



NOTICE OF MEETING OF THE AUDIT COMMITTEE

I hereby give notice that the Audit Committee meeting of the Papakura District Council is to be held on:

DATE: Tuesday 29th September 2009

TIME: 9.30 am

VENUE: Council Chambers
35 Coles Crescent
PAPAKURA

T Stratton
CHIEF EXECUTIVE OFFICER

MEMBERSHIP:

Chairperson
Deputy Chairperson

Clr Goldsmith
HWM Penrose

Clr Auva'a
Clr Conroy
Clr Jones
Clr O'Connor
Clr Piggott
Clr Pringle
Clr Catchpole

(Quorum 4 members)

(The reports and recommendations contained in this Order Paper are not necessarily Council Policy and should not be taken as Council Policy, or opinion)

**PAPAKURA DISTRICT COUNCIL
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PAPAKURA DISTRICT COUNCIL

**AGENDA FOR THE MEETING OF THE AUDIT COMMITTEE TO BE HELD IN THE
COUNCIL CHAMBERS, 35 COLES CRESCENT, PAPAKURA ON TUESDAY
29TH SEPTEMBER 2009 COMMENCING AT 9.30 A.M.**

1. APOLOGIES

2. CONFIRMATION OF MINUTES

- (a) That the Minutes of the Audit Committee Meeting held on Tuesday 28th April 2009 be confirmed.

3 AUDIT NEW ZEALAND

(a) AUDIT REPORT TO MANAGEMENT ON THE 2009 – 2019 LONG TERM COUNCIL COMMUNITY PLAN STATEMENT OF PROPOSAL

REPORTING OFFICER: Victoria Villaraza
Director Financial and Corporate Services

ATTACHMENT: Draft Management Report on The LTCCP SOP for The Period 1 July 2009 - 2019

(Attachment No. 1)

PURPOSE OF THE REPORT

The purpose of this report is to present Audit New Zealand's Report to Management on the 2009 – 2019 Long Term Council Community Plan (LTCCP) Statement of Proposal (SOP).

BACKGROUND

A key part of the audit of the LTCCP includes the auditor's assessment on Council's performance against the legislative requirements surrounding the LTCCP SOP (Draft LTCCP).

As part of this assessment, a report on the findings, inclusive of any recommendations, is prepared by the auditor to draw the Council's attention to the issues for consideration. Council's consideration of the issues, along with the recommendations from management, will inform how the issues are proposed to be addressed. The Audit Management Report is attached for the Committee's information.

NARRATIVE

Unqualified Audit Opinion

Council adopted its Draft LTCCP on 17 March 2009 and released it for public consultation. Within the draft is an audit report which contains an opinion.

The Committee will be aware that the Draft LTCCP received an unqualified audit opinion. This means that Audit has assessed our Draft LTCCP as:

"a proposal that provides a reasonable basis for long term integrated decision-making by the Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Council".

The audit opinion also included confirmation that Council has complied with the requirements of the Local Government Act 2002 in all material respects; the underlying information and assumptions used to prepare the Draft LTCCP provided a reasonable and supportable basis for the preparation of the forecast information; and the proposed performance measures provided an appropriate framework for the meaningful assessment of the actual levels of service provision demonstrating good practice for a council of our size and scale.

In summary, Audit concluded that Council's Draft LTCCP fulfilled its primary purpose – a plan that is fit for consultation with the community.

Audit Report to Management

This audit report to management (see Attachment) contains:

- The audit scope and objectives;
- A statement on the audit opinion;
- The Auditor's opinion on Council's compliance with legislative requirements
- Significant areas requiring improvement – focus of the Office of the Controller and Auditor General's office (OAG);
- Fieldwork modules;
- An update on the status of issues raised during the 2006 – 2016 LTCCP process;
- Unadjusted misstatements; and
- Statement of auditor independence.

The committee will note that overall, the audit report to management is positive as highlighted by a number of key findings / conclusions as follows:

- Achieving an unqualified opinion;
- No breaches of significant legislation;
- Draft LTCCP adequately demonstrates the sustainable development approach adopted by Council;
- Sufficient and transparent information is provided on financial management strategies – prudent, sustainable and satisfies the balanced budget requirement;
- Service performance information is appropriate and provides for understanding and measuring performance in a useful manner; and
- Asset Management Plans, which are significant in terms of the underlying information that supports the Draft LTCCP, are of sufficient quality to provide a reasonable and supportable basis for the preparation of the forecast information.

The audit report also contains detailed recommendations on how to further improve the following areas: asset and activity management; levels of service; linkages and consistency with other plans and policies; assumptions; compliance with generally accepted accounting principles (GAAP); performance framework; decision making and consultation; document presentation; financial prudence; and the right debate.

Management Response to the Improvements Recommended in the Audit Report

In previous years, Council has established a programme to address any significant matters raised in the audit report in preparation for the next LTCCP. This was the approach taken during the 2006 – 16 LTCCP process and as a result, the 2009 -19 LTCCP process was improved in many areas as detailed in Appendix 2 of the attachment.

Due to the changes to Auckland governance, resources allocated in the draft LTCCP to address some of these issues were either reduced or taken out because Council deemed it not prudent to proceed when these are likely to be tackled at a regional level and the need for this Council to produce its next LTCCP is uncertain at that stage. For example, the resources allocated to improving the asset management plans towards 'advanced' plans have been removed.

As a result, no active programme has been put in place to specifically deal with the recommendations.

CONCLUSION

The audit of Council's 2009 – 19 Draft LTCCP resulted in an unqualified audit opinion. There were no significant issues of concern arising from the audit. Due to the changes to Auckland governance, Council's view is that it is not appropriate to allocate resources to address the improvements recommended in the report and therefore, does not have an active programme in place to do so.

RECOMMENDATIONS

1. That the information be received.