

SOLGM Financial Management Working Party

Newsletter #4 – May 2006 - Report from Meeting 5 May 2006

The Working Party met in Wellington on Friday 5 May. The matters discussed are briefly summarized below.

Role Function and Membership of the Working Party.

The Working Party further considered possible changes to its Terms of Reference and will report further to the SOLGM Executive Committee, when it meets in June.

The Working Party considered the makeup of its current membership and agreed that it would be good if a greater level of representation from small local authorities could be obtained.

Work Programme for 2006/07 and Beyond

Debrief on LTCCP Experience

The Working Party confirmed its intention to provide a sector debrief process that would both:

- provide a basis for the development of further good practice guidance for the future; and
- identify the key issues of local authority practitioners concerning the relevant provisions of the LGA so that these can be raised in the context of the forthcoming Local Government Commission review of the LGA.

It was noted that SOLGM was not that only party interested in conducting such an exercise and that both OAG (from an audit perspective) and LGNZ (from a more political perspective) would be holding their own exercises.

It was decided that in the first instance a survey would be undertaken that would allow the experiences and perceptions of the different groups of local authority staff that had been involved in the LTCCP process to be collated. Seminars would then be held where the results of the survey could be put before people as a basis for further discussion and debate. We are currently seeking to confirm dates and venues in November for these seminars.

Other good practice guidance development projects likely to advanced during the year are on:

- Amendments to the LTCCP;
- Performance Management frameworks;
- Appropriate accounting treatment of development contributions; and
- Reporting Against the LTCCP (later in the year).

Local authority staff interested in contributing to any of these projects please contact dmackay@solgm.org.nz.

Financial Management Seminar

With the focus over the past couple of years having been on headline issues such as preparations for the LTCCP and NZ IFRS, the general Financial Management Seminar that used to be part of the regular calendar has not been held for the past two years. The WP is keen to revive this event. Subject to availability of venues this is likely to take place during October. Issues likely to be addressed include;

- Development and financial contributions;
- The funding of depreciation and prudent financial management; and
- Performance management frameworks.

Environmental Monitoring

Regular monitoring of legislative, accounting standards and tax issues will continue. Arrangements are being put in place to beef up monitoring accounting standards issues.

Legislative Issues

The Local Government and Environment Committee is currently hearing submissions on the Local Government Law Reform Bill. The Local Government (Rating cap) Amendment Bill is not scheduled to be debated until June.

NAMS Issues

The Infrastructure Asset Valuation and Depreciation Guidelines 2006 Edition
Are now available. Interested local authority staff should check out www.nams.org.nz

DIA Update

Phase 2 of the Local Government Funding Review is under way.

SOLGM Legal Compliance Programme

Working Party members are to be part of the peer review process for the new Legal Compliance Programme module on development contributions. The working party will play a similar role in relation to the new module on LGA2002 decision-making.

Feedback

The Working Party welcomes feedback. This should be addressed to dmackay@solgm.org.nz

Next Meeting

28 August 2006