

# The Treasury

## Material Related to the Annual Reporting and Audit Time Frames Extensions Legislation Bill Information Release

**August 2021**

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### Cabinet Document Details

Title: **Cabinet Minute: DEV-21-MIN-0149: Legislative amendments to Audit Deadlines due to Auditor Shortages**

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**No Information has been Withheld**

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# Cabinet Economic Development Committee

## Minute of Decision

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### Legislative Amendments to Audit Deadlines Due to Auditor Shortages

#### Portfolio

#### Finance

On 30 June 2021, the Cabinet Economic Development Committee, having been authorised by Cabinet to have Power to Act [CAB-21-MIN-0248]:

- 1 **noted** that the Controller and Auditor-General has written to the Minister of Finance advising that a shortage of auditors available in New Zealand, due to the ongoing impacts of COVID-19, has created a high risk of insufficient auditor capacity for robust assurance on public sector financial and non-financial end-of-year reporting, within the current legislative auditing timeframes;
- 2 **noted** that robustly assured end-of-year reporting supports the fundamental principles of government accountability and transparency;
- 3 **agreed** to amend the Crown Entities Act 2004 to extend (as set out in Appendix One to the paper under DEV-21-SUB-0149), by two months, the timeframes in which auditors must audit those reports and statements for the 2020/21 and 2021/22 financial years for:
  - 3.1 organisations listed in Schedule 4 of the Public Finance Act 1989;
  - 3.2 companies listed in Schedule 4A of the Public Finance Act 1989;
  - 3.3 Crown entities;
- 4 **agreed** to the development of a Bill to provide the amendments referred to in paragraph 3 above;
- 5 **authorised** the Minister of Finance to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;
- 6 **authorised** the Minister of Local Government to approve a policy to either:
  - 6.1 amend the Local Government Act 2002 to extend the reporting timeframes for local authorities and council-controlled organisations for the 2020/21 and 2021/22 financial years in the same Bill that amends the Crown Entities Act; or
  - 6.2 extend those reporting timeframes by Order in Council under section 261 of the Local Government Act 2002;
- 7 **authorised** the Minister of Local Government to issue drafting instructions to the Parliamentary Counsel Office to give effect to paragraph 6 above;

- 8 **authorised** the Minister of Finance and the Minister of Local Government to further clarify and develop policy matters relating to the above proposals in a manner not inconsistent with the policy contained in the paper under DEV-21-SUB-0149;
- 9 **noted** that the Minister of Finance will report back with a draft Bill;
- 10 **authorised** the Minister of Finance to take the draft Bill to Cabinet for consideration, without going through the Cabinet Legislation Committee, so that the Bill may be introduced to the House before it rises for the July 2021 recess;
- 11 **approved** the inclusion of the Bill on the 2021 Legislation Programme, with a category 1 priority (must be passed as a matter of law in 2021).

Janine Harvey  
Committee Secretary

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**Present:**

Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon Chris Hipkins  
Hon David Parker  
Hon Damien O'Connor (via zoom)  
Hon Stuart Nash  
Hon Michael Wood  
Hon Dr David Clark  
Hon Dr Ayesha Verrall  
Hon Meka Whaitiri  
Rino Tirikatene MP  
Dr Deborah Russell MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV