



Notice is given that an ordinary meeting of the Audit Subcommittee will be held on:

Date: Thursday 25 June 2015
Time: 1.30 pm or at the conclusion of Community Development Committee meeting
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Audit Subcommittee

AGENDA

MEMBERSHIP

Chairperson Cr M J Higgins
Cr M J Greening
Cr T B King
Cr J L Inglis
Cr P F Sangster

(Quorum 2 members)

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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted.

AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 DECLARATIONS OF INTEREST

4 CONFIRMATION OF MINUTES

That the minutes of the Audit Subcommittee meeting held on Thursday, 19 March 2015, be confirmed as a true and correct record of the meeting.

5 REPORTS OF COMMITTEE

Nil

6 PRESENTATIONS

Nil

7 REPORTS

- 7.1 Internal Audit Update Report..... 5
- 7.2 Internal Audit - Payroll and Sensitive Expenditure Testing 7
- 7.3 Audit Reports for the Long Term Plan 2015/2025 and 2015 Annual Report. 11

7 REPORTS

7.1 INTERNAL AUDIT UPDATE REPORT

Information Only - No Decision Required

Report To:	Audit Subcommittee
Meeting Date:	25 June 2015
Report Author:	Russell Holden, Finance Manager
Report Number:	RFN15-06-06

1 Summary

- 1.1 The internal audit programme is underway. There has been a slower start than expected due to the demands on the Finance team from the Long Term Plan process and the availability of staff at Crowe Horwath (NZ) Limited.
- 1.2 We have engaged Crowe Horwath (NZ) Limited to assist in drafting the internal audit work plans, provide assistance with the reviews and findings, and also provide specific Internal Audit training. This approach is designed to leverage internal resources with external expertise to deliver an expanded internal function, cost effectively.

2 Draft Resolution

That the Audit Subcommittee receives the Internal Audit Update Report.

3 Purpose of the Report

- 3.1 To update the Subcommittee on progress against the Internal Audit Work Programme.

4 Background and Discussion

- 4.1 The Internal Audit Work Programme was adopted by the Subcommittee at its meeting on 27 November 2014. Reviews of two of the items detailed in the programme are covered elsewhere in this agenda.
- 4.2 To assist with the schedule of tasks in the programme, staff have met with the Associate Principal - Audit & Assurance of the local branch, and the national Audit & Assurance Manager of Crowe Horwath (NZ) Limited. The purpose of this meeting was to agree the development of the work plan and methodology of the Work Programme items, provide a review on the audit findings, and also provide professional training for the Finance team.
- 4.3 Whilst staff focus on the Long Term Plan 2015/2025 has taken priority, and availability of the Crowe Horwath folk has seen a delay in the completion of the work template process, it is now underway.
- 4.4 The priorities for the Crowe Horwath team are; the agreement of the work plan approach, analysis and refinement of work done to date, and completion of a wider review of Council leases.
- 4.5 In addition the Crowe Horwath team will provide assistance and guidance on the overall Risk Framework, and advice on areas requiring additional focus.

5 Strategy and Risks

- 5.1 Internal Audit is an area of increased focus for the Finance team and part of the wider Council risk management approach.
- 5.2 The engagement of outside expertise to support staff complete the work programme will provide assistance in creating best practice templates, increase staff capabilities, and provide a higher level of support to the Audit Subcommittee.

6 Consideration of Financial or Budgetary Implications

- 6.1 The fulfillment of the Internal Audit work programme will be staggered to ensure costs remain within budget for each year. The slow start to the programme will see initial costs move from the 2014/15 year to the 2015/16 year.

7 Attachments

Nil

7.2 INTERNAL AUDIT - PAYROLL AND SENSITIVE EXPENDITURE TESTING

Information Only - No Decision Required

Report To:	Audit Subcommittee
Meeting Date:	25 June 2015
Report Author:	Bryce Grammer, Financial Accountant
Report Number:	RFN15-06-07

1 Summary

- 1.1 Internal audit checks were undertaken on Council's payroll system and areas of sensitive expenditure. No issues were identified with the transactions tested.
- 1.2 The extent, level and methodology used for payroll testing will now be reviewed by Crowe Horwath. Their recommendations will be incorporated into the next internal audit of this area.
- 1.3 Further sensitive expenditure testing will be undertaken. This will focus on two areas:
 - direct invoicing to Council for meals and accommodation
 - sales of surplus assets to staff (eg furniture).

2 Draft Resolution

That the Audit Subcommittee receives the Internal Audit - Payroll and Sensitive Expenditure Testing report RFN15-06-07.

3 Purpose of the Report

- 3.1 To update the Audit Subcommittee on internal audit work undertaken on Council's payroll system; and work undertaken to review items of sensitive expenditure.

4 Background and Discussion – Payroll

- 4.1 The payroll function is delivered by the Finance section of the Corporate Services Department under the supervision of the Finance Manager.
- 4.2 Council's payroll system over the past three years was interrogated to test that each employee or Mayor/Councillor had a unique IRD number and bank account.
- 4.3 An additional check is currently underway which involves the Human Resources Manager independently checking two random pay runs to ensure that no 'ghost' employees or employees that have previously resigned are still being paid.
- 4.4 Bank account details from the payroll system were matched to bank accounts in the creditors system. The creditor payments to all of these bank accounts were checked and payments were traced to source documents on a sample basis based on the nature of the expenditure. All payments made to bank accounts not in the employees name (eg a company name) were checked.
- 4.5 No work was undertaken on excess leave balances. Each quarter Human Resources (HR) produce a report for each individual second and third tier manager showing the outstanding leave balances for their employees. HR and the CEO receive a report that shows all employees outstanding annual leave balances. It is the second and third tier managers responsibility to ensure that their staff leave balances are managed. Excess leave balances are managed to ensure that staff are taking responsibility for their personal wellbeing. Also, staff with financial responsibilities who are reluctant to take annual leave may be an indicator of other issues.
- 4.6 The Corporate Services Manager has confirmed that the HR section is proactive in following through to ensure that large leave accumulations are managed down.
- 4.7 No work was undertaken on ensuring that Council's Time-in-Lieu policy has been adhered to.

5 Findings - Payroll

- 5.1 Each employee or Mayor/Councillor has a unique IRD number.
- 5.2 All duplicate bank account numbers in the payroll system were adequately explained (ie employees who are married; employees who had resigned being re-employed by Council – short term contracts etc).
- 5.3 Bank account details from the payroll system were matched to bank accounts in the creditors system. All creditor payments to these bank accounts that were checked to source documents were valid and correctly authorised.

6 Background and Discussion – Sensitive Expenditure

- 6.1 Every public entity spends public money, and all such spending must meet standards of probity that will enable it to withstand public scrutiny. All public entities incur expenditure, including sensitive expenditure, to help them achieve their objectives. The public expects that decisions to commit to, and make payments for, goods and services should be subject to proper authorisation and controls. Improper expenditure can harm the reputation of, and trust in, the Council as well as the public sector generally.
- 6.2 “Sensitive expenditure” is expenditure by a public entity that could be seen as giving some private benefit to an individual staff member that is additional to the business benefit to the entity of the expenditure. Travel, accommodation, and hospitality spending are examples of areas where problems often arise. It also includes expenditure by a public entity that could be considered unusual for the entity’s purpose and/or functions. There is heightened public sensitivity when individuals in the public sector are perceived to benefit personally, or do directly benefit, from sensitive expenditure incurred during the conduct of a public entity’s business.
- 6.3 The focus on sensitive expenditure in this audit was payments made to staff and elected members and in particular expense reimbursement claims. These are a regular area of focus for the external auditors.
- 6.4 The testing undertaken involved selecting all creditor payments to staff members and Mayor/Councillors from the January 2015 creditors Schedule of Expenditure. These creditor payments were traced to source documentation to ensure that they had all supporting documentation attached, were correctly authorised and were for justifiable business purposes.

7 Findings – Sensitive Expenditure

- 7.1 38 creditor payments to the Mayor and both current or ex-staff members were tested from the January 2015 creditors schedule of expenditure. All payments were correctly authorised and all supporting documentation was attached. All payments tested were for justifiable business purposes and complied with Council’s Sensitive Expenditure Policy.

8 Conclusion

- 8.1 No issues were found on the internal audit checks undertaken on Council’s payroll system and sensitive expenditure.

