7.1 External Audit Update

Report To:	Audit, Risk and Improvement Committee
Meeting Date:	Wednesday, 18 June 2025
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Authorised by:	Executive Manager Business Support

Purpose

To present to the Audit, Risk and Improvement Committee the External Audit Update Report.

Recommendation

That the Audit, Risk and Improvement Committee:

a. Receives and notes the External Audit Update Report (Resolve #2025-44).

Executive Summary

Deloitte have been appointed by the Auditor General as the Council's external auditor. This responsibility covers the audit of the Council's Annual Report. In this update, Deloitte provide information to the Committee on the planning of the Annual Report for the 2024-25 financial year.

Matt Laing is the new Audit Engagement Partner, replacing Bruno Dente. Audit Associate Director, Nalina Dheda will attend the meeting to present the report.

Context

The details discussed in this report relate to the planned audit engagement the South Waikato District Council has with Deloitte as Council's external auditor.

Discussion

The South Waikato District Council Audit Plan, as attached, provides detail around areas of audit focus, any recent developments in financial reporting, materiality, independence and fees.

The auditors have offered the following commentary in relation to the matters raised by the Office of the Auditor General (OAG):

- Effectiveness, efficiency, waste and probity which relate to good practice to ensure policies and controls support the use of funding for justifiable business purposes. Audit's approach to this will focus on assessing policies and procedures in place for expense and procurement and testing samples for appropriateness against good practice and other guidance as relevant for Council.
- Government reviews and proposals including Local Water Done Well Reform. As part of audit's approach, they will continue to follow up and discuss with management the impact of these for Council and maintain close communication with the OAG particularly around additional disclosures that may be needed.

All other focus areas look at valuation of infrastructure assets, management override of controls, revenue recognition, statements of service performance and environmental, social and governance

(ESG) landscape and climate change. These are consistent with prior year audit plans in relation to the Annual Report.

Matt Laing is the new Audit Engagement Partner, replacing Bruno Dente. Audit Associate Director, Nalina Dheda, remains a part of the audit team.

The audit team will consist of four staff (excluding Matt Laing and Nalina Dheda) and will work on the engagement between May 2025 and September 2025. The interim audit fieldwork is almost complete, and the final audit fieldwork is expected to start the week of the 25th of August 2025. The planned sign off of the 2024-25 Annual Report is 25 September 2025.

Linkage

2024-34 Long Term Plan

Risks

Breach of legislative requirements.

Attachments