

18 February 2009

Kerry Prendergast
Her Worship the Mayor
Wellington City Council
PO Box 2199
WELLINGTON

Garry Poole
Chief Executive
Wellington City Council
PO Box 2199
WELLINGTON

Dear Kerry and Garry

Audit Arrangements Letter: Audit of Long Term Council Community Plan for the period commencing 1 July 2009

This letter outlines the following matters in relation to the audits of the Wellington City Council (the City Council's) Long Term Council Community Plan (LTCCP) Statement of Proposal (SOP) and adopted LTCCP including:

- arrangements for the audits of the LTCCP SOP and the adopted LTCCP for the period commencing 1 July 2009;
- the areas of emphasis for the audits;
- the terms of the engagement that apply specifically to the audits (**Appendix 1**); and
- our estimate of the audit fees associated with the audits (**Appendix 2**).

1 Audit scope and objectives

The general terms of our audit engagement and our respective responsibilities are contained in our audit engagement letter of 20 February 2008 (which remains unchanged since that date), supplemented by the terms of the engagement that apply specifically to the audits of the LTCCP SOP and adopted LTCCP, and which are set out in **Appendix 1**.

Our audits include a review that the City Council has complied with significant legislation. The significant legislation associated with the LTCCP SOP and adopted LTCCP is contained within the Local Government Act 2002 (the Act).

2 Areas of audit emphasis

The Office of the Auditor-General (OAG) has taken the lead in developing our approach to the audits of LTCCP SOPs and adopted LTCCPs. Together with the OAG, we have sought to be open about our approach, areas of emphasis and audit expectations. In considering the matters below we would refer you and the City Council to the OAG website (www.oag.govt.nz) and its LTCCP link for the OAG's

newsletters updating the sector on our approach, as well as publishing key standard modules outlining our audit approach and process.

The focus of this work is to enable us to report within the context of Section 84(4) and Section 94(1) of the Act. Our approach will include a review of the Summary of the LTCCP SOP for its legislative compliance with sections 83(1)(a)(ii) and 89 of the Act and the consultation process in adoption of the final LTCCP. Subject to your approval, we can provide a separate opinion on the Summary of the LTCCP SOP if requested.

As a result of our planning to date, we have identified the following areas of audit emphasis. Additional areas may be highlighted during the course of the audit.

2.1 Audit approach

Where possible we plan to place reliance on the City Council systems and processes in approaching our audit work.

The nature and extent of substantive tests to be performed will depend on our assessment of the key controls in operation. Where we decide that we can place reliance on controls or when substantive procedures alone would not provide sufficient appropriate audit evidence, we will perform tests of controls to ensure that the controls are operating effectively at relevant times during the period under audit.

Where the controls over the planning systems and processes applied in the preparation of the LTCCP cannot be relied upon, this will add to the resource required to complete the audit and may potentially impact on overall timing. Where additional resource is required to complete extended levels of testing this is likely to increase the overall cost of the audit.

We will also need to consider whether it is possible or practical to gain audit assurance to an acceptable level by performing solely substantive procedures. In circumstances where this is not possible, we will need to consider our reporting response.

In addition to our audit work on the LTCCP SOP as a whole, we anticipate performing substantive tests on a selection of the City Council's Groups of Activities. The focus of this work is on disclosure, including:

- activity based assumptions;
- clarity of disclosure of financial information; and
- specific disclosure requirements of the Act and, in particular, clause 2(1)(d) of Schedule 10 of the Act.

We will endeavour to keep you informed of our progress throughout the course of our audit.

2.1.1 Project management, reporting deadlines and audit progress

A successful LTCCP process is heavily reliant on effective planning of the LTCCP project. The development of an LTCCP is a significant and complex project and a comprehensive project plan is required. It is also essential that there is a commitment from throughout the organisation for the project, from top to bottom, starting with the Council.

The LTCCP draws together plans, policies, decisions and information from across the City Council's organisation and its community. The plan has complex and inter-related information needs. We recognise that the City Council will be undertaking its LTCCP preparation over an extended period and anticipate our audit approach will require a series of visits leading up to each reporting deadline, using an "auditing as you go" approach.

Consequently we will discuss with you and your staff the City Council's approach to preparation and completion of the plan. We expect the City Council is approaching its preparation on a project basis and recognise our audit work should "shadow" that project timetable. As a result of this discussion we will agree dates for audit visits and deadlines with you and your staff. The success of this "auditing as you go" approach will largely depend on Council's project management of the LTCCP process.

Council will need to ensure that time is allowed in your project planning for the audit, including the OAG-based hot reviews – the hot reviews will largely focus on, but not be limited to, the draft LTCCP SOP.

2.1.2 Management control environment

Our primary approach is to identify, confirm and assess the City Council's key processes and controls over information gathering, budgeting, development of performance framework, review of policies required by the Act and ultimate production of the LTCCP SOP and adopted LTCCP.

In order to assist in understanding the audit environment, development of expectations of what should be included in the LTCCP and the identification of areas of potential audit risk we will undertake a review of the management control environment. This will be performed through discussions with elected representatives and staff throughout the Council, review of media releases, our knowledge of Council issues developed over recent years and a review of Council minutes since the last audit review. The OAG audit methodology provides us with various tools to assist in completing the management control environment assessment.

We will be placing additional emphasis on meeting with a selection elected representatives during the course of our audit to provide assurance that we understand the focus and direction of Council from the perspective of all involved in developing the LTCCP.

Our review of your self-assessment response (detailed in section 2.1.3 below) and key controls relating to the underlying information and development of the LTCCP is critical to our initial assessment of audit risk and the nature and extent of our overall audit work.

2.1.3 Self assessment

We have received the City Councils completed 'Self Assessment' form, and thank the City Council for the prompt completion of the assessment.

The self assessment requires each Council to reflect on its systems which support working with outcomes, decision-making and consultation, and financial management provisions of the Act, and to identify where Council would like to improve.

We also intend to use the information obtained through the self assessment to assist us to understand how Council is implementing the requirement of section 14(1)(h). The statutory principle is whether the City Council has "taken a sustainable development approach". We will not be forming an assessment of whether the City Council is sustainable.

The self assessment will assist us to assess the City Council's response to the section 14 requirement in relation to decision-making and consultation, governance and other City Council processes at this time. Later in the audit process we will consider how the City Council has made evident its approach to the section 14 requirement through consideration of the City Council's assumptions, asset and activity planning and performance management information.

We are asking these questions as we recognize that the LTCCP is an aggregation of many decisions over time. The information and consultation on which these decisions are based form part of the statutory obligations and underlying information required of councils and on which we are required to report.

This information will be used to:

- assist in understanding how the Council operates within the Part 6 decision-making and consultation and financial management provisions of the provisions reflected in the LTCCP;
- assist in understanding how the Groups of Activity information will be assembled and presented in your LTCCP;
- assist in understanding how the Council's performance framework operates and therefore assist in assessing the extent to which the forecast information and proposed performance measures will provide and assessment of the actual levels of service provision.

The results of the self-assessment will be confirmed with you through discussion subsequent to its completion.

2.2 Response to specific reporting requirements

In addition to our general approach of control and substantive testing, our specific reporting responsibilities will be addressed through completion of the audit modules detailed below and consideration of the City Council's approach to the issues and risks addressed by each module.

The audit modules are structured around the three legs of the audit opinion (to which they primarily relate) required by sections 84(4) and 94 of the Act.

Theme – Underlying Information s84(4)(b)

Module one – Asset and activity management

Module two – Levels of service

Module three – Linkages of information and consistency with other plans and policies

Module four – Assumptions

Module five – Generally Accepted Accounting Practice (GAAP)

Theme – Performance Information s84(4)©

Module six – Performance management

Theme – Legislative Compliance s84(4)(a)

Module seven – Decision making and consultation

Module eight – Legislative compliance – document presentation

Module nine – Financial prudence

Module ten – The right debate

2.2.1 Module one – Asset and activity management

This is the first of the five modules covering the theme – underlying information. This part of the audit will focus predominantly on examination of the detail of a selection of Groups of Activities that have been identified through the audit planning process as being key activities. The remaining activity areas will be examined on an overview basis.

The modules comprising this theme of the methodology are highly interrelated reflecting the integrated nature of the LTCCP.

The asset and activity management module focuses on assessing the control environment that has been established by Council around the development and recording of the activity and activity information underlying the groups of activities. The extent of detailed review of asset and activity management plans and also the amount of testing required of the flow of data from these plans into the financial model and the LTCCP document will be based on the robustness of the control environment and may be able to be reduced if controls are found to be of a sufficiently reliable standard.

