

SOLGM

NZ SOCIETY OF LOCAL GOVERNMENT MANAGERS



FMWP News

The SOLGM Financial Management Working Party (FMWP) met on 25 May. Here are some of the items of interest.

743 days to 1 July 2009 ...

ō and in recognition of this FMWP spent much of the meeting discussing the financial management and policy aspects of the LTCCP and the Local Government Act and what guidance might be useful.

The SOLGM Executive will be discussing a proposal (under the working title *Towards 2009*) at its meeting on 1 June, and discussions will be held with key stakeholders after that.

The intent is that the vast majority of the guidance would be available before Christmas (in recognition that many local authorities will be starting preparation of documents as soon as possible after October 13).

As a result it is likely that the annual *SOLGM/OPUS Business School - Financial Management Seminar* will **not** be run this year, but will be reinstated in 2008.

Getting Real – A Debrief

On 10 May a joint SOLGM/LGNZ delegation (including LGNZ President Basil Morrison and SOLGM Vice-President Athol Stephens) met with the members and senior staff from the Rates Inquiry. In the discussion, which last two hours, there was free and frank discussion of:

- the planning and accountability requirements of the Local Government Act (and following this discussion we have supplied the Inquiry with a copy of *Strengthening Local Democracy*);
- past investment in infrastructure, the state of asset management planning, and future infrastructural requirements;
- rates exemptions;

- intergenerational equity . including funding of depreciation and the use of borrowing;
- fee setting powers;
- value for money;
- Maori land rating.

Accounting for Development Contributions

FMWP discussed a draft of a paper from OAG/Audit New Zealand regarding the accounting treatment of development contributions and financial contributions. That paper essentially proposes that these be treated as an exchange transaction for accounting purposes. A subgroup of Phillip Jones, Christine Jones and Roy Baker is working on a response that identifies and addresses several practical issues as a matter of urgency. OAG intend to distribute the paper before 30 June.

New Chair Named

The SOLGM Executive has appointed Phillippa Wilson to take over as Chairperson of FMWP. Phillippa is Chief Executive of the Franklin District Council and is currently President of SOLGM, Phillippa takes the chair once her term as President ends on June 30.

Watch Out For

1. Three reports from the Office of the Auditor-General which are expected to be tabled in Parliament at some point in the next month:
 - *Long-term Council Community Plans* . reports on the experiences of the sector and the auditors during the 2006 round of LTCCPs. The report sets out the OAG views on the standard of the 2006 LTCCPs and the areas for gain in 2009. The report is likely to be accompanied by the results of four independent reviews of various aspects of the 2006 crop of LTCCPs;
 - *Results of the 2005/6 Audits* . is the annual report to Parliament on issues that cropped up during the 2006 audit process, and on the local government related work programme
 - *Statements of Corporate Intent* . sets out the results of a performance audit that OAG conducted of statements from a selection of crown agencies and council organisations.
2. A further announcement of the good practice products that will be delivered through the %Towards 2009+ programme and their timing (the announcement will be made around mid-July).

3. Two recently issued exposure drafts from Inland Revenue which cover depreciation on residential rental properties, and the treatment of trustees for GST purposes, each of which may have minor implications for some local authorities.