9 Next Steps / Timeline

- 9.1 The extent, level and methodology used for payroll testing will now be reviewed by Crowe Horwath. Their recommendations will be incorporated into the next internal audit of this area.
- 9.2 The Staff Time-in-Lieu policy is to be tested to ensure the policy is being adhered to.
- 9.3 Further sensitive expenditure testing is to be undertaken. This will focus on direct invoicing to Council for meals and accommodation while travelling (ie Orbit invoices), along with sales of surplus assets to staff (eg furniture).

7.3 AUDIT REPORTS FOR THE LONG TERM PLAN 2015/2025 AND 2015 ANNUAL REPORT.

Information Only - No Decision Required

Report To:	Audit Subcommittee
Meeting Date:	25 June 2015
Report Author:	Russell Holden, Finance Manager
Report Number:	RFN15-06-08

1 Summary

- 1.1 At the conclusion of each audit the Audit Director issues a management report which is primarily focused on key findings and recommendations on significant matters arising from the audit, including procedural change suggestions.
- 1.2 Attached is a copy of the Management Report for the Long Term Plan 2015-2025 Consultation Document.
- 1.3 The report details the key matters covered by the report, and states that the Consultation Document:
 - provided an effective basis for public participation in the Council's decisions proposed in the Long Term Plan 2015-2025.
 - the matters were fairly represented.
 - the main issues, choices, and decisions were clearly identified and explained.
 - and that the information and assumptions underlying the information in the Consultation Document were reasonable.
- 1.4 Management Reports also detail significant audit findings and contain recommendations for change or system/process improvement. The management report for the Long Term Plan 2015-2025 Consultation Document does not contain any details of significant audit findings, nor recommendations for system improvements.
- 1.5 Also contained in this report are the details of the Audit Engagement Letter from Audit New Zealand for the 2015 Annual Report audit. Staff have seen a draft of the Audit Engagement Letter, but as the final version is yet to be completed by the Audit Director, it will be tabled at the meeting.
- 1.6 This is a standard engagement letter issued by Audit before the commencement of an Audit. The report covers such matters as:
 - Business Risks and Audits Response;
 - Overall interests for the sector;
 - Changes in Accounting Standards;

- The timing of the audit, including key staff responsibilities;
- The Audit Fee.

2 Draft Resolution

That the Audit Subcommittee receives the Audit Reports for the Long Term Plan 2015/2025 and 2015 Annual Report. (RFN15-06-08).

3 Purpose of the Report

- 3.1 To receive the Management Report on the Long Term Plan 2015-2025 Consultation Document, and
- 3.2 To receive the Audit Engagement report for the 2014/2015 Annual Report.

4 Management Report for the Long Term Plan 2015-2025 Consultation Document

- 4.1 The audit of the Long Term Plan 2015-2025 Consultation Document was completed on 5 March 2015. Council received an unmodified audit opinion for the Consultation Document. As part of the audit process, the Audit Director issued a Management Report, which is included with this report (Attachment 1).
- 4.2 The report is primarily focused on key findings and recommendations about significant matters arising from the audit, including procedural change suggestions.
- 4.3 The Report covered such matters as:
- Management of Debt Levels;
 - The Waimea Dam Project;
 - Council's ability to sustain its renewals programme from the Long Term Plan 2012-2022;
 - The treatment of growth and demographic changes;
 - Council's performance management framework.
- 4.4 In each of these matters the Auditor was satisfied that the Long Term Plan 2015-2025 Consultation Document provided an effective basis for public participation, the matters were fairly represented, the main issues, choices, and decisions were clearly identified and explained, and that the information and assumptions underlying the information in the Consultation Document were reasonable.
- 4.5 The management report for the Long Term Plan 2015-2025 Consultation Document does not contain any details of audit findings, nor recommendations for system improvements.
- 4.6 Audit has been very complimentary on Council's Long Term Plan 2015-2025 Consultation Document, often referring it to other councils as an example of a good Consultation Document.

5 Audit Engagement Letter for the 2014/15 Annual Report

- 5.1 Also included with this report are the details of the Audit Engagement Letter from Audit New Zealand for the 2015 Annual Report audit.
- 5.2 Staff have seen a draft of the Audit Engagement Letter, and have gone back to Audit with wording modifications suggestions and minor date changes. The report will now be tabled at the meeting once the final version has been received.
- 5.3 The report covers such matters as:
- a) Business Risks and Audits Response;

- b) Overall interests for the sector;
- c) Changes in Accounting Standards;
- d) The timing of the audit, including key staff responsibilities;
- e) The Audit Fee.

