



# AGENDA

## RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF THE

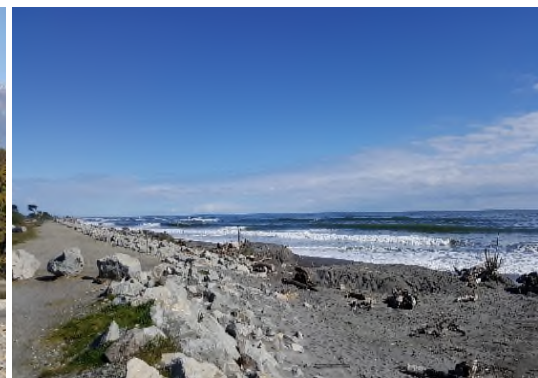
## Audit and Risk Committee

to be held on **Tuesday, 10<sup>th</sup> August 2021** commencing at **1.00pm** in the Council Chambers, 36 Weld Street, Hokitika and via Zoom

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|              |                                  |                         |
|--------------|----------------------------------|-------------------------|
| Chairperson: | Rachael Dean – Independent Chair |                         |
| Members:     | His Worship the Mayor            | Deputy Mayor Carruthers |
|              | Cr Anna Hart                     | Cr Jane Neale           |
|              | Kw Francois Tumahai              | Kw Paul Madgwick        |

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In accordance with clause 25B of Schedule 7 of the Local Government Act 2002, members may attend the meeting by audio or audiovisual link.

## **Council Vision:**

*We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment.*

## **Purpose:**

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) To promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

### **1. NGĀ WHAKAPAAHA APOLOGIES**

### **2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST**

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda, and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager: Corporate Services (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

### **3. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA**

Section 46A of the Local Government Official Information and Meetings Act 1987 states:

- (7) An item that is not on the agenda for a meeting may be dealt with at the meeting if –
  - (a) the local authority by resolution so decides, and
  - (b) the presiding member explains at the meeting at a time when it is open to the public, -
    - (i) the reason why the item is not on the agenda; and
    - (ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting.
- (7A) Where an item is not on the agenda for a meeting, -
  - (a) that item may be discussed at the meeting if –
    - (i) that item is a minor matter relating to the general business of the local authority; and
    - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

#### 4. **NGĀ MENETI O TE HUI KAUNIHERA MINUTES OF MEETINGS**

The Minutes of the previous meeting were circulated separately via Microsoft Teams.

- **Audit and Risk Committee Meeting Minutes – 11 May 2021**

#### 5. **ACTION LIST** (Page 6)

#### 6. **NGĀ TĀPAETANGA PRESENTATIONS**

- **NIL**

#### 7. **PŪRONGO KAIMAHI STAFF REPORTS**

- **Amended Terms of Reference for Audit and Risk Committee** (Pages 7 - 11)  
Lesley Crichton, Group Manager: Corporate Services, Westland District Council
- **Audit Management Report for the Long Term Plan 2018-28 Amendment** (Pages 12 - 23)  
Lesley Crichton, Group Manager: Corporate Services, Westland District Council
- **Audit And Risk Committee Rolling Work Plan – August 2021** (Page 24)  
Lesley Crichton, Group Manager: Corporate Services, Westland District Council

#### 8. **KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO GO INTO PUBLIC EXCLUDED**

(to consider and adopt confidential items)

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

The general subject of the matters to be considered while the public are 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 the resolution are as follows:

| Item No. | General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for the passing of this resolution  |
|----------|---|---|---|
| 1.       | Confidential Minutes – 11 May 2021              | Good reason to withhold exist under Section 7                 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.<br><br>Section 48(1)(a) |

|    |  |   |   |
|----|--|---|---|
| 2. | Risk Report  | Good reason to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.<br><br>Section 48(1)(a) |
| 3. | Insurance Renewals Report  | Good reason to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.<br><br>Section 48(1)(a) |
| 4. | Current state and proposed changes for Westland District Council's Computer Network Security | Good reason to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.<br><br>Section 48(1)(a) |
| 5. | Health and Safety Initiatives-August 2021  | Good reason to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.<br><br>Section 48(1)(a) |
| 6. | Quarterly Report on Whistleblower Services Provided by PWC                                   | Good reason to withhold exist under Section 7 | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.<br><br>Section 48(1)(a) |

