

# 2012 Annual Report Process

## Glossary

Auckland Council	(AC)
Auckland Transport	(AT)
Annual Report	(AR)
Council Controlled Organisation	(CCO)
Finance and Risk Committee	(FRC)
Letter of Representation	(LoR)
New Zealand Transport Agency	(NZTA)
NZX	(New Zealand Stock Exchange)

## Executive Summary

The planning process for the 2012 AR and related 2012 annual financial statements is well underway. The 2012 AR will be the first report for a full 12 month period and is planned to be completed for approval at the AT Board meeting on 20 August 2012, then available on the internet and in hard copy on 14 September 2012. AC have requested AT to submit compliant financial statements for the 12 months ending 30 June 2012 by 1 August 2012 to enable AC to meet their statutory requirement of providing audited financial statements to the NZX by 31 August 2012. In order to meet the above dates a detailed Year End reporting manual/timetable, has been prepared in conjunction with AT, AC, and Audit NZ.

AC has also confirmed that moving the AT August Board meeting from 15 August to 20 August will not impact on their timetable, subject to AT providing Pack Two on 15 August – subject to Board sign off and Audit opinion on 20 August.

### Summary of Critical Dates for AT

Date	Action
<b>27 July</b>	Verbal audit clearance on financial statements
<b>30 July</b>	FRC review draft AR results and AC Pack One (financial results)
<b>1 August</b>	Pack One (80% of financial results) to AC
<b>8 August</b>	FRC final review of AR and LoR
<b>15 August</b>	Pack Two (all remaining data) to AC
<b>20 August</b>	<ul style="list-style-type: none"> <li>- Audit NZ confirms audit clearance</li> <li>- LoR signed by the Chair of the AT Board</li> <li>- Board approve and adopt the AR</li> <li>- Audit NZ opinion issued</li> <li>- Board approve Pack Two (all remaining data)</li> </ul>
<b>14 September</b>	AR available on the internet and in hard copy

## Recommendations

It is recommended that the Board:

- i). Receive this report
- ii). Approve the proposed timetable

## Strategic Context

The key purpose of the AR is to report on the organisation's performance in line with legislative and the Statement of Intent requirements. The AR also provides an opportunity to communicate key messages about the organisation. AT has many stakeholders, including the AC group, Local Boards, NZTA, customers, suppliers, staff, lobby groups and the general community.

The AR provides communication opportunities to highlight:

- Achievements and successes
- Strategic vision and priorities
- Key messages from the Chief Executive and the Board

## Background

AC is required to submit their annual results to the NZX by 31 August 2012. These results must be for the AC Group. Based on that deadline all CCO's (including AT) are required to submit audited financial results to AC on 1 August 2012. This will allow AC and Audit NZ to complete the consolidation and audit of the financial statements of the group during August.

In order to meet this deadline, AT has elected (in conjunction with Audit NZ) to have a May hard close and a June soft close. This means Audit NZ will conduct a full audit on the 31 May results followed by a review of changes in the trial balance between 31 May and 30 June. In effect, we bring forward the audit by one month. Planning documents and Year End timetables, for distribution within the business, have been updated to reflect this change. After input from the CCO's, AC has completed a Year End reporting manual including a '30 June 2012 AR disclosure checklist' (Attachment 1) and AT have developed a reporting manual in conjunction with that document (see Attachments 2 and 3)

The Year End reporting manual (AC and AT) provides details and guidance on several of the key issues from last year including:

- Defining AC and AT responsibilities
- Inter-entity transactions and balances, including timetable of inter-entity confirmations
- Fixed Assets: Revaluations, fair value and impairment testing and vested asset process and timing
- Accounting for inter-entity Funding

An AC Group Statutory Reporting Steering Committee has been put in place with members from the various CCO's, including two representatives from AT. This committee currently meets fortnightly to discuss the reporting timetable and any issues arising.

## Next Steps

In order for the various sections of the business to begin the planning required for the May hard close we intend to distribute the May/June 2012 Year End reporting manual on Friday 30 March. We will update the business on any changes that the Board requests following their review of the proposed timetable on 18 April.

Audit NZ began the interim audit on 26 March and are scheduled to complete the interim audit on 13 April. Audit NZ return on 11 June for the final audit, currently scheduled to be completed by 27 July.

## Attachments

**Attachment 1** – 30 June 2012 AR disclosure checklist

**Attachment 2** – Important Dates Listing 1 (extract from AT May/June 2012 Year End Reporting manual)

**Attachment 3** – Important Dates Listing 2 (extract from AC Group Year End reporting manual)

<b>WRITTEN BY</b>	Julian Michael <b>Financial Reporting Manager</b>	
<b>RECOMMENDED by</b>	Stephen Smith <b>Manager Finance</b>  David Foster <b>Chief Financial Officer</b>	 
<b>APPROVED FOR SUBMISSION by</b>	David Warburton <b>Chief Executive</b>	