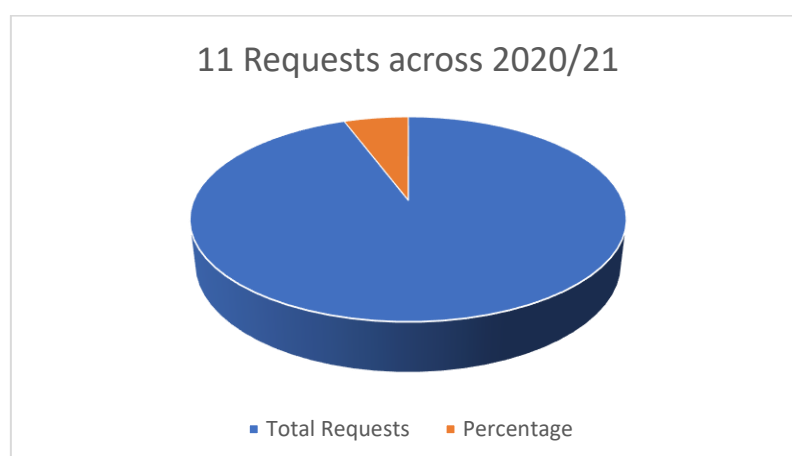
- 9 individuals have asked for information twice over 2020/21
 - 5% of our requests have come from 2 individuals who have asked for information 3 times across 2020/21



- 9% of our requests have come from 2 individuals who have asked for information 6 times over 2020/21



- 8% of our requests have come from 1 individual who has asked for information 11 times over 2020/21



4. Conclusion

This report has given an overview of the trends of which SWDC departments are receiving a high number of requests for information under the Local Government Official Information and Meetings Act 1987. The report also analyses requestor trends to see if there is a high number of repeat requestors.

This is for the purpose of deciding if there is a way that we can provide information more frequently or in a more accessible way to reduce the need for individuals to request information under the Act.

Contact Officer: Zoya Huxford, Information Officer

Reviewed By: Karen Yates, Policy and Governance Manager

FINANCE AUDIT AND RISK COMMITTEE

11 AUGUST 2021

AGENDA ITEM B3

ACTION ITEMS REPORT

Purpose of Report

To present the Committee with updates on actions and resolutions.

Recommendations

Officers recommend that the Committee:

1. *Receive the Finance Audit and Risk Action Items Report.*

1. Executive Summary

Action items from recent meetings are presented to the Committee for information. The Chair may ask the Chief Financial Officer for comment and all members may ask the Chief Financial Officer for clarification and information through the Chair.

If the action has been completed between meetings it will be shown as 'actioned' for one meeting and then will be remain in a master register but no longer reported on. Procedural resolutions are not reported on.

2. Appendices

Appendix 1 – Action items to 11 August 2021

Contact Officer: Suzanne Clark, Committee Advisor

Reviewed By: Katrina Neems, Finance Manager

Appendix 1 – Action Items to 11 August 2021

Number	Meeting	Raised Date	Responsible Manager	Assigned to	Action or Task details	Open	Notes
248	FAR	11-Dec-19	Euan		Find out the background to the Bonny Glen landfill risk and update FAR Committee members Assess the risk to Council of central government mandated increases to solid waste levies and the ability of Council to change processes to manage landfill contracts, expenditure and revenue alongside promotion of waste minimisation	Open	14/8/20 Bonnie Glen is owned by Waste Management and Environmental Services and charges are climbing outside of regular pricing for waste disposal due to a monopoly and limited future capacity at the site. We have a contract for service to use Bonnie Glen which ends shortly. Alternative avenues to dispose of refuse will be researched prior to the contract ending. 24/2/20: Action updated by FAR
249	FAR	11-Dec-19	Karen		Review the Sensitive Expenditure Policy in March 2020 to ensure best practice guidelines are followed	Open	16/4/21: Will be considered as part of policy review programme
250	FAR	11-Dec-19	Karen		Review the Procurement and Contract Management Policy in March 2020 to ensure it covers all procurement and management activities	Open	16/4/21: Will be considered as part of policy review programme following review of CDC's policy for sustainability matters
191	FAR	21-May-20	Katrina	Charly	Work towards revising the financial accounts to include a rolling forecast alongside the full year budget.	Open	22/06/2020 changes to financial reporting are ongoing 14/8/20 Aiming to progress towards the end of the financial year 6/8/21: We are planning to move to the Cloud version of Magiq within the next six months. At this time we will be reviewing all of our reporting utilising the inbuilt publisher tool. On hold until Cloud reporting implemented.
9	FAR	24-Feb-21	Karen	Zoya	Review LGOIMA data to determine if there are requester and topic trends	Actioned	6/8/21: Report included in agenda for 11/8/21
259	FAR	16-Jun-21	Karen	Steph	To review what data, sourced from subscription databases, could be made available to Destination Wairarapa for the purposes of tourism planning	Open	6/8/21: To be completed as time allows