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

| Item No. | Interest  |
|----------|---|
| 1,5      | Protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a)).   |
| 1,5      | Protect information where the making available of the information:<br>(ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Section 7(2)(b)). |
| 1,6      | Maintain the effective conduct of public affairs through—<br>(ii) the protection of such members, officers, employees, and persons from improper pressure or harassment (Section 7(2)(f)).  |
| 1,2,6    | Maintain legal professional privilege (Section 7(2)(g)).  |
| 1,2,6,5  | Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (Section 7(2)(h)).  |
| 3        | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Section 7(2)(i)).   |
| 4        | Prevent the disclosure or use of official information for improper gain or improper advantage (Section 7(2)(j)).  |

**DATE OF NEXT AUDIT AND RISK COMMITTEE MEETING – 9 NOVEMBER 2021  
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

## 10.08.21 AUDIT AND RISK COMMITTEE – ACTION LISTING

|   | Date     | COMPLETED<br>IN PROGRESS<br>OVERDUE | Item   | Action Required  | Status   | Lead Officer                                |
|---|----------|-------------------------------------|--|--|--|---|
| 1 | 17.03.20 |                                     | Terms of Reference – Audit and Risk Committee adopted 17.03.20 | Terms of Reference to be included on the action list for review at the November 2020 meeting.  | The TOR were reviewed and adopted at the April 2021 Council Meeting and are scheduled to take effect as of the 1 <sup>st</sup> July 2021.<br><br>Completed.            | Group Manager:<br>Corporate Services        |
| 2 | 06.08.20 |                                     | Risk Management Workshop                                       | For whole of Council to workshop key factors to be included in the risk manual.<br><br>11.05.21 – List of items to be compiled for the workshop. | In progress. Bruce Robertson has agreed to hold a workshop, dates to be advised.<br><br>Completed - Workshop scheduled Thursday, 5 <sup>th</sup> August 2021.          | Group Manager:<br>Corporate Services        |
| 3 | 11.05.21 |                                     | Quarterly Report Q3 – Finance and Service Delivery             | Page 29 – Democracy. Percentage of unsatisfied ratepayers re leadership. Review the survey feedback and report back to committee.                | There were no comments provided to enable Council to understand the reason the percentage of unsatisfied ratepayers for leadership was lower than the previous survey. | Group Manager:<br>Corporate Services        |
| 4 | 11.05.21 |                                     | Insurance CCO Director Insurance Protection                    | Investigate the loss modelling around CCO infrastructure. Up to date valuations in place.  | Insurance valuations have taken place.   | Group Manager:<br>Corporate Services & CCOs |
| 5 | 11.05.21 |                                     | Audit Report Recommendation Completion                         | Items to be removed as completed or procedures no in place:<br>Reconciliation Review (page 57)<br>NZTA claims process reconciliations            | Completed.   | Group Manager:<br>Corporate Services        |

# Report to Committee



**DATE:** 10 August 2021

**TO:** Audit and Risk Committee

**FROM:** Group Manager, Corporate Services

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## Amended Terms of Reference for Audit and Risk Committee

### 1. Summary

- 1.1. The purpose of this report is for the Audit and Risk Committee (A&R) to receive the amended Terms of Reference (ToR) adopted by Council on 29 April 2021.
- 1.2. This issue arises due to the delegated authority under those ToR by Council to the Audit and Risk Committee.
- 1.3. Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in June 2021, which are set out in the Long Term Plan 2021 - 31. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Committee receive the Amended Terms of Reference.

### 2. Background

- 2.1 The reason the report has come before the Committee is due to the restructure of the Council Committees to streamline the decision-making process.
- 2.2 Council adopted amended ToR for all Council Committees on 29 April 2021.

### 3. Current Situation

- 3.1. The current situation is that the Audit and Risk Committee need to formally receive the amended ToR.
- 3.2. The amended ToR seeks to include Deputy Mayor Carruthers to enhance the Committee through bringing legal experience onto the Committee function.
- 3.3. The amended ToR took effect from 1 July 2021.

#### **4. Options**

4.1. Option 1: Receive the amended ToR for the Audit and Risk Committee adopted by Council 29 April 2021.

4.2. Option 2: Do not receive the amended ToR.

#### **5. Risk Analysis**

5.1. Risk has been considered and no risks have been identified in receiving the amended ToR.

#### **6. Health and Safety**

6.1. Health and Safety has been considered and no items have been identified in receiving the amended ToR.

#### **7. Significance and Engagement**

7.1. The level of significance has been assessed as being low as the report is for an administrative function.

7.2. No public consultation is considered necessary.

#### **8. Assessment of Options (including Financial Considerations)**

8.1. Option 1 – Receive the amended Terms of Reference. The Committee cannot function without a ToR, however, does not mean that further improvements cannot be made.

