INDEPENDENT AUDITOR’S REPORT

TO THE READERS OF WELLINGTON CITY COUNCIL AND GROUP’S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

The Auditor-General is the auditor of Wellington City Council (the City Council) and group. The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements, non-financial performance information and other information required by schedule 10 of the Local Government Act 2002 (other information) of the City Council and group on her behalf.

We have audited:

• the financial statements of the City Council and group on pages 86 to 168, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies, explanatory information and other information required by schedule 10 of the Local Government Act 2002; and

• the non-financial performance information of the City Council and group on pages 1 to 75 and 171 to 192 that includes other information required by schedule 10 of the Local Government Act 2002.

Opinion on the financial statements, non-financial performance information and other information

In our opinion:

• The financial statements of the City Council and group on pages 86 to 168:
  • comply with generally accepted accounting practice in New Zealand; and
  • fairly reflect:
    – the City Council and group’s financial position as at 30 June 2012; and
    – the results of its operations and cash flows for the year ended on that date.

• The non-financial performance information of the City Council and group on pages 1 to 75 and 171 to 192:
  • complies with generally accepted accounting practice in New Zealand; and
  • fairly reflects the City Council and group’s levels of service for the year ended 30 June 2012, including:
    – the levels of service as measured against the intended levels of service adopted in the long-term council community plan; and
    – the reasons for any significant variances between the actual service and the expected service.

• The other information of the City Council and group contained in the financial statements and the non-financial performance information, complies with the requirements of Schedule 10 of the Local Government Act 2002 applicable to the annual report and fairly reflects the required information.

Our audit was completed on 29 August 2012. This is the date at which our opinion is expressed.

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

Basis of opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements, non-financial performance information and other information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader’s overall understanding of the financial statements, non-financial performance information and other information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements, non-financial performance information and other information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, non-financial performance information and other information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the City Council and group’s financial statements, non-financial performance information and other information that fairly reflect the matters to which they relate. 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 City Council and group’s internal control.

An audit also involves evaluating:

• the appropriateness of accounting policies used and whether they have been consistently applied;

• the reasonableness of the significant accounting estimates and judgements made by the Council;

• the adequacy of all disclosures in the financial statements, non-financial performance information and other information;

• determining the appropriateness of the reported non-financial performance information within the Council’s framework for reporting performance; and

• the overall presentation of the financial statements, non-financial performance information and other information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, non-financial performance information and other information. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.
Responsibilities of the Council
The Council is responsible for preparing:

- financial statements and non-financial performance information that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the City Council and group's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to forecast; and
  - other information in accordance with Schedule 10 of the Local Government Act 2002 that fairly reflects the required information.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, non-financial performance information and other information that are free from material misstatement, whether due to fraud or error.


Responsibilities of the Auditor
We are responsible for expressing an independent opinion on the financial statements, non-financial performance information and other information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence
When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

During the year we undertook a review of the Clifton Terrace car park managed by the City Council on behalf of the New Zealand Transport Agency. Other than the audit, the review of the Clifton Terrace car park and the audit of the long-term plan, we have no relationship with or interests in the City Council or any of its subsidiaries.

A P Burns
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand