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**REPORT 2**  
*(1215/52/01/IM)*

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## **ANNUAL AUDIT PLAN**

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### **1. Purpose of Report**

The purpose of this regular report is to update the Subcommittee on Audit New Zealand arrangements for the audit of the financial statements, including statements of service performance, for the year ended 30 June 2011.

### **2. Recommendations**

Officers recommend that the Audit and Risk Management Subcommittee:

- 1. Receive the information.*
- 2. Note the draft Audit Proposal Letter prepared by Audit New Zealand (attached in Appendix one).*
- 3. Note the draft Audit Engagement Letter prepared by Audit New Zealand (attached in Appendix two).*
- 4. Note the draft Audit Arrangements Letter prepared by Audit New Zealand (attached in Appendix three).*
- 5. Authorise the Mayor to finalise and sign the Audit Proposal Letter, Audit Engagement Letter and Audit Arrangements Letter.*

### **3. Audit Arrangements for the audit of the financial statements, including statements of service performance, for the year ending 30 June 2011**

The Council has received the following draft letters from Audit New Zealand in relation to audit arrangements:

- Audit Proposal Letter (Appendix one)

The Audit Proposal Letter is a three year contract which covers the periods ending 30 June 2011, 2012 and 2013. This contract outlines the proposed audit hours and fees for the three year period. This letter and the proposed hours and fees have been reviewed by the Office of the Auditor-General.

- **Audit Engagement Letter (Appendix two)**

The Audit Engagement Letter outlines the terms of the audit engagement for the periods ending 30 June 2011, 2012 and 2013 and the respective responsibilities of the auditor and the Council. The letter remains effective across financial years, unless there is a change in the audit terms or a replacement approved auditor or Mayor.

- **Audit Arrangements Letter (Appendix three)**

The Audit Arrangements Letter covers the audit arrangements for the year ending 30 June 2011. A new letter is issued annually to reflect the areas of audit focus and audit logistics specifically relating to that financial year.

Audit New Zealand Director, Andy Burns and Manager, David Kidman will be in attendance at the March Subcommittee meeting to introduce and discuss these letters.

Contact Officer: *Nicky Blacker – Manager, Financial Accounting*

## Supporting Information

### **1) Strategic Fit / Strategic Outcome**

This project supports Activity 1.1 Information, Consultation and Decision Making, specifically 1.1.1 City Governance and Engagement. As per the Annual Plan, City Governance and Engagement includes all those activities that make the Council accountable to the people of Wellington and ensure the smooth running of the city. That includes all meetings of the Council and its committees and subcommittees.

### **2) LTCCP/Annual Plan reference and long term financial impact**

The report has no specific Annual Plan reference. There is no long term financial impact arising from the report.

### **3) Treaty of Waitangi considerations**

There are no specific Treaty of Waitangi considerations.

### **4) Decision-Making**

There are no significant decisions required by the paper.

### **5) Consultation**

#### **a) General Consultation**

There are no parties significantly affected by this paper.

#### **b) Consultation with Maori**

Maori are not significantly affected by this paper.

### **6) Legal Implications**

This report has no specific legal implications.

### **7) Consistency with existing policy**

This report is consistent with existing policy.

# **APPENDIX ONE**

## **Audit Proposal Letter**

## **APPENDIX TWO**

### **Audit Engagement Letter**

# **APPENDIX THREE**

## **Audit Arrangements Letter**