8.2. There are no financial implications to this option.

#### **9. Preferred Option(s) and Reasons**

9.1. The preferred option is Option 1, that the Committee receive the amended Terms of Reference adopted by Council 29 April 2021. This will allow the A&R Committee to function within the delegated authority under those ToR as adopted by Council.

#### **10. Recommendation(s)**

10.1. That the Committee receive the amended Terms of Reference adopted by Council 29 April 2021.


**Lesley Crichton**  
**Group Manager, Corporate Services**

**Appendix 1:** Amended Terms of Reference for Audit and Risk Committee.



## TERMS OF REFERENCE

### Audit and Risk Committee

|   |                               |   |
|---|-------------------------------|---|
|  | <b>Authorising Body</b>       | Mayor / Council   |
|   | <b>Status</b>                 | Standing Committee  |
|   | <b>Title</b>                  | Audit and Risk Committee  |
|   | <b>Approval Date</b>          | Adopted: 27 February 2020<br>Amended: 29 April 2021<br>Effective: 1 July 2021 |
|   | <b>Administrative Support</b> | Chief Executive Office  |
|   | <b>Quorum</b>                 | Chair plus 2 members (must include 1 Councillor)                              |

This document outlines the Terms of Reference for the Audit and Risk Committee.

The Chief Executive (CE) will assign the Group Manager: Corporate Services (GMCS) to the Committee. The GMCS will be responsible for coordinating agendas and be the principal point of contact for committee members.

#### 1. Purpose

To assist the Council to discharge its responsibilities for:

- Monitoring the Council's external and internal audit process
- Recommend to Council an appropriate risk management strategy and monitor the effectiveness of that strategy
- Ensure the independence and effectiveness of Council's Internal Audit processes
- Monitor existing corporate policies and recommend new corporate policies to prohibit unethical, questionable or illegal activities
- Provide a communication link between management, Internal auditors/external auditors and Council
- Support measures to improve internal controls

#### 2. Responsibilities

##### External Audit

- Engage with Council's external auditors regarding the external audit work programme and agree the terms and arrangements of the external audit
- Recommend to Council the terms and arrangements for the external audit programme
- Review of effectiveness of the annual audit and Long Term Plan audit
- Monitor management's response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented

Terms of Reference – Audit and Risk Committee – Amended 29.04.21

## **Internal Control**

- Monitor existing corporate policies and recommend new corporate policies to prohibit unethical, questionable or illegal activities. This also includes a reviewing/monitoring role of the documentation of policies and procedures
- In conjunction with the CE be satisfied with the existence and quality of cost-effective internal control and risk management systems, the proper application of processes, and agree the scope of the annual internal audit work programme
- Monitor the delivery of the internal audit work programme
- Review the annual internal audit plans and assess whether resources available to internal audit are adequate to implement the plans, and
- Assess whether all significant recommendations of the internal audit have been properly implemented by management. ‘
- Oversee health and safety requirements.
- Review policies.
- Monitor insurance policies.

## **Other Matters**

- Review the effectiveness of the risk assessment/management policies and processes
- Review the effectiveness of the control environment established by management including computerised information systems controls and security. This also includes a review/monitoring role of the documentation of policies and procedures.
- Review the process of the development of the financial strategy as required by the Long Term Plan. Monitor Council’s treasury activities to ensure that it remains within policy limits, where there are good reasons to exceed policy, that this be recommended to Council; and
- Engage with internal and external auditors on any specific one-off audit assignments
- The Audit and Risk Committee will also periodically review its own effectiveness and report the results of that review to the Council.

### **3. Delegated Authority**

- The Audit and Risk Committee shall have delegated authority to approve the appointment of the internal auditor, risk management and internal audit programmes, audit engagement letters and letters of undertaking for audit functions, and additional services provided by the external auditor.
- The audit and risk committee can conduct and monitor special investigations in accordance with Council policy, including engaging expert assistance, legal advisors or external auditors, and where appropriate, recommend action (s) to Council.