2.2.2 Module two – Levels of service

This module is principally focused on identifying levels of service as they are reflected in the performance management framework and disclosed in the LTCCP SOP and confirming their consistent application in the development of the underlying information on which the LTCCP is based.

This module is closely related to the requirements of Module 6 – Performance Framework although the focus here is on confirming consistency between the narrative description of levels of service and the financial provisions to deliver the described level of service and confirming completeness of the financial reflection of the levels of service narrative, whereas our focus in module 6 is on the structure of the performance framework around those levels of service as a meaningful assessment of planned performance.

2.2.3 Module three – Linkages of information and consistency with other plans and policies

The focus of this module is on confirming that the other plans and policies of Council have been accurately applied in the development of the LTCCP. The purpose of this work is to ensure that the LTCCP (particularly through the financial forecasts) is consistent with the commitments that Council has made through its adopted plans and policies.

Our consideration through this module will not be limited to checking the flow of numerical data from other Council plans to the LTCCP but will also consider the consistency of policies and strategies reflected in the narrative of these plans with the LTCCP.

We will also consider the presentation of Council's financial information in the group of activity statements in conjunction with this module.

2.2.4 Module four – Assumptions

In developing an LTCCP the City Council has to make assumptions about the future and take up positions on various issues.

Clause 11 of Schedule 10 sets out the requirements of the Local Government Act for the disclosure of the assumptions underlying the financial and non-financial estimates that the City Council makes in developing the LTCCP. The disclosure of assumptions allows the reader of the LTCCP to make their own judgement as to the assumptions' quality and reliability.

Our expectation is that City Council will consider the applicability of assumptions that are broader than just financial in nature. There are many other assumptions of a more complex and strategic nature dealing with the uncertainties surrounding environmental, social, economic and cultural changes in the future that the City Council also needs to consider. Many of these more complex and strategic assumptions will relate to issues or events that may arise much further into the future than the term of the LTCCP but for which preparatory steps may be needed in the current LTCCP timeframe.

Our audit will focus on evaluating the appropriateness and completeness of the forecasting assumptions and risks identified by the City Council for the development

of the LTCCP. We will also consider the application of the adopted forecasting assumptions and risk classifications to the development of the underlying information in the LTCCP.

2.2.5 Module five – Generally Accepted Accounting Practice (GAAP)

Our focus in this module is confirming that the prospective financial statements comply with the requirements of GAAP and in particular the requirements of FRS-42: *Prospective Financial Statements*.

Also a critical part of developing GAAP compliant based forecasts is incorporating the most recent developments of NZ IFRS as it relates to the City Council over the life of LTCCP.

2.2.6 Module six – Performance framework

The City Council is required to provide services that meet the needs of their communities in an efficient and effective way (LGA, section 14(1)(a)(ii)). To demonstrate accountability for delivery of these services the City Council needs to provide sufficient and robust performance information in the LTCCP to show:

- the services that will be carried out and why;
- the service levels required to meet the needs of their communities or other duties and intentions of the Council; and
- the planned level of service intended to be delivered.

Specifically, the LTCCP must include “a statement of the intended levels of service provision for the group of activities, including the performance targets and other measures by which actual levels of service provision may meaningfully be assessed” (Schedule 10, Part 1, 2(a)).

The forecast service performance information comprises the levels of service, the performance measures and the performance targets. These should be set within the broader context of social, economic, environmental, and cultural well-being, community outcomes and Council’s strategic objectives and duties. Together these elements comprise the performance framework.

Effective performance reporting expresses useful, appropriate performance information in a structured, systematic and logical way, allowing the reader to readily understand and link the achievement of performance targets with the overall aims of Council.

Our focus will be on assessing whether the City Council has a comprehensive, systematic approach to performance management and assessing the performance management framework considering the key elements of the framework, the linkages, context and logical flow and the consistency with which the framework has been applied across groups of activities. We will also consider the quality of the forecast service performance information particularly whether it will provide an appropriate basis for understanding and measuring the performance achievements of the City Council in the future.

2.2.7 Module seven – Decision making and consultation

This section of the audit will assess the quality and effectiveness of the Council's decision-making and consultation processes in the years leading up to the LTCCP as well as those decisions proposed within the LTCCP SOP itself. It will also require evaluation of decision making and consultation processes against the requirements set out in the Act.