FINANCE, AUDIT AND RISK COMMITTEE

11 AUGUST 2021

AGENDA ITEM B4

FINAL AUDIT REPORT 30 JUNE 2020 ANNUAL REPORT

Purpose of Report

To present the final Audit Report for the financial year ended 30 June 2020.

Recommendations

Officers recommend that the Committee:

1. *Receive the final Audit Report for the financial year ended 30 June 2020.*

1. Background

Officers present the final Audit Report for the financial year ended 30 June 2020.

2. Discussion

Audit NZ has issued their final audit report for the financial year ended 30 June 2020 and it is attached in Appendix 1.

3. Appendices

Appendix 1 – Audit NZ final Audit Report for the year ended 30 June 2020

Contact Officer: Katrina Neems, Chief Financial Officer

Reviewer: Harry Wilson, Chief Executive Officer

Appendix 1 – Final Audit Report for the year ended 30 June 2020

Report to the Council on the audit of

**South Wairarapa District
Council**

For the year ended 30 June 2020

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Key messages

We have completed the audit for the year ended 30 June 2020. This report sets out our findings from the audit and draws attention to areas where the South Wairarapa District Council (the District Council) is doing well and where we have made recommendations for improvement.

This report should be read in conjunction with our 2019/20 interim audit findings that were included in our interim report to the Council (dated 20 January 2021). Our interim report included audit findings relating to the areas of audit focus and progress against previous recommendations.

Audit opinion

We issued a qualified opinion on the statement of service performance as the District Council was unable to accurately report on fault responses times for Water supply, Wastewater and Stormwater and the number of dry weather sewerage overflows. For the year ended 30 June 2020, we were unable to determine whether the Council's reported results for these measures were materially correct. Refer to section 3 for further details.

Without modifying our audit opinion further, we included an emphasis of matter paragraph to draw the readers' attention to the relevant notes in the annual report that describe the overall impact of Covid-19 on the District Council. Given the significance of the pandemic, this is a standard addition to audit opinions issued on behalf of the Auditor-General for public entities with a 30 June 2020 balance date.

Matters identified during the audit

We have raised new recommendations which are summarised in section 1.1 of this report.

Business risks and areas of focus

In our audit plan we identified areas that we consider to be a significant risk or specific areas of audit focus for the 2019/20 audit. They are as follows:

Impact of Covid-19: Since Covid-19 was declared a pandemic in the early part of 2020, it has had and continues to have an impact on the operations and financial results of the District Council.

The District Council prepared an assessment of the impact on its operations including, changes to internal controls, activities, financial and performance results, the assumptions around the fair value of assets and possible impairment. We have reviewed this assessment and related information.

We assessed the Council's disclosure in the financial statements and statement of service performance around these impacts and concluded that it was appropriate.

Fair value of Property, Plant and Equipment: Infrastructure assets and land and buildings were revalued in 2017/2018 and 2018/19 respectively. The District Council provided an assessment about movement in the fair value of these assets at 30 June 2020. We reviewed this assessment and supporting information, and concluded that the fair value at 30 June 2020 did not differ materially to the carrying value of these assets.

Valuation of investment property: The District Council has significant investment properties and is required to revalue these properties annually. We reviewed the valuation, the accounting treatment and disclosure of these investment properties. We are satisfied that this is fairly stated at balance date.

Thank you

We would like to thank the Council, management and staff for their assistance during the audit.

A handwritten signature in dark ink, appearing to read 'J Whittal', with a stylized flourish at the end.