## **The audit and risk Committee can recommend to Council**

- Adoption, or non-adoption of completed financial and non-financial performance statements
- Governance policies associated with Councils financial, accounting, risk management, compliance and ethics programmes, and internal control functions
- Accounting treatments, changes in generally accepted accounting practice
- New accounting and reporting requirements

## **Power to delegate**

The audit and risk committee may not delegate any of its responsibilities, duties or powers.

Terms of Reference – Audit and Risk Committee – Amended 29.04.21

#### **4. Committee Meetings, records and reporting structure**

- The committee will meet at least quarterly in each financial year.
- One meeting must consider the draft annual report prior to adoption of the annual report by Council
- Minutes of the committee be presented to the Council for its consideration
- Report to the Council at least twice a year on the effectiveness of internal controls, risk management and financial reporting, noting any recommendations for improvement.
- The committee will be attended by a representative of External Audit for one meeting each year

#### **Role of Chair**

The role of Chair is key to achieving committee effectiveness, to achieve this;

- The chair should meet with the GMCS before each meeting to discuss and agree the business for the meeting.
- The Chair should take ownership of, and have final say in, the decisions about what business will be pursued at any particular meeting.
- The Chair should ensure that after each meeting appropriate reports (minutes) are prepared from the Audit and Risk Committee to the Council.
- Encourage good, open relationships between the Audit and Risk Committee, CE, GMCS and internal and external auditors.

#### **Committee Membership**

- Independent Chair
- His Worship the Mayor
- Deputy Mayor Carruthers
- Councillor Hart
- Councillor Neale
- Kw Madgwick
- Kw Tumahai

The Committee Chair will usually be the spokesperson on matters of public interest within the committee's scope of work. Some issues may be of such public interest that it is more appropriate for the Mayor to be the spokesperson. On technical matters or where the status is still at the staff proposal level, senior staff may be the appropriate spokesperson. Where necessary and practical the Mayor, Committee Chair and senior staff will confer to determine the most appropriate course of action for advising the public.

The Committee shall record minutes of all its proceedings.

**The Terms of Reference were adopted by Council on the 27 February 2020 and amended on the 29 April 2021.**

**The amended Terms of Reference were adopted by the Audit and Risk Committee on XXXXXXXX.**

Terms of Reference – Audit and Risk Committee – Amended 29.04.21

# Report to Committee



**DATE:** 10 August 2021

**TO:** Audit and Risk Committee

**FROM:** Group Manager, Corporate Services

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## AUDIT MANAGEMENT REPORT FOR THE LONG TERM PLAN 2018-28 AMENDMENT

### 1. Summary

- 1.1. The purpose of this report is to present the Audit Management Report attached as **Appendix 1**, for the Long Term Plan amendment for the purchase of 41 Weld Street, Hokitika.
- 1.2. The report contains the observations and comments from the audit of the financial statements for the Long Term Plan (LTP) 2018-28 Amendment.
- 1.3. Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which are set out in the Long Term Plan 2018-28. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that the Committee receive the Audit Management Report for the Long Term Plan 2018-28 Amendment and approves it for public release.

### 2. Background

- 2.1 Audit management reports are provided after any required audit of Council's financial statements and plans, they provide commentary and recommendations on observations made by the audit team during the audit process.
- 2.2 In the first instance, the Chief Executive and Group Manager, Corporate Services receive a draft report for staff to provide a management response to the comments. This then enables elected members to receive a full report on the issues and recommendations and the action being taken by staff to address them.

### 3. Current Situation

- 3.1. Council took legal advice and was required to carry out an LTP 2018-28 amendment after the building 41 Weld Street, Hokitika became available for purchase and was identified as a building which Council could undertake community activities currently housed in different buildings all in one place.

- 3.2. As the Museum and Library activities are classed as significant assets under Council's significance and engagement policy, Council was required to carry out an LTP 2018-28 amendment.
- 3.3. Audit NZ carried out an audit of the consultation document and Long Term Plan changes which results with the audit management report.
- 3.4. The report is not as detailed as a standard audit report and was unqualified.
- 3.5 There is a table of unadjusted misstatements which were not material and did not impact the integrity of the financial accounts, therefore staff did not adjust. This has been noted by Audit NZ.

#### **4. Options**

- 4.1. Option 1: Receive the Audit Management Report for the Long Term Plan 2018-28 Amendment and approve for public release.
- 4.2. Option 2: Do not receive the report.

#### **5. Risk Analysis**

- 5.1. Reputational risk has been considered and has been deemed low risk since the report is unqualified.

#### **6. Health and Safety**

- 6.1. Health and Safety has been considered and no items have been identified.

#### **7. Significance and Engagement**

- 7.1. The level of significance has been assessed as being low as the report is for information purposes only.
- 7.2. No public consultation is considered necessary.

#### **8. Assessment of Options (including Financial Considerations)**

- 8.1. Option 1 – Receive the Audit Management Report for the Long Term Plan 2018-28 Amendment and approve for public release. There is no reason not to receive the report, the Terms of Reference for the Audit and Risk Committee require review of audit recommendations and managements responses. Should the Committee decide not to release the report to the community it would sacrifice the opportunity to provide a useful and objective perspective on how Council is discharging its obligations of financial stewardship.
- 8.2. There are no financial implications to this option.

#### **9. Preferred Option(s) and Reasons**

- 9.1. The preferred option is Option 1.

9.2. The reason that Option 1 has been identified as the preferred option are stated under section 8.1 above.

## **10. Recommendation(s)**

10.1. That the report be received.

10.2. That the Committee approve the Audit Management Report for the Long Term Plan 2018-28 amendment for public release.

**Lesley Crichton**  
**Group Manager, Corporate Services**

**Appendix 1:** Audit Management Report for the Long Term Plan 2018-28 amendment.

# Report to the Council on the audit of

Westland District Council's

Consultation Document to amend the  
Long-Term Plan and the  
Amended Long-Term Plan for the period  
1 July 2018 to 30 June 2028

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## Key messages

We have completed the audit of Westland District Council's (the council's) Consultation Document (CD) to amend its Long-Term Plan (LTP) and the Amended LTP for the period 1 July 2018 to 30 June 2028. This report sets out our findings from the audit and draws attention to our findings, and where appropriate makes recommendations for improvement.

### **Audit opinions**

We completed the audit of the council's CD to amend the LTP for the period 2018-28 and issued an unmodified opinion on 21 August 2020.

We concluded that the council produced a CD that fulfilled its primary purpose of providing an effective basis for public participation in decision making related to the proposed amendment. The CD included all the major matters that we expected, provided a preferred and an alternative option to address these issues and encouraged the community to provide feedback.

We have completed the audit of the council's amended LTP for the period 2018-28 on 29 April 2021. As a result of our work completed, we do not consider it necessary to amend our previous opinion which was included in our report on the plan as originally adopted. We confirm that our previous audit opinion on the plan as originally adopted issued on 2 July 2018 is not affected by the amendment to the plan.

### **Thank you**

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



Chantelle Gernetzky  
Appointed Auditor  
1 June 2021

# 1 Our audit opinions

## 1.1 We issued unmodified audit opinions

We issued an unmodified audit opinion on the council's CD on 21 August 2020.

This means we were satisfied the council's CD meets the statutory purpose and provided an effective basis for public participation in the council's decision making in relation to the matters covered by the proposed amendment.

We found the underlying information and assumptions used to prepare the CD provided a reasonable and supportable basis for the preparation of the document.

We completed the audit of the council's amended LTP for the period 2018- 28 on 29 April 2021. As a result of our work completed, we do not consider it necessary to amend our previous opinion which was included in our report on the plan as originally adopted. We confirm that our previous audit opinion on the plan as originally adopted issued on 2 July 2018 is not affected by the amendment to the plan.

## 1.1 Unadjusted misstatements

The CD and amended LTP are free from material misstatements, including omissions. We have discussed any misstatements that we found with management. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. The following unadjusted misstatements (from the original 2018-28 LTP audit) remain. There were no unadjusted audit differences arising from the audit of the LTP amendment. We are satisfied that these misstatements are individually or collectively immaterial.

### Groups of Activities Funding Impact Statements

|   | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1) Payments to suppliers and staff                | 252,468 | 254,443 | 256,574 | 263,359 | 265,794 | 268,479 | 276,515 | 279,557 | 276,682 | 277,943 |
| 2) Capital expenditure to replace existing assets | 15,344  | 228,767 | 230,106 | 230,155 | 141,590 | 180,148 | 129,029 | 218,397 | 217,757 | 217,881 |
| 3) Development contributions                      | 93,336  | 94,936  | 96,650  | 98,399  | 100,271 | 102,270 | 104,316 | 93,347  | 95,583  | 98,063  |

- 1 There are misclassifications in the Groups of Activities Funding Impact Statements for “Payments to Suppliers and Staff” and “Finance Costs”. These are offset in “Internal Charges and Overheads Applied”. The sub-totals of “Total Application of Operating Funding” are not affected.

