

1. AUDIT ARRANGEMENTS FOR THE YEAR ENDED 30 JUNE 2002

Officer responsible Director of Finance	Author Bob Lineham, DDI 941-8411
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Consideration was given to a letter from Audit New Zealand setting out the audit scope and objectives for the forthcoming year and issues on which the Auditor General has requested work to be completed, together with the areas of planned audit emphasis.

The areas to be addressed in the audit are detailed below:

1. Collection of money at off-Council sites
2. Management of separate funds and reserves and investment portfolios
3. Management control environment, including internal reporting and monitoring mechanisms, the information systems environment, procedures for the monitoring and reporting on legislative compliance, internal control within key financial systems
4. Information systems control environment
5. Asset Management Plans and Asset Recording Systems
6. Asset valuations
7. Heritage assets
8. Provisions, contingent liabilities and contingent assets
9. Client areas of audit emphasis - Additional work in key areas of the organisation will be undertaken as part of the audit to add further value through the audit process. Audit New Zealand will discuss and agree areas for extended scope work with management. It is proposed to address governance/management conflicts in this year's audit.

The audit fee of \$150,000 (GST exclusive) remains consistent with previous years and is considered to be fair considering the extent of the work undertaken and the complexity of the organisation.

Recommendation: That the City Manager be authorised to confirm the audit arrangements for the year ended 30 June 2002.