

Chairperson and Subcommittee Members
AUDIT AND RISK SUBCOMMITTEE

6 AUGUST 2015

Meeting Status: **Public**

Purpose of Report: For Information

**AMENDMENT TO THE SETTING OF RATES FOR 2014/15
(CORP-14-1149)**

PURPOSE OF REPORT

- 1 This report seeks to advise the Audit and Risk Subcommittee of a minor error in the 2014/15 rates setting resolution.

DELEGATION

- 2 The Audit and Risk Subcommittee may make a decision under the following delegation in the Governance Structure, Section C.3.7:

Without limiting the generality of this delegation the Subcommittee has the following functions, duties and powers:

External Reporting

- 7.7 *Ensure that the Council's financial statements are supported by appropriate management signoff and adequate systems of internal control.*

BACKGROUND

- 3 At a Council meeting on 25 June 2014 the Council formally adopted the 2014/15 Annual Plan. One of the key documents within the 2014/15 Annual Plan is the Funding Impact Statement – Rating Policies.
- 4 At the same meeting, the Council passed its annual rates resolution under Section 23 of the Local Government (Rating) Act 2002, on rating units in the District for the financial year commencing on 1 July 2014 and ending 30 June 2015.

ISSUES AND OPTIONS

Issue

- 5 The Funding Impact Statement – Rating Policies (Annual Plan 2014/15 – Part Two) makes a number of references to the “*area maps dated 21 June 2000 as amended on 27 June 2013*”.
- 6 Setting of Rates for 2014-15 (Corp-14-1149) should make reference to the same “*area maps dated 21 June 2000 as amended on 27 June 2013*” however the report incorrectly refers to “*area maps dated 21 June 2000 as amended on 27 June 2014*”. Therefore the 2014/15 rates resolution is technically incorrect.

- 7 Legal Counsel has advised that this does not affect the validity of the 2014/15 rates resolution or any rate contained within it, as the reference to the maps is not a key part of the resolution.
- 8 Therefore the Council does not need to re-adopt the 2014/15 rates resolution.
- 9 The Council's auditors have been advised of this minor inconsistency.
- 10 To fully prevent this error from re-occurring, specific dates pertaining to the Council's rating area maps (including drainage rating area maps) have been omitted from all rating policy and rate setting documentation for financial years 2015/16 onwards. This measure was endorsed by Council's Legal Counsel.

CONSIDERATIONS

Policy considerations

- 11 There are no policy considerations.

Legal considerations

- 12 Legal Counsel has advised that the 2014/15 rates resolution does not need to be re-adopted.

Financial considerations

- 13 There are no financial considerations.

Tāngata whenua considerations

- 14 There are no tāngata whenua considerations.

SIGNIFICANCE AND ENGAGEMENT

Degree of significance

- 15 This matter has a low level of significance under Council policy.

Engagement planning

- 16 An engagement plan is not required.

Publicity

- 17 There are no publicity considerations at this time.

RECOMMENDATIONS

- 18 That the Audit and Risk Subcommittee notes that the 2014/15 rates resolution incorrectly makes reference to area maps amended on 27 June 2014, instead of 27 June 2013.

- 19 That the Audit and Risk Subcommittee notes that Council's Legal Counsel has confirmed that there is no need to re-adopt the 2014/15 rates resolution.
- 20 That the Audit and Risk Subcommittee notes that to best prevent this minor error in future years, specific dates pertaining to the Council's rating area maps (including drainage rating area maps) have been omitted from all rating policy and rate setting documentation for financial years 2015/16 onwards.

Report prepared by

Approved for submission

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