John Whittal
Appointed Auditor
21 April 2021

1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

Priority	Explanation
Urgent	<p>Needs to be addressed <i>urgently</i></p> <p>These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.</p>
Necessary	<p>Address at the earliest reasonable opportunity, <i>generally within six months</i></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.</p>
Beneficial	<p>Address, <i>generally within six to 12 months</i></p> <p>These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.</p>

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
<p>Expense claim not signed prior to payment</p> <p>The District Council systematically documents the expense approval prior to the payment, in particular for expense claims, and monitors operation of the control through periodical checks.</p>	4.1	Necessary
<p>Publication of CCO SOI on the District Council website</p> <p>The District Council ensure compliance with the legislative requirements in regards to WWL.</p>	4.2	Necessary
<p>Survey measures</p> <p>The District Council is clear and consistent in its 2021/31 Long Term Plan on the frequency of the survey, and set its targets accordingly.</p>	4.3	Necessary
<p>Expenditure approval</p> <p>Consider an alternate approver for the Mayor's expenditure.</p>	4.4	Beneficial

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	-	6	5	11
Implemented or closed	-	1	1	2
Total	-	7	6	13

2 Our audit report

2.1 We issued a qualified audit report



We issued a qualified opinion on 17 December 2020 on the statement of service performance as the District Council was unable to accurately report on fault responses times for Water supply, Wastewater and Stormwater and the number of dry weather sewerage overflows. For the year ended 30 June 2020, we were unable to determine whether the Council's reported results for these measures were materially correct. Refer to section 3 for further detail.

Without modifying our audit opinion, we included an emphasis of matter paragraph to draw the readers' attention to the relevant notes in the annual report that describe the overall impact of Covid-19 on the District Council. Given the significance of the pandemic, this is a standard addition to audit opinions issued on behalf of the Auditor-General for public entities with a 30 June 2020 balance date.

2.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. All misstatements identified during the audit were corrected.

2.3 Quality and timeliness of information provided for audit



Management needs to provide information for audit relating to the annual report of the District Council. This includes the draft annual report with supporting working papers. At the start of the audit we were provided with a draft annual report, and some supporting working papers.

We found there were a number of issues with the quality of the first draft annual report, particularly around some balances not agreeing to the trial balance, and amounts in notes not agreeing to the face of the financial statements. These issues were subsequently corrected, though this did have an impact on the efficiency of the audit.

We understand there were challenges in producing the annual report with a largely new finance team, and pressure throughout the year from the impacts of covid. The finance team worked well to rectify these issues, and communicated well with us throughout the process.

We request for next year, a thorough QA is completed over the draft annual report before it is provided to us for audit. This should allow basic errors to be corrected early, which will help ensure the audit process is more efficient.

3 Matters raised in the audit plan



In our audit plan of District Council, we identified the following matters as the main audit risks and issues (Procurement and contract management were reported in interim report):

Audit risk/issue	Outcome
Wellington Water service provider	
<p>On 1 October 2019, the District Council became a joint owner of Wellington Water Limited. The District Council is the sixth council to join, along with five other councils in the Wellington Region.</p> <p>The District Council has retained ownership of all its infrastructure assets and contracts Wellington Water to provide infrastructure management services, relating to the assets and services of the water networks.</p> <p>As part of this arrangement, Wellington Water will be providing the District Council with information required for reporting against performance measures in the 2019/20 annual report, including DIA compulsory measures.</p>	<p>We sent a confirmation request to the appointed auditor of Wellington Water to confirm the results of the three-waters performance measures selected as material to the District Council's audit.</p> <p>The appointed auditor notified us that they were unable to gain assurance over some of the material measures, and a modified audit report has been issued for Wellington Water and therefore the District Council was unable to accurately report on fault response times for Water supply, Wastewater and Stormwater and the number of dry weather sewerage overflows. For the year ended 30 June 2020, we were unable to determine whether the Council's reported results for these measures were materially correct. The measures relevant to the District Council are outlined below:</p> <p><i>DIA mandatory performance measure – Fault response times</i></p> <p>The DIA mandatory measures includes the recording and reporting of median attendance and resolution times for water, waste water and storm water service requests. Some of these measures were identified as material to the District Council's audit.</p> <p>The Wellington Water audit team identified issues around the accuracy of times recorded for attendance, and resolution, and went to an Audit New Zealand, and Office of the Auditor-General (OAG) Opinion Review Committee (ORC). The ORC concluded that Wellington Water was unable to accurately report on fault response times for each of the three water services. The information produced by the system used to report on fault response times was not reliable because attendance and resolution times for service requests were not</p>

