

**Date:** Tuesday, 14 February 2023  
**Time:** 2.03pm  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

---

## **Kōmiti Tātari me te Mātai Raru Tūpono / Audit and Risk Committee**

### **OPEN MINUTE ITEM ATTACHMENTS**

---

<b>ITEM</b>	<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>7</b>	<b>Potential Long-term Plan Amendment Consultation Document - risk and control update</b>	
A.	14 February 2023, Audit and Risk Committee, Item 7 - Potential Long-term Plan Amendment Consultation Document - risk and control update, representation letter	3



(Entity Letterhead)

15 February 2023

Greg Schollum  
Deputy Auditor-General  
Office of the Auditor-General  
PO Box 3928  
Wellington 6140

Dear Greg

**Letter of representation for the audit of Auckland Council's consultation document about a proposed amendment to the long-term plan**

This representation letter is given in connection with your audit, conducted on behalf of the Auditor-General, of a consultation document on a proposed amendment to the Auckland Council's (the Council's) long-term plan (LTP) for the ten years commencing 1 July 2021.

This representation letter is given to you in connection with your responsibility under the Local Government Act 2002 (the Act) to report on:

- whether the consultation document gives effect to the purpose set out in section 93B of the Act; and
- the quality of information and assumptions underlying the information provided in the consultation document.

We understand that your audit was carried out in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we understand you took into account particular elements of the Auditor-General's Auditing Standards and International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We also understand that your audit was (to the extent that you deemed appropriate) for the purposes of expressing an opinion as to whether the consultation document provides an effective basis for public participation in the Council's decisions about the proposed amendment of the 2021-31 LTP, and that the audit would not necessarily disclose any or all irregularities should any exist.

We acknowledge that actual results are likely to be different from the forecast information on which the consultation document is based since anticipated events frequently do not occur as expected and

LTP Amendment CD representation letter.docx

the variation may be material, and that you express no opinion as to whether the forecasts will be achieved. We also acknowledge that you do not express an opinion on the merits of any policy content of the consultation document.

We confirm, to the best of our knowledge and belief, as it applies to the proposed amendment to the LTP, the following representations:

### General

- 1 The Council accepts that it is responsible for the preparation of a consultation document that meets the requirements of the Act.
- 2 In complying with the requirements of the Act in relation to the preparation of the consultation document about the proposed amendment to the LTP we have acted in such a manner and included in the consultation document such detail as we consider on reasonable grounds to be appropriate.
- 3 The consultation document about the proposed amendment to the LTP has been prepared using the best information currently available to the Council and accordingly the forecast information underlying the consultation document is our best forecast of anticipated events for the remaining period of the LTP.
- 4 The consultation document about the proposed amendment to the LTP is consistent with Council's own policies and strategies and of other organisations where appropriate.
- 5 We believe there are no uncorrected misstatements that are material, either individually or in the aggregate, to the underlying supporting information or to the consultation document as a whole.

### Underlying information and assumptions

- 6 The forecast information relating to the proposed amendment to the LTP has been properly prepared on the basis of the underlying information and the assumptions adopted. The assumptions and underlying information are reasonable and supportable in the context of Council's position and have been based on the best information currently available to Council. The assumptions are consistent among themselves, consistent with the current strategies and plans of the Council and have been consistently applied.
- 7 All significant assumptions relating to the proposed amendment to the LTP have been included in the preparation of the forecast information, and have been clearly identified in the underlying information on which the consultation document is based. Where significant assumptions have a high level of uncertainty, that uncertainty has been stated and the potential effects of the uncertainty on the forecast financial information have been disclosed in the adopted underlying information and will be included in the amended LTP.
- 8 The records maintained by the Council were adequate for the preparation of the underlying information on which the consultation document is based.

- 9 We have made available to you all supporting documentation on the underlying information and assumptions used to prepare the consultation document.
- 10 All minutes of meetings of the Council and its sub-committees held to date have been made available to you for inspection, including summaries of recent meetings for which minutes have not yet been prepared or approved.

### Systems and processes

- 11 The Council accepts that it is responsible for establishing and maintaining systems and processes designed to provide reasonable assurance as to the integrity and reliability of the forecast information on which the consultation document is based. The Council has maintained effective systems and processes and they operated to generate accurate and reliable forecast information.

### Legislative compliance

- 12 The Council accepts that it is responsible for ensuring that all applicable aspects of the Act which impact on the consultation document for the amendment of the LTP have been complied with. To the best of its knowledge the Council has complied with all legislative requirements in the preparation of the consultation document.
- 13 The Council has followed the decision-making provisions of Part 6 of the Act in making decisions about the content and options considered for inclusion and exclusion from the consultation document.
- 14 The Council intends to follow the special consultative procedures outlined in section 93A of the Act in relation to the consultation document. We acknowledge our responsibility to provide a consultation document which enables the consultation to be undertaken. In considering this we are satisfied the information provided can be readily understood by interested or affected people.
- 15 We have a significance and engagement policy that outlines the Council's approach to determining the significance of proposals and decisions in relation to issues, assets and other matters in accordance with section 76AA of the Act.
- 16 To the extent relevant to the proposed amendment to the LTP the Council has considered the balanced budget requirements outlined in section 100 of the Act, and is managing its revenue, expenses, assets, liabilities, and general financial dealings prudently as required by sections 101 and 101A of the Act. We have made adequate provision to meet the expenditure needs of the Council identified in the underlying information that has formed the basis of the consultation document.
- 17 We consider the underlying information and recommended direction inherent in the consultation document supports maintenance of financial prudence by the Council.

### Generally Accepted Accounting Practice

- 18 The accounting policies applied to the forecast financial statements underlying the consultation document comply with generally accepted accounting practice and are those that the Council intends to use in the future for reporting historical financial statements. Any change in accounting policy from policies previously applied and reported in historical financial statements will be disclosed in the consultation document.
- 19 The estimated impact of the revaluation of service delivery assets has been incorporated into the underlying information on which the consultation document is based.
- 20 The underlying forecast financial information on which the consultation document based has been prepared in accordance with PBE FRS-42, Prospective Financial Statements.
- 21 The financial forecast information on which the consultation document has been based have been prepared in accordance with the accounting standards.
- 22 The Council's assumption regarding future price changes on the forecast financial information on which the consultation document is based, is also based on best information currently available to the Council and is reasonable and supportable.

### Publication of the consultation document and related audit report on the Council's website

- 23 The Council accepts that it is responsible for the electronic presentation of the audited consultation document.
- 24 The electronic version of the audited consultation document and related audit report presented on the website are the same as the final signed version of the audited consultation document and audit report.
- 25 We have clearly differentiated between audited and unaudited information in the construction of the Council's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- 26 We have assessed the security controls over audited forecast information and the related audit report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.

These representations are made at your request, and to supplement information obtained by you from the records of the Council and to confirm information given to you orally.

Yours faithfully

Wayne Brown  
Mayor of Auckland

Item 7

DRAFT

Attachment A