Our audit will focus predominantly on the decision making and consultation processes employed by Council and a sample of decisions and consultation processes will be reviewed in making our assessment.

2.2.8 Module eight – Document presentation

This component of the methodology focuses on the legislative compliance of the LTCCP SOP document. This relates primarily to the public face of the document and focuses on the elements that the Act requires to be present within an LTCCP and the logical linkages that should be made between elements of the contents of the LTCCP to enhance the readability of the document.

Our expectation is that the City Council will have a specific quality assurance check to confirm the compliance of the SOP and adopted LTCCP SOP summary and are confident with the presentation requirements.

2.2.9 Module nine – Financial prudence

The focus of this module is on evaluating Council's financial strategy and assessing whether that strategy, as presented in the LTCCP SOP, is financially prudent and transparent. This module is focused on the financial management principles and requirements that are set out in sections 101 and 100 of the Act.

Financial strategy is an important element of the articulation of the right debate. In order that consultation processes are effective it is important that the reader of the LTCCP SOP is able to understand the strategy being employed by the City Council. This should not require the reader to have expertise in the analysis of financial statements.

Although there is an inherent complexity in developing and applying a financial strategy, at the broadest level, we would expect City Council to be able to articulate its strategy in terms of the following questions:

- What position are we aiming for Council to be in at the end of the LTCCP period?
- Why do we want Council to look like this in the future?

Our focus in working through this module is on developing an understanding of the City Council's answer to the above questions and to evaluate whether that strategy is prudent and is being presented in a transparent way to the readers of the LTCCP. It is not the auditor's role to 'second guess' policy decisions of the City Council. Our focus will be on assessing the impacts of the City Council's policy with respect to financial prudence.

Councils have been encouraged since the 2006 LTCCP round to be clearer in their articulation of financial strategy. We urge the City Council to consider how it will express its strategy as it develops the LTCCP. We also encourage early discussion with us in relation to the City Council's approach to the balanced budget requirements of the Act.

2.2.10 Module ten – The right debate

The role of the LTCCP Statement of Proposal (SOP) and the SOP summary in particular is to facilitate the occurrence of the “right debate” in the community. In order for this ‘debate’ to occur, and for it to be focused on the ‘right’ issues, the LTCCP SOP document must provide the community with sufficient and balanced information about the **strategic and other key issues, choices and implications** facing them. If this occurs it will allow the community to effectively evaluate the issues and therefore participate in the decision-making process led by the Council.

The SOP summary prepared under s89(a) is required to be a “*fair representation of the major matters in the statement of proposal.*” It has a pivotal role in ensuring that the right debate occurs, as it is the primary consultation document for the community. Therefore, it is essential that the summary is not only a fair reflection of the overall content of the LTCCP SOP document, but also that it makes the **strategic and other key issues, choices and implications** reflected in the LTCCP SOP accessible to the community.

Our focus will be on assessing whether:

- the LTCCP SOP and the SOP summary documents achieve an appropriate standard of readability and clarity for a moderately informed reader?
- the issues that the City Council has focused on and presented in the SOP are complete? Has the LTCCP SOP and the SOP summary addressed the **strategic and other key issues, choices** that the community needs/wants to address and have the **implications of options** been fully disclosed?

2.2.11 The adopted LTCCP

Consistent with section 94 of the Act, we are required to also report on the adopted LTCCP subsequent to your consultation on the LTCCP SOP. Our focus will be to assess the City Council's consultation process on the LTCCP SOP including the LTCCP SOP summary. The extent of our work will be dependent on:

- the audit conclusions reached on the LTCCP SOP;
- the audit conclusions reached on the summary of the LTCCP SOP; and
- the impact of consultation on the adopted LTCCP.

3 Other matters

3.1 Publication of the LTCCP Statement of Proposal and Adopted LTCCP on the City Council's web site

If you intend to publish the LTCCP SOP and/or adopted LTCCP electronically, the Office of the Auditor-General requires us to examine the final electronic file version

of the audit report prior to its inclusion, and as soon as possible after its inclusion on your web site to ensure consistency with the paper-based documents that have been subject to audit. Potential changes to parts of the audit opinion, for example for page number references, and the inclusion of additional information to readers of the electronic report will be required.

To ensure that we meet these obligations we would appreciate you advising us as soon as possible if you intend your financial statements to be published electronically.