Audit risk/issue	Outcome
	<p>always recorded at the point in time they occurred.</p> <p>As a result of the issues identified with attendance and resolution times, the District Council audit opinion includes a modification relating to all response time measures.</p> <p>DIA mandatory measure: Wastewater – Dry weather sewerage overflows</p> <p>The way Wellington Water have reported waste water overflows on behalf of the District Council this year has not been in line with DIA definitions which has caused issues with classification, and the Wellington Water auditor also took this measure to ORC.</p> <p>While Wellington Water were able to clean up the data to improve the accuracy of the wet/dry classification, they were not able to ensure accurate classification of ‘overflows’ with the reported result likely overstated.</p> <p>A modified audit report has been issued for this measure for the District Council, noting Wellington Water was unable to accurately report the number of dry weather sewerage overflows. The system used for recording events included blockages in the wastewater network that did not necessarily result in an overflow.</p> <p>The District Council will need to ensure:</p> <ul style="list-style-type: none"> Wellington Water has made the changes to systems to be able to accurately report on fault response times for each of the three water services; Wellington Water is able to ensure accurate classification of “overflows”; and that it has sufficient information around complaints from the Palmerston North City Council who provide the afterhours service for the District Council. This will include appropriately breaking down calls into the correct category and identifying complaints for subsequent calls. <p>We will review progress against this during our 2021 audit.</p>
The risk of management override of controls	
There is an inherent risk in every organisation of fraud resulting from management override of internal	We updated our understanding of systems and controls over key financial systems within the District Council and related controls. During the

Audit risk/issue	Outcome
<p>controls. Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>final audit visit, we focused our substantive audit testing on inherently high-risk areas, including journal entries and accounting estimates. We did not identify any unusual or one-off transactions, including those with related parties for further evaluation.</p> <p>In completing our procedures, we did not identify any evidence of management override.</p>
Asset revaluations and fair value assessment	
<p>The District Council has adopted a policy to revalue its land and building, and infrastructure assets on a cyclical basis. The District Council last revalued its infrastructure assets during the 2017/18 financial year, and land and building assets in the 2018/19 financial year.</p> <p>As this is a non-revaluation year for these assets, the District Council will need to formally assess whether a revaluation is required to ensure the carrying value of these assets fairly reflects their fair value.</p> <p>It is important that the District Council makes this assessment at an early stage as a full valuation may require a significant amount of time to complete if required.</p> <p>The District Council has a significant investment properties and is required to revalue these properties annually.</p>	<p><i>Property, Plant and Equipment</i></p> <p>Infrastructure assets and land and buildings were revalued in 2017/18 and 2018/19 respectively. The District Council provided an assessment about movement in the fair value of these assets at 30 June 2020. We reviewed the management's assessment and we are satisfied that the basis of the assessment and the assumptions used were reasonable.</p> <p>We also compared managements fair value assessment to relevant information, including comparison to available information, to determine whether fair values were likely to have increased significantly from when the assets were last valued.</p> <p>From the work we performed we are satisfied that the current carrying value of infrastructure and the land and buildings was not materially different to the fair value.</p> <p><i>Investment properties</i></p> <p>We have reviewed the methodology used by the valuer (including assumptions applied and relevant factors considered) and confirmed these are appropriate and reasonable.</p> <p>The valuations were completed in line with the relevant accounting standard, PBE IPSAS 16 Investment Property.</p> <p>We have reviewed how the valuation results have been reflected in the District Councils financial statements and the associated disclosures in the annual report. We are satisfied that these comply with the requirements of PBE IPSAS 16 Investment Property and are fairly stated in the District Council's financial statements.</p>

4 Issues noted during the audit



The following are the new items identified during the audit that we draw to your attention.

4.1 Expense claim not signed prior to payment

The District Council's policy requires that the invoice is approved prior to payment. We identified an expense claim which was not signed as approved prior to payment, from our sample testing of expenditure. The document not signed is the September 19 BNZ credit card statement (total expense: \$642).

The risk for the Council is that inappropriate or inaccurate expenditure is incurred.

