

**Report to the Council
on the audit of**

Westland District Council's
long-term plan for the period
1 July 2021 to 30 June 2031

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Key messages

We have completed the audit of Westland District Council's (the Council's) long-term plan (LTP) for the 10-year period commencing 1 July 2021 to 30 June 2031. This report sets out our findings from the audit.

Audit report

We issued an unmodified audit report on the Council's LTP on 30 June 2021.

Without modifying our opinion, we included the following emphasis of matter paragraphs in our audit report:

- Uncertainty over the delivery of the capital programme.
- Uncertainty over the three waters renewals forecasts.
- Uncertainty over three waters reforms.

Further detail around these have been included in section 1.1 of this report.

Matters arising during the audit

There are no new significant matters that we identified since our LTP consultation document audit.

Thank you

We thank the Council, management and staff for their assistance received during the audit.



Chantelle Gernetzky
9 August 2021

1 Our audit report

1.1 We issued an unmodified audit report

We issued an unmodified audit report on the Council's LTP on 30 June 2021. This means that:

- the plan provides a reasonable basis for:
 - the long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community; and
- the information and assumptions underlying the forecast information in the plan are reasonable.

Without modifying our opinion, we drew attention to the following disclosures.

Uncertainty over the delivery of the capital programme

To draw the reader's attention to the disclosure in the LTP outlining the uncertainty over the delivery of the capital programme. While the Council has taken steps to deliver its planned capital programme, there is uncertainty over the delivery of the programme, due to the availability of contractors and external funding, as outlined in the LTP.

Uncertainty over the three waters renewals forecasts

To draw the reader's attention to the disclosure in the LTP outlining the uncertainty over the three waters renewals forecasts. This outlined the Council's current risks, the need for additional work to complete assessments of the condition of its wastewater, water supply and storm water assets, and the approach for improving the asset condition information which informs the three waters renewal forecasts. The three waters renewal forecasts are currently largely based on the age of the Council's assets, and therefore have a higher level of uncertainty.

Uncertainty over three waters reforms

To draw the reader's attention to the disclosure in the LTP outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided by the Council is currently uncertain because no decisions have been made. The LTP was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the LTP has been based.

1.2 Uncorrected misstatements

The LTP is free from material misstatements, including omissions.

2 Matters arising from the LTP audit

We set out our areas of focus, and audit findings in the report on the audit of the Council's LTP consultation document. These areas of focus remained unchanged.

2.1 Significant changes subsequent to consultation

The main focus of our LTP audit was to understand the significant changes since the consultation audit and agree them to the Council approved changes.

The only significant change related to the Waka Kotahi NZ Transport Agency (Waka Kotahi) funding levels. In May 2021, Waka Kotahi provided indicative investment levels for continuous programmes (indicative funding for continuous programmes) as part of developing the 2021-24 National Land Transport Programme (the NLTP).

The indicative funding for continuous programmes provided by Waka Kotahi were less than what the Council had applied for, and therefore were appropriately updated for in the LTP. We note that the indicative funding letter is not a final decision. The outcome of the request will be confirmed by the Waka Kotahi in August/September 2021.

Appendix 1: 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 long-term plan and reporting that opinion to you. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the long-term plan does not relieve management or the Council of their responsibilities.</p> <p>Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Assurance and auditing standards	<p>We carried out our work 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>. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General’s Auditing Standards and the International Standard on Assurance Engagements 3400 <i>The Examination of Prospective Financial Information</i> that were consistent with those requirements.</p> <p>Our work cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Council in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to our audit of the Council’s consultation document and all legally required external audits, we completed an assurance engagement pursuant to the Council’s debenture trust deed. These engagements are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council.</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 Council 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 Council during or since the audit.</p>

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