4 Professional fees

Our audit fee, covering both the LTCCP SOP and the adopted LTCCP for the period commencing 1 July 2009, is \$145,000 (exclusive of GST) plus disbursements.

5 Personnel

Our personnel involved in the management of the audit are:

Approved Auditor/Engagement Director	Andy Burns
Second Director	Bede Kearney
Professional Standards Review Director	Scott Tobin
Audit Manager	Karen Young
Tax Director	Jason Biggins
IS Director	Alan Clifford
Specialist Assurance Associate Director	Martin Richardson

6 Audit timing

Audit timetable key dates are as follows:

Self assessment provided to Council	Already provided to the Council
Self assessment returned to Audit team for assessment	Already received from the Council
First visit (two weeks)	8 & 15 December 2008
Second visit (three weeks)	9, 16 and 23 February 2009
Proposed LTCCP SOP available	16 February 2009
Third visit	2 March 2009
Hot Review – OAG review	18 March 2009
Audit opinion on LTCCP SOP required	26 March 2009
Summary available for audit	27 March 2009
Special consultative procedure (SCP)	16 April – 18 May 2009
Council committees consider results from SCP	16 – 18 June 2009
Proposed LTCCP for adoption available for audit	To be agreed
Hot Review – OAG review	To be agreed
Audit opinion on adopted LTCCP required	To be agreed

Should we encounter any significant problems or delays during the audit, we will inform you immediately.

7 Agreement

Please sign and return the attached copy of this letter to indicate that:

- it is in accordance with your understanding of the arrangements for this audit of the LTCCP for the period commencing 1 July 2009; and
- you acknowledge the terms of the engagement (as set out on Appendix 1 to this letter) that apply specifically to the audit of the LTCCP SOP and adopted LTCCP and which supplements the existing audit engagement letter dated 20 February 2008.

If there are any matters requiring further clarification please do not hesitate to contact me.

Yours sincerely

Andy Burns
Director

cc Neil Cherry, Chief Financial Officer

I acknowledge that this letter is in accordance with my understanding of the arrangements of the audit engagement. I also acknowledge the terms of the engagement that apply specifically to the audit of the LTCCP, and which supplements the existing audit engagement letter dated 20 February 2008.

Signed _____ Date _____
Garry Poole
Chief Executive

Signed _____ Date _____
Kerry Prendergast
Her Worship the Mayor

Appendix 1: Terms of the engagement that apply specifically to the audit of the LTCCP

Background

This supplement to the existing engagement letter dated 20 February 2008 is issued on behalf of the Auditor-General. The Auditor-General is the statutory auditor of Wellington City Council (the City Council). The Auditor-General has appointed me, Mark Maloney, using the staff and resources of Audit New Zealand, to carry out the audit of the Long term Council Community Plan Statement of Proposal and adopted Long Term Council Community Plan (hereinafter referred as the LTCCP SOP and the adopted LTCCP) for the period commencing 1 July 2009.

The purpose of this supplement to the existing engagement letter is to outline the terms of the engagement that apply specifically to the audit of the Wellington City Council's (the City Council) LTCCP SOP and adopted LTCCP for the period commencing 1 July 2009. This supplement should be read in conjunction with the existing audit engagement letter dated 20 February 2008, which remains unchanged since that date.

Objectives

The objectives of the audit of the LTCCP SOP and adopted LTCCP are:

- to provide independent opinions on the LTCCP SOP (under s 84(4) of the Act) and on the adopted LTCCP (under s 94(1) of the Act) about the activities of the City Council in respect of:
 - the extent to which the LTCCP SOP and adopted LTCCP comply with the requirements of the Act;
 - the quality of the information and assumptions underlying the forecast information provided in the LTCCP SOP and adopted LTCCP;
 - the extent to which the forecast information and proposed performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision; and
- to report on matters relevant to the City Council's planning systems, which come to our attention and are relevant to the City Council.

Our audit involves performing procedures that examine, on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP SOP and adopted LTCCP, determining compliance with the requirements of the Act, and evaluating the overall adequacy of the presentation of information.

We also review other information associated with the LTCCP SOP and adopted LTCCP to identify whether there are material inconsistencies with the audited LTCCP SOP and adopted LTCCP. In particular, we will need to review the Summary of the LTCCP SOP for its representation of the *major matters* in the LTCCP SOP to enable general consultation with the community.

