

8. 11. 2001

## REPORT OF THE DIRECTOR OF FINANCE

### 1. ADOPTION OF ANNUAL REPORT

<b>Officer responsible</b> Director of Finance	<b>Author</b> Bob Lineham, DDI 371-1411
Corporate Plan Output: Public Accountability	

The purpose of this report is to obtain delegated authority for the Budget Scrutiny and Audit Committee of the Council to approve the Annual Report and audited financial statements of the Council.

In October 1999 the Council delegated its powers to adopt the Annual Report to the Audit Subcommittee. In view of the proposed retitling of the Audit Subcommittee and combination with Budget Scrutiny, it is necessary to clarify this delegation.

The Council's Annual Financial Statements are complex because of the several levels of consolidation which need to be incorporated and as a result the formal Annual Financial Statements and Annual Report are not normally completed and audited until mid November. There is a statutory deadline for the adoption of the Annual Report of 30 November.

Prior to the October 1999 delegation to the Audit Subcommittee, a special Council meeting had to be called, often on the last day of November, to undertake the statutory adoption process. This meeting was normally a formality and added an unnecessary expense to the Council's cost structure. In 1999 the Council agreed that this method of adopting the Annual Report did not inhibit public accountability of the Council as the Annual Report will be forwarded immediately to the printers and circulated widely in the community following its adoption.

While the Terms of Reference of the proposed Budget Scrutiny and Audit Committee include this function, because this is a statutory requirement, it is important the delegation to the Committee be clearly spelled out by resolution of the Council.

**Recommendation:** That the Council formally delegate its powers to adopt the Annual Report to the Budget Scrutiny & Audit Committee.

R A Lineham  
**DIRECTOR OF FINANCE**

1 November 2001