We recommend the District Council systematically documents the expense approval prior to the payment, in particular for expense claims, and monitors operation of the control through periodical checks.

Management comment

Additional checks have been added to the current process to mitigate the risk of this occurring again.

4.2 Publication of CCO SOI

The Local Government Act 2002 has the following requirements for Local Authorities in regards to their Council-controlled organisation (CCO):

- Section 64(9) states that each shareholding local authority must publish the CCO adopted statement of intent on an internet site maintain by or on behalf of the local authority within one month of adopting it, and must maintain the statement on that site for a period of no less than seven years.
- Section 64B(3) requires that if the shareholders in a council-controlled organisation prepare a statement of expectations for a CCO, then the statement of expectations must be published on an internet site maintained by or on behalf of each local authority that is a shareholder of the organisation.
- Section 66(5) requires that each local authority that receives a report under this section (half-yearly and quarterly (if requested)) must publish the report on an internet site maintained by or on behalf of the local authority within one month of receiving it and must maintain the report on that site for a period of no less than seven years.
- Section 67(4) requires that each local authority that receives an annual report from the CCO must publish the annual report on an internet site maintained by or

on behalf of the local authority within one month of receiving it, and must maintain the report on that site for a period of no less than seven years.

The District Council had not published the WWL 2021 SOI on its website.

We recommend the District Council ensure compliance with these legislative requirements in regards to WWL.

Management comment

This is in progress with the website to be updated in the coming weeks.

4.3 Survey measures

This year we were notified by management that the District Council had decided not to conduct its ratepayers and residents satisfaction survey (run by the National Research Bureau, NRB) for 2019/20.

Our analysis indicates that the survey has never been conducted annually, (for the time period reviewed). It has either been every two or three years. It is appropriate for a small council to consider cost-benefits when deciding on survey frequency and, in our view, it is not unreasonable that such a council does not conduct the survey every year. We understand that there are other small councils that conduct their residents' surveys biennially.

The presentation of results in the annual report is clear, and additional narrative has been provided for one of the groups of activities most affected.

We therefore concluded that there would be no impact on the audit opinion.

We recommend the District Council is clear and consistent in its 2021/31 Long-term Plan on the frequency of the survey, and set its targets accordingly.

Management comment

The 2021-2031 LTP has made it clear the frequency of the Customer Survey.

4.4 Improving one-up approval process of expenditure

The District Council's sensitive expenditure policies include a requirement for the Chief Executive's expenses to be approved by the Mayor. The policies also require for the approval of the Mayor's expenses to be approved by the Chief Executive. A circular approval relationship is therefore created.

Expenditure should be approved on a one-up basis and to avoid reciprocal arrangements, where possible.

We recommend the Service consider an alternate approver for the Mayor's expenditure (audit and risk chair).

Management comment

Process has been changed. Current year's expenses have been retrospectively signed by Chair of Finance Audit and Risk.

5 Public sector audit



The District Council is accountable to their local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the District Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the District Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the District Council carrying out its activities effectively and efficiently;
- the District Council incurring waste as a result of any act or failure to act by a public entity;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the District Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by a public entity or by one or more of its members, office holders, or employees.

We did not identify issues in any issues to bring to your attention in relation these areas.

6 Useful publications



Based on our knowledge of the District Council, we have included some publications that the District Council and management may find useful.

Description	Where to find it
Covid-19 Impact on Public Sector Reporting	
<p>The state of emergency in response to the Covid-19 coronavirus has significantly impacted most public sector entities. The consequences for the completion of annual reports and the annual financial statements are one part of this impact.</p> <p>We had developed a series of Bulletins in response:</p> <ul style="list-style-type: none"> • revaluations of Property, Plant and Equipment and investment property; • service performance reporting; and • financial reporting. 	<p>On our website under good practice.</p> <p>Link: Covid-19 bulletins</p>
Client updates	
<p>As part of our response to the Covid-19 situation, we developed online client updates to replace the in-person sessions that were cancelled.</p> <p>This year's material is accessible via video presentations on our website. You can explore the material at a pace that takes account of your busy schedule.</p> <p>The themes respond to challenges that our clients now face, such as planning for unexpected events or dealing with additional reporting requirements related to Covid-19 and climate change.</p>	<p>On our website under publications and resources.</p> <p>Link: Client updates</p>
Model Financial Statements	
<p>Our Model Financial Statements reflect best practice we have seen. They are a resource to assist in improving financial reporting. This includes:</p> <ul style="list-style-type: none"> • significant accounting policies are alongside the notes to which they relate; • simplifying accounting policy language; • enhancing estimates and judgement disclosures; and • including colour, contents pages and subheadings to assist the reader in navigating the financial statements. 	<p>Link: Model Financial Statements</p>

Description	Where to find it
Tax matters	
<p>As the leading provider of audit services to the public sector, we have an extensive knowledge of sector tax issues. These documents provide guidance and information on selected tax matters.</p> <p>This includes new guidance on the reduction in deferred tax on buildings that was reintroduced as part of the Covid-19 response package.</p>	<p>On our website under good practice.</p> <p>Link: Tax Matters</p> <p>Link: Reduction in deferred tax on buildings</p>
Client Substantiation File	
<p>When you are fully prepared for an audit, it helps to minimise the disruption for your staff and make sure that we can complete the audit efficiently and effectively.</p> <p>We have put together a tool box called the Client Substantiation File to help you prepare the information you will need to provide to us so we can complete the audit work that needs to be done. This is essentially a tool box to help you collate documentation that the auditor will ask for.</p>	<p>On our website under good practice.</p> <p>Link: Client Substantiation File</p>
Long-term plans and consultation documents	
<p>Having audited long-term plans (LTPs) since 2006, we understand the significant effort that councils invest in preparing an LTP.</p> <p>We want to make the audit process for the 2021-31 LTPs and consultation documents as straightforward as possible, so we have put together some information to help councils to:</p> <ul style="list-style-type: none"> • understand our responsibilities and our main focus areas in the audit; • prepare better documents for their communities; and • develop project plans that make their LTP process go smoothly. 	<p>On our website under good practice.</p> <p>Link: Long-term plans and consultation documents</p>
Conflicts of interest	
<p>The Auditor-General has recently updated his guidance on conflicts of interest. A conflict of interest is when your duties or responsibilities to a public organisation could be affected by some other interest or duty that you have.</p> <p>The update includes a printable A3 poster, an animated video on predetermination and bias, gifts and hospitality, and personal dealings with a</p>	<p>On the Office of the Auditor-General's website under 2019 publications.</p> <p>Link: Conflicts of interest</p>

Description	Where to find it
tenderer. There is also an interactive quiz. These can all be used as training resources for your own employees.	
Severance payments	
Because severance payments are discretionary and sometimes large, they are likely to come under scrutiny. The Auditor-General has released updated good practice guidance on severance payments. The guide is intended to help public sector employers when considering making a severance payments to a departing employee. It encourages public organisations to take a principled and practical approach to these situations. The update to the 2012 good practice guidance reflects recent case law and changes in accounting standards.	On the OAG's website under 2019 publications. Link: Severance payments
Good practice	
The OAG's website has been updated to make it easier to find good practice guidance. This includes resources on: <ul style="list-style-type: none"> • audit committees; • conflicts of interest; • discouraging fraud; • good governance; • service performance reporting; • procurement; • sensitive expenditure; and • severance payments. 	On the OAG's website under good practice. Link: Good practice
Procurement	
The OAG are continuing their multi-year work programme on procurement. They have published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened. Whilst this is focused on local government, many of the questions are relevant to all types of public sector entities.	On the OAG's website under publications. Link: Procurement article

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Necessary		
Expenditure control not operating effectively The reviewers of expenditure batches are required to date and sign or otherwise document their review, as evidence that that this was performed.	Interim 19/20	In progress. We will review progress against this during our 2021 audit.
Compliance with legislation – process and compliance We recommend the District Council continue its review of legislative compliance and ensure the 2021/22 Annual Plan has the appropriate disclosures included.	Interim 19/20	In progress. We will review progress against this during our 2021 audit.
Payroll controls not operating effectively The reviewers of the payroll reports and timesheets are required to date and sign or otherwise document their review, as evidence that that this was performed.	Interim 19/20	In progress. We will review progress against this during our 2021 audit.
Statement of service performance – Survey results We recommend that the District Council investigates any significant underperformance against targets set for performance measures involving surveys, and where appropriate reports the reasons for underperformance in the annual report and actions intended to address any deficiencies.	2018/19	Matter outstanding. From our discussions with management, the District Council is not undertaking the Customer Survey this year due to a number of factors. Although not required to report on the measure using survey results every year, the District Council is still required to report how it assesses its performance for the year. Issue updated see 4.3 of the report.
Conflicts of Interest Register for elected members The District Council should ensure declarations by elected members are completed and signed annually.	2018/19	In progress. We note client has not been able to find its declaration forms, and does not have a full conflicts of interest policy for its employees. We would expect a register to be held with all key management personnel's interests to be kept, and these to be formally

Recommendation	First raised	Status
		<p>updated annually. The OAG has recently released guidance on conflicts of interest, and can be found at https://oag.parliament.nz/2020/conflicts.</p> <p>We will review progress against this during our 2021 audit.</p>
<p>Review of Batch Invoices</p> <p>All expenditure should be confirmed to appropriate documentation prior to payment, and that this review is evidenced.</p>	2018/19	<p>Matter outstanding.</p> <p>From our review of a batch payment report, we identified the lack of evidence of review for a March 2020 payment. Therefore we confirm the issue is still outstanding.</p>
Beneficial		
<p>Code of Conduct review</p> <p>The policy is updated at least every three years. In addition, that the staff code of conduct provides more guidance to its employees on expectations and responsibilities.</p>	Interim 19/20	<p>In progress.</p> <p>We will review progress against this during our 2021 audit.</p>
<p>Excessive annual leave balances</p> <p>The District Council should regularly review employee leave balances and ensure employees with excessive balances have leave plans put in place.</p>	2017/18	<p>In progress.</p> <p>Annual leave balance continues to increase, We will review progress against this during our 2021 audit.</p>
<p>Sensitive Expenditure Policy</p> <p>The District Council should update the policy to ensure it covers all best practice guidelines.</p>	2018/19	<p>In progress.</p> <p>We understand the District Council intends to update the Sensitive Expenditure Policy in December 2020.</p> <p>We will confirm during the 2020/21 interim audit whether this has occurred.</p>
<p>Creditors Masterfile</p> <p>The District Council should independently review all changes to the Creditors Masterfile, including bank account changes and new creditors.</p> <p>The District Council should ensure that a report including all changes is run when Creditor Masterfile review is going to occur to ensure no changes are missed.</p>	2017/18	<p>Matter outstanding.</p> <p>We have confirmed the MagiQ system still does not have the functionality to run a complete Masterfile change report.</p> <p>We note management have alternative procedures to mitigate this risk such as checking all changes that have been raised, and spot checking a sample of the bank accounts before the payment run.</p>

Recommendation	First raised	Status
<p>Procurement and Contract Management Policy</p> <p>The District Council should update the Procurement Policy to ensure it covers all of its procurement and contract management activities.</p>	2017/18	<p>In progress</p> <p>We understand the District Council intends to update its Procurement and Contract Management Policy in December 2020.</p> <p>We will confirm during the 2020/21 interim audit whether this has occurred.</p>

Implemented or closed recommendations

Recommendation	First raised	Status
<p>Resource consent processing days</p> <p>The District Council should undertake a review of all resource consents processed near the statutory deadline (for the type of consent) to ensure the system has counted these correctly.</p> <p>We recommend that the District Council explores whether the current resource consent system has the functionality to record pauses of processing of resource consents where statutory criteria is met, and if so to ensure this functionality is utilised.</p>	2018/19	<p>From our testing this year, we did not find any issues with the processing days calculated for the resource consents selected.</p>
<p>Low delegation levels</p> <p>The District Council should review current delegation limits to ensure these are reflective of the expenditure being incurred by Council officers.</p>	2017/18	<p>In December, financial delegation review done. Audit notes this was released in February 2020.</p>

Appendix 2: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the District Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the District Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The District Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>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, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit we have carried out engagements in the audit of the Debenture Trust Deed, which are compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with, or interests in, the District Council.</p>
Fees	<p>The audit fee for the year is \$112,663, as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period are \$4,000, for the 2019 Debenture Trust Deed review.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council during or since the end of the financial year.</p>

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

PO Box 99
Wellington 6140
Phone: 04 496 3099

www.auditnz.parliament.nz