Reports arising from the audit of the LTCCP

Consistent with the objectives above, the reports arising from the audit of the LTCCP SOP and adopted LTCCP are:

- the audit report attached to the LTCCP SOP;
- the audit report attached to the adopted LTCCP; and
- a management report provided to the City Council.

The auditor's report on the LTCCP

We will be providing an overall report on whether the LTCCP SOP and adopted LTCCP provide a reasonable basis for long term integrated decision-making by the City Council and for participation in decision making by the public and subsequent accountability to the community. Each of the main audit reports arising from the audit of the LTCCP SOP and adopted LTCCP then provide an independent opinion to readers on specific matters required by sections 84(4) and 94(1) of the Act. These specific matters are:

- the extent to which the Statement of Proposal complies with the requirements of the Act;
- the quality of the information and assumptions underlying the forecast information provided in the Statement of Proposal; and
- the extent to which the forecast information and proposed performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

The audit opinion does not:

- provide a guarantee of absolute accuracy in the LTCCP SOP and adopted LTCCP;
- express an opinion on the merits of any policy content within the LTCCP SOP and adopted LTCCP;
- include an opinion as to whether the forecasts will be achieved.

Provision of a management report to the City Council

Consistent with our objectives, we will report to the City Council on the conclusion of the engagement. The report communicates matters which come to our attention during the engagement and, which, in our opinion, are relevant to the City Council. For example we will report:

- any legislative breaches noted;
- any weaknesses in the City Council's systems that come to our notice and we consider of relevance to the City Council *and*
- uncorrected misstatements noted during the audit.

Materiality

Consistent with the annual attest audit, the audit engagement for the LTCCP SOP and adopted LTCCP adheres to the principles and concepts of materiality across the 10-year period of the LTCCP.

Consequently, if we find material misstatements that are not corrected, we will refer to them in the audit opinion. Our preference is for any material misstatement to be corrected, avoiding the need to refer to misstatements in our opinion.

The auditing standards applied when conducting the audit of the LTCCP Statement of Proposal and Adopted LTCCP

We will ensure that the audit is carried out in accordance with the International Standard on Assurance Engagements 3000 (revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. The financial forecast information is examined in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

Responsibilities

General responsibilities

The general responsibilities of the City Council with regards to the preparation and completion of the LTCCP SOP and adopted LTCCP are consistent with those existing for the annual report as set out in the audit engagement letter dated 20 February 2008 – with appropriate allowance for recognising that the LTCCP deals with forecast information.

Specific responsibilities

The City Council is responsible for preparing the LTCCP SOP and adopted LTCCP under the Act, by applying the City Council's assumptions and in accordance with generally accepted accounting practice in New Zealand. The City Council's responsibilities arise from section 93 of the Act. We assume that members of the City Council are familiar with those responsibilities and, where necessary, have obtained advice about them.

For clarity we do note the following statutory responsibilities as set out in the Act:

- Section 93 of the Act requires Council to have a LTCCP, at all times. Part 1 of Schedule 10 governs the content of the LTCCP. Section 111 aligns the financial information with *generally accepted accounting practice*.
- Section 84 sets out the special consultative procedures required to be followed by Council to adopt the LTCCP.
- Section 84(1) aligns the consultation for the adoption of the LTCCP with the special consultative procedure set out in section 83, which includes a requirement to produce a LTCCP SOP as well as a summary (consistent with section 89).
- Section 84(4) requires an auditor's report on the LTCCP SOP and section 94 requires a separate opinion on the adopted LTCCP.

Statutory reporting deadlines

We note that the **adoption deadline for the LTCCP is 30 June 2009**. It is imperative that we work together on a basis consistent with your project plan for the development of the LTCCP to ensure completion of all statutory requirements within the timeframes set by the City Council, consistent with this statutory deadline.

We envisage that the audit work for the LTCCP SOP and adopted LTCCP will be conducted as these are developed, rather than once the LTCCP SOP and adopted LTCCP are completed. While there is some audit work which can only be conducted on the conclusion of these reports, the majority of fieldwork will need to be completed as the LTCCP SOP and adopted LTCCP are developed.

Appendix 2: Team mix and hours for the audit of the LTCCP for the 10-year period commencing on 1 July 2009

	Total hours
Approved Auditor	90
Review Director	15
Sector Specialists	10
Audit Manager	230
Other CA staff	420
Totals	765