INDEPENDENT AUDITOR’S REPORT

To the readers of Wellington City Council’s Long-Term Plan for the ten years commencing 1 July 2012

The Auditor General is the auditor of Wellington City Council (the City Council). The Auditor General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the City Council’s LTP dated 27 June 2012 for the ten years commencing 1 July 2012.

The Auditor General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

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

Opinion

Overall Opinion

In our opinion the City Council’s LTP dated 27 June 2012 provides a reasonable basis for long term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- the City 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 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 27 June 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 (New Zealand) 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 does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the City Council’s LTP. 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’s internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, the implications it faces, and provides for participation by the public in decision making processes;
- the City Council’s financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision making and consultation processes underlying the development of the LTP are compliant with the decision making and consultation requirements of the Act;
The information in the LTP is based on materially complete and reliable asset or activity information;

the agreed levels of service are fairly reflected throughout the LTP;

the City Council’s key plans and policies have been consistently applied in the development of the forecast information;

the assumptions set out within the LTP are based on best information currently available to the City 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 City 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.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP 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 also responsible for such internal control 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 and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

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

Independence
When reporting on the LTP we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

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 this report, the review of the Clifton Terrace Car Park and in conducting the annual audit, 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