

14 August 2018

Garrick Wright-McNaughton  
New Zealand Taxpayers Union

E: mail: [garrick@taxpayers.org.nz](mailto:garrick@taxpayers.org.nz)

Dear Garrick

**Local Government Official Information and Meetings Act Request 1987**

I refer to your e-mail of 21 August 2018 and provide the following response to your questions:

1. The name of the Council's Auditor for each of the 2016/17 and 2017/18 financial years.

*Audit New Zealand*

2. Does Audit New Zealand audit the council's financial statements, or is a third party contracted to audit them on behalf of Audit New Zealand or by the Auditor-General?

*Audit New Zealand*

3. Has the Office of the Auditor-General appointed an Auditor yet for the Council's 2018/19 financial year? If so, please advise the name of the appointed Auditor.

*Audit New Zealand*

4. The council's 'Borrowing Costs' Accounting Policy adopted for each of the 2016/17 and 2017/18 financial years. The Accounting Policy treatment for 'Borrowing Costs' is determined under the Financial Reporting Act by the IPSAS 5 Borrowing Costs Accounting Standard: <https://www.xrb.govt.nz/dmsdocument/2232>. I have attached this for your convenience.

*Borrowing costs are usually recognised as an expense in the period in which they are incurred.*

*Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.*

5. The council's materiality threshold for determining if an asset is a "qualifying asset" as defined under the IPSAS 5 Standard?. Whether there are different criteria and materiality thresholds for different asset classes. If so, please disclose the different criteria for each class of asset. Please also give a recent example of a "qualifying asset", if the council has determined an asset meets the threshold.

*The last two projects where borrowing costs were capitalised in the 2012/13 year were the Otago Settlers Museum Redevelopment and the Tahuna Wastewater Treatment Plant Upgrade. At the time the materiality threshold was \$5 million.*

I trust this answers your query.

Yours faithfully

A handwritten signature in black ink, appearing to read 'J. Lapham', written in a cursive style.

Jennifer Lapham  
Governance Support Officer