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**REPORT 2**  
(1215/52/01/1M)

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## **STATUS REPORT ON AUDIT NEW ZEALAND LETTER OF UNDERTAKING AND ARRANGEMENTS**

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

To update the Subcommittee on the Audit New Zealand Letter of Undertaking and audit arrangements

### **2. Recommendations**

It is recommended that the Subcommittee:

- 1. Receive the information.*
- 2. Note that the planned Audit approach letter, which was reviewed by the Subcommittee in March will now be issued in final form.*
- 3. Authorise the Mayor to finalise and sign the Letter of Undertaking and Audit Engagement letter attached in Appendix One and Appendix Two.*

### **3. Audit Arrangements for the audit of the financial statements for the year ending 30 June 2008**

Audit planning documentation was discussed at the March Subcommittee meeting. The Planned Audit Approach letter and Audit Engagement Letter were reviewed by the Subcommittee but the third document, the Letter of Undertaking (LOU) was not available at that time. The LOU is a three year contract which covers the periods ending 30 June 2008, 2009 and 2010. This contract outlines the proposed audit hours and fees for the three year period. The LOU is attached in draft form for the Sub-Committee's review. The Subcommittee should note that a significant fee increase is proposed. Audit New Zealand Director Andy Burns will be in attendance at the June Subcommittee meeting to introduce and discuss this letter.

Contact Officer: *Helen Rogers*  
*Financial Controller*

## **Appendix One**

### **AUDIT NEW ZEALAND LETTER OF UNDERTAKING COVERING THE PERIODS ENDED 30 JUNE 2008, 2009 AND 2010**

## **Appendix Two**

### **AUDIT NEW ZEALAND AUDIT ENGAGEMENT LETTER**

## **Supporting Information**

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

*The report supports Council's overall vision of Creative Wellington – Innovation Capital by ensuring that legislative compliance with GAAP (NZ IFRS) is appropriately managed.*

### **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.*