The Council has not adjusted this as it does not believe this materially affects the financial forecasts in the Long-term Plan.

- 2 “Capital Expenditure to replace existing assets” does not reconcile between the Groups of Activities Funding Impact Statements and the Whole of Council funding Impact Statement.

The Council has not adjusted this as it does not believe this materially affects the financial forecasts in the Long-term Plan.

- 3 “Development Contributions” as a source of capital funding does not reconcile between the Groups of Activities Funding Impact Statements and the Whole of Council funding Impact Statement.

The Council has not adjusted this as it does not believe this materially affects the financial forecasts in the Long-term Plan.

## 2 Audit scope and objective

The scope of our audit engagement and our respective responsibilities are contained in our audit engagement letter dated 11 August 2020.

The amendment to the 2018-28 LTP is as a result of the following proposed change:

- To return the Museum functions to Westland District Council from Destination Westland Limited management and to consider a level of service change regarding the i-SITE (visitor services). This includes the proposed purchase of 41 Weld Street, formerly Mountain Jade, to develop a 'Westland Discovery Centre' consisting of library, museum and visitor services. It would also provide an alternative location for Westland's Civil Defence Emergency Operations Centre.

### **3 Publication of the documents on the council's website**

As the council intends to publish the amended LTP electronically, please allow time for us to examine the final electronic file version of the amended LTP incorporating our audit report before its inclusion on your web site.

We need to ensure consistency with the paper-based documents that have been subject to audit.

## Appendix 1: 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 CD to amend the 2018-28 LTP and the amended LTP and reporting the opinions to you. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the CD and the LTP amendment does not relieve management or the council of their responsibilities.</p> <p>Our audit engagement letter dated 11 August 2020 contains a detailed explanation of the respective responsibilities of the auditor and the council.</p>  |
| Auditing standards                            | <p>We carry out our audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (revised): <i>Assurance Engagements Other Than Audits or Reviews of Historical Financial Information</i>, the International Standard on Assurance Engagements 3400: <i>The Examination of Prospective Financial Information</i>, and the Auditor-General's Auditing Standards.</p>   |
| Auditor independence                          | <p>We confirm that, for the audit of the council's CD and LTP amendment for the period 1 July 2018 to 30 June 2028, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the audit of the council's consultation document and LTP amendment, we have completed all other legally required external audits and assurance engagements. These engagements are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the council or any of its subsidiaries.</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 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 council during or since the end of the financial year.</p>  |
| Unresolved disagreements                      | <p>We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the CD or the LTP amendment. Management has not sought to influence our views on matters relevant to our audit opinion.</p>   |

## AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Level 3, 335 Lincoln Road  
PO Box 2, Christchurch 8140

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## AUDIT AND RISK COMMITTEE ROLLING WORK PLAN

| Item                              | Aug-21  | Oct-21<br>Note  | Nov-21   | Feb-22  |
|-----------------------------------|---|---|--|---|
| <b>External Audit</b>             | Audit Management Report LTP amendment.  | Final Audit Annual Report 2020/21 begins. Dates to be confirmed.<br><br>Delayed start due to Audit NZ resource issues.<br><br>Note:<br>(Over month end) | Cont. Final Audit Annual Report 2020/21<br><br>Estimated Audit completed and adoption end of November. | Audit Management Report 2020/21 (dependent on Audit NZ) |
| <b>Financial Reporting</b>        | No June quarter financial report due to finalising of Annual Report                   |   | Review Audited Annual Report 2020/21 – for recommendation of adoption to Council                       |   |
| <b>Insurance</b>                  | Insurance renewals review   |   |  |   |
| <b>Risk Management Framework</b>  | Review Risk Register<br><br>Health & Safety Report                                    |   | Review Risk Register<br><br>Health & Safety Report   | Review Risk Register<br><br>Health & Safety Report      |
| <b>Internal Control Framework</b> | PwC quarterly Whistleblower Report<br><br>Workshop:<br>Privacy policy – CCTV addendum |   | PwC quarterly Whistleblower Report   | PwC quarterly Whistleblower Report                      |