6 Options

- 6.1 To receive the reports and to provide /not provide feedback to Audit New Zealand, Council or management on any matter(s) contained in the reports.

7 Strategy and Risks

- 7.1 The management reports contain key findings and recommendations on significant matters arising from the audit.
- 7.2 Addressing issues raised by audit is a key component of councils risk management. There are likely to be both financial and reputational risks if matters of concern are not addressed in a timely manner.

8 Policy / Legal Requirements / Plan

- 8.1 Sections 93 -97 and Schedule 10 of the Local Government Act 2012 set out the procedures to be followed and the required content for Council Long Term Plans and Annual Plans. These requirements have been met for the Long Term Plan Consultation Document.
- 8.2 There are no legal requirements concerning the receipt of the management report, or the engagement letter.

9 Consideration of Financial or Budgetary Implications

- 9.1 The level of audit fees and disbursements are in line with the budget for this function.
- 9.2 The Council's auditors will charge additional costs where as a result of their findings or Council staff not delivering quality work in a timely manner there is a need to undertake additional audit work.

10 Significance and Engagement

- 10.1 This report is of low significance as the action of Council in receiving the management reports would not be deemed to be significant.

11 Attachments

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| 1. | Attachment 1 - Audit of LTP CD | 17 |
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Report to the Council on the audit of
Tasman District Council's
Long Term Plan Consultation Document for the period
1 July 2015 to 30 June 2025

Management report

Item 7.3

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Attachment 1

Key messages

9 We have completed the audit of the Tasman District Council's (the District Council) Long Term Plan Consultation Document (LTP CD) for the period 1 July 2015 to 30 June 2025. This report outlines our audit approach and sets out our findings.

10 Unmodified audit opinion

11 We issued an unmodified audit opinion on 5 March 2015.

12 Matters considered during the audit

13 We considered the following key matters as part of our review of the LTP CD:

- **How the District Council plans to manage debt levels**

The previous LTP had the District Council's debt rising to over \$300 million. Reducing the debt level was a key area of focus during the District Council's 2015–25 LTP planning process. A number of proposals have been included in the LTP CD that impact on how the District Council manages, and reduces its debt levels. We reviewed how these proposals were presented in the LTP CD and were satisfied the information provided an effective basis for public consultation.

- **The future of the Waimea Dam project**

The District Council clearly set out in the LTP CD its proposed involvement in the project, if it proceeds. It also identified that there is still significant uncertainty around aspects of its potential involvement in this project. We reviewed the proposal and were satisfied the disclosures were appropriate, transparent, and consistent with supporting documentation.

- **Could the District Council sustain its renewals programme from the 2012–22 LTP?**

Both Audit and the District Council identified that the renewals programme proposed in 2012–22 would not be sustainable, especially with the focus on reducing proposed debt levels. We reviewed the proposal for a risk based asset management programme and were

satisfied that the risks and impacts, as well as mitigating actions, were adequately disclosed in the LTP CD.

- **How growth and demographic changes are included in the financial model**

We reviewed how the assumptions around growth and demographic changes were included in the financial model. We were satisfied these had been considered and applied appropriately to the forecasting in the financial model.

14 Performance framework

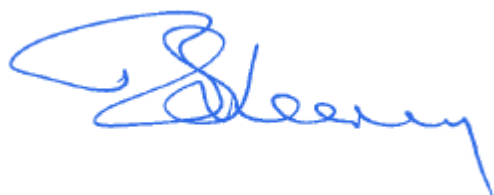
15 The District Council needs to ensure that there are systems in place to monitor its actual performance against budgets, levels of service and performance measures included in the LTP, from 1 July 2015. These systems are critical to the District Council meeting its obligation for annual reporting, and its needs for internal monitoring and reporting to the council. We note that the performance measures in the LTP will have to include the new mandatory measures.

16 Future audit focus

17 As well as the opinion issued on the LTP CD we will also issue an opinion on the final LTP that needs to be adopted before 1 July 2015.

