



## SOLGM's Financial Working Party Newsletter

The SOLGM Finance Working Party met on 26 September.

Here are a few points of interest:

### **Development Contributions**

Central government is conducting a review of three DC related issues:

- trigger points
- mechanisms for providing greater clarity to developers and purchasers as to whether DCs have been sought and paid and
- the relationship between DCs and FCs.

We understand that officials will seek Cabinet approval to consult on a discussion document, with release before Christmas. SOLGM will do a webinar on this topic as soon as practicable after release of the document.

### **Audit**

OAG are training auditors in October. The self-assessment remains a part of the audit methodology, but will be at the discretion of the Audit Director and Partner. We expect most will decide to ask you to complete a self-assessment given most of the issues and information that comes up in that process will be needed anyway. There will be a hot review of all consultation documents, but the final LTPs will only be subject to review if there was a non-standard opinion on the CD, significant change has been made between CD and final or some other area of risk has arisen.

### **Rating Practice**

SOLGM is reviewing a sample of 30 revenue policies, FIS and rate resolutions. Around a third of the sample have been carried through from the last reviews. Overall findings will be presented at the Funding and Rating Forum on 3/4 November. Where we find issues, especially those that are or could be 'fatal' we will ring the CFO.

Having completed 10 reviews, our sense is that the standard of resolutions has generally improved but revenue policies and FIS remain a concern.

We've had some negative feedback about the work we do in this area. We all say rates are a tax, which means that the taxing authority must be clear and certain, and an individual ratepayer should be able to clearly determine whether they are liable for each rate. Intent is not enough, most members of the judiciary expect strict adherence to the law.

### **For Your Diaries**

The Funding and Rating Forum is fast approaching. You can find more details at:

[http://www.solgm.org.nz/Event?Action=View&Event\\_id=232](http://www.solgm.org.nz/Event?Action=View&Event_id=232)

The SOLGM Strategic Finance Forum will be held on **23/24 April** at the **Kingsgate** in **Hamilton**. The theme is 'unlocking capability in the finance sector'. The programme will go live before Christmas. We have a full bench of people to help with the programme – but if anyone has topic that they would like considered for inclusion please contact me on [raymond.horan@solgm.org.nz](mailto:raymond.horan@solgm.org.nz) .