

1 March 2012

Fran Wilde  
Chair  
Greater Wellington Regional Council  
PO Box 11 646  
Wellington 6142

Dear Fran

**Audit of Greater Wellington Regional Council's Statement of Proposal on the 2012 – 22 Long Term Plan**

We have completed our audit of Greater Wellington Regional Council's Statement of Proposal on the 2012 – 22 Long Term Plan.

Subject to the Council adopting the Statement of Proposal on 8 March 2012, we will be in a position to issue an unqualified audit opinion.

I would like to take the opportunity to thank the Council and staff for the cooperation we received during the audit.

Yours sincerely

Karen Young  
Director



**Independent Auditor's Report**  
**To the readers of**  
**Wellington Regional Council's Long-term Plan Statement of**  
**Proposal**  
**for public consultation for the ten years commencing 1 July 2012**

The Auditor-General is the auditor of Wellington Regional Council (the Regional Council). The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to report on the Long-term Plan Statement of Proposal (LTP Statement of Proposal) for public consultation on her behalf. We have audited the Regional Council's LTP Statement of Proposal dated 8 March 2012, for public consultation for the ten years commencing 1 July 2012.

The Auditor-General is required by section 84(4) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP Statement of Proposal complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP Statement of Proposal.

## **Opinion**

### ***Overall Opinion***

In our opinion the Regional Council's LTP Statement of Proposal dated 8 March 2012 provides a reasonable basis for long term integrated decision-making by the Regional Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Regional Council.

In forming our overall opinion, we considered the specific matters outlined in section 84(4) of the Act which we report on as follows.

### ***Opinion on Specific Matters Required by the Act***

In our view:

- the Regional Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and
- the underlying information and assumptions used to prepare the LTP Statement of Proposal provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 8 March 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

### **Basis of Opinion**

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP Statement of Proposal does not contain material misstatements. If we had found material

misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP Statement of Proposal. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP Statement of Proposal. In making those risk assessments we consider internal control relevant to the preparation of the Regional Council's LTP Statement of Proposal. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council's internal control.

Our audit procedures also include assessing whether:

- the LTP Statement of Proposal provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;
- the Regional Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP Statement of Proposal;
- the presentation of the LTP Statement of Proposal complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP Statement of Proposal are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP Statement of Proposal is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP Statement of Proposal;
- the Regional Council's key plans and policies have been consistently applied in the development of the forecast information;

- the assumptions set out within the LTP Statement of Proposal are based on best information currently available to the Regional Council, and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the Regional Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP Statement of Proposal.

We do not guarantee complete accuracy of the information in the LTP Statement of Proposal. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP Statement of Proposal and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

## **Responsibilities of the Council**

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal controls as it determines is necessary to enable the preparation of a LTP that is free from material misstatement.

The Council's responsibilities arise from Section 93 of the Act.

## **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the LTP Statement of Proposal and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP Statement of Proposal.

## **Independence**

When reporting on the LTP Statement of Proposal we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the annual audit, we have no relationship with or interests in the Regional Council or any of its subsidiaries.

Karen Young  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

*For the web version of the audit opinion: add the "Matters relating to the electronic presentation of the report to the readers of the LTP Statement of Proposal"*