18 Thank you

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



20

21 Bede Kearney

22 Audit Director

23 25 May 2015

1 Our audit opinion

1.1 We issued an unmodified audit opinion

We issued an unmodified audit opinion on the District Council's LTP CD on 5 March 2015.

In our opinion:

- The LTP CD provides an effective basis for public participation in the council's decisions about the proposed content of its 2015–25 LTP, because it:
 - fairly represents the matters proposed for inclusion in the LTP; and
 - identifies and explains the main issues and choices facing the District Council and the district, and the consequences of those choices.
- The information and assumptions underlying the information in the LTP CD are reasonable.

In forming our opinion we considered the following matters:

1.2 Financial prudence and sustainability

In the 2012–22 LTP the District Council forecast debt to reach \$310 million. This was widely seen as being at the high end of the prudent range for a council of the District Council's size. This level of debt created financial and operational pressures and restrictions for the District Council. From our discussions with council and management our audit planning was based on the expectation there would be a number of initiatives to reduce future debt levels.

The debt reduction proposals had impacts for the District Council and local community. As part of our review, we considered whether these impacts had been appropriately disclosed to allow for effective public consultation. Overall, we were satisfied the disclosures were comprehensive enough for effective consultation to take place.

In addition to our review of the District Council's debt reduction proposals, we considered whether the overall financial strategy was prudent. We also considered how it linked with the LTP CD and the infrastructure strategy.

A number of limits on debt, and rates increases and affordability, were included in the financial strategy. We assessed the District Council's financial strategy as prudent on the basis that it set out a more sustainable approach to managing debt and assets over the term of the LTP and further into the future.

The Local Government (Financial Reporting and Prudence) Regulations 2014 require disclosures around the impact on rates, debt levels and levels of service. We reviewed the disclosures and were satisfied they were consistent with supporting documentation and utilised the best information the District Council had available at the time.

1.3 Preparation of the Consultation Document

The development of the LTP CD and LTP is a significant and complex project and a comprehensive project plan is required for a successful LTP process.

From our initial discussions and interactions we noted that management were well-advanced in the LTP CD process from an early stage. The District Council adhered to the agreed upon dates to provide key information to us and from our perspective the overall process ran smoothly and efficiently.

1.4 Unadjusted misstatements

The LTP CD is free from material misstatements, including omissions. However, in the course of the audit, we found certain misstatements that were individually and collectively not material to the LTP CD.

We discussed any misstatements that we found with management. All misstatements were amended prior to the council adopting the LTP CD.

2 Areas of audit emphasis

During the planning stage of the audit, and our review of the content of the LTP CD, we identified the following key risks and issues which were areas of emphasis during our audit.

2.1 Waimea Dam

One of the largest projects proposed for the Tasman region within the period of the plan is the dam to be constructed in the Lee Valley. We identified, as did the District Council, that this would be a key area of focus for the LTP CD. As part of our audit we gained an understanding of how the District Council intends to fund and monitor its involvement in this project. We also confirmed that its proposed in the project was documented appropriately in the LTP CD.

The District Council included in the LTP CD information regarding the funding and potential operating structure of this project. We reviewed supporting documentation and were satisfied disclosures were consistent with this documentation.

We understand from discussions with senior management and the council that there is still significant uncertainty around aspects of this project, and whether it will go ahead. This was disclosed in the LTP CD.

Overall, we were satisfied that the District Council included the best estimates and information it had available at the time, in the LTP CD regarding the Waimea Dam project.

2.2 Maintaining infrastructural assets and levels of service

The financial framework that the District Council is proposing to implement has implications for the upcoming capital programme. The District Council's focus is now on active risk management of the infrastructure network alongside a more restrained renewals programme. The District Council has considered the risks and impacts of this approach, and they have been identified in the LTP CD.

This approach increases the risk of unplanned asset failures and could negatively impact levels of service if not managed appropriately. A risk

based approach to asset management can be effective, but the Council will need to continue to invest in improved asset condition information. It will also need to retain the financial capacity to deal with any unplanned asset failures, in order to help mitigate the increased risks of this approach.

Overall, the District Council has disclosed its approach to asset management in both the Infrastructure Strategy and the LTP CD. It has also identified and disclosed the increased risks with this approach and its proposed approach to mitigate these risks.

Working alongside the new approach to managing infrastructure assets is the proposal to move to fully funding depreciation of infrastructure assets. Both these initiatives are driven by and aligned with the District Council's overall financial strategy.

We reviewed the funding proposal and were satisfied the District Council had disclosed the impacts on rates and levels of service in the LTP CD appropriately.

2.3 Dealing with growth and demographic changes

The forecast population increase has been based on medium growth rates. The growth impacts also consider non-resident demand for holiday home properties and business growth in the region.

The most significant forecast demographic change is the ageing of the population. There are substantial differences in the current and forecast composition of the different communities, including the rate of ageing, occupation, household size and incomes. This will have an impact on which facilities and infrastructure should be provided to the respective communities and how these facilities are funded.

Our review of the growth model indicated that rates and levels of service were seen as the key areas affected by an increasing population, particularly in relation to an older demographic. Therefore, we focussed on how future requirements had been factored into the rates cap and in capital spending. We considered that these elements had been appropriately reflected in the financial model.

As part of the LTP CD process the District Council has revised its development contributions policy. This resulted in increased charges to cater for the impacts of growth and to ensure that the required infrastructure is paid for by those who benefit from it.

We reviewed the revised development contributions policy and confirmed key assumptions in the policy were consistent with the assumptions applied in the financial model. We were satisfied that the updated policy is internally consistent with other plans and policies.

3 Other matters arising from our audit

We completed our planned work as detailed in our audit proposal and arrangements letter and identified the following matters:

3.1 Infrastructure strategy

Based on the District Council's risk profile, our specialists were engaged, as part of our audit, to review the infrastructure strategy and asset management plans for transportation and water supply.

We did not identify any issues that were significant enough to impact our audit opinion on the LTP CD. However, a number of areas for potential improvement were identified during the review. These have been discussed with relevant asset managers and key staff involved in the preparation of the LTP CD and infrastructure strategy. We will follow up during the final LTP stage whether these recommendations were incorporated into the final infrastructure strategy.

Some of our key recommendations include improving the financial forecasts, clarifying assumptions around some of the asset specific issues, and more detail on the planned approach to reducing capital and renewals expenditure.

4 Audit of the final LTP

The next step in the LTP audit process will be the audit of the final LTP. This is scheduled to be undertaken over two weeks, commencing 8 June 2015. To ensure our audit of the LTP is efficient we have asked the District Council to provide a schedule of changes to the financial forecasts LTP

and performance framework that were the basis of the LTP CD. This will enable us to assess the extent of changes as a result of community consultation and tailor our audit work accordingly.

Under section 94(1) of the Act, our audit report on the final LTP forms part of the LTP, which the council is required to adopt before 1 July 2015 (section 93(3)). Our agreed timeframes will enable us to issue our audit report in time for the council meeting on 25 June 2015, at which time the 2015–25 LTP will be formally adopted.

We are responsible for reporting on whether the LTP meets the statutory purpose and provides a reasonable basis for integrated decision making by the council and accountability to the community. We assessed the quality of the underlying information and assumptions as part of the audit of the LTP CD, so for the audit of the LTP we will focus on how these are reflected in the LTP document. We will consider the effect of the decisions that come out of the consultation process and review the LTP to gain assurance that all appropriate, material, consequential changes and disclosures have been made.

Due to competing demands on our staff resources at this time, it is critical that we receive a complete LTP document, which has been subject to an internal quality assurance review by the time we commence our audit visit. (We will use the developing draft document as the basis for our planning for this audit). The same applies to the underlying information. We also ask that we are provided with a schedule of changes that arise from the District Council's consultation process. This will allow us to plan and focus our audit on the key areas we identify.

As part of completing our LTP audit, we will ask the council to provide us with a signed representation letter on the LTP. The audit team will provide the letter template during the LTP audit.

Appendix 1: Mandatory 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 2015–25 Long Term Plan Consultation Document (LTP CD) and reporting that opinion to the council. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the LTP CD does not relieve management or the council of their responsibilities.</p> <p>Our audit proposal and audit arrangements letter dated 20 February 2015 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 District Council’s LTP CD for the period 1 July 2015 to 30 June 2025, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.</p> <p>Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the District 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 District Council LTP 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</p>

	end of the financial year.
Unresolved disagreements	We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the LTP CD. Management has not sought to influence our views on matters relevant to our audit opinion.

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