

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE READERS OF**  
**CLUTHA DISTRICT COUNCIL'S**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2011**

The Auditor-General is the auditor of Clutha District Council (the District Council). The Auditor-General has appointed me, Peter Gulliver, using the staff and resources of Deloitte, to carry out the audit of the financial statements, statement of service performance and compliance with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council on her behalf.

We have audited:

- the financial statements of the District Council on pages 75 to 122, that comprise the statement of financial position as at 30 June 2011, the statement of financial performance, 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 and other explanatory information;
- the Statement of service performance of the District Council on pages 11 to 73; and
- the District Council's compliance with the other requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report (other schedule 10 information).

**Opinion on the Financial Statements, Statement of Service Performance and other Schedule 10 Information**

In our opinion:

- The financial statements of the District Council on pages 75 to 122:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the District Council's financial position as at 30 June 2011; and
    - the financial performance and cash flows for the year ended on that date.
- The Statement of service performance of the District Council on pages 11 to 73:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the District Council's levels of service for the year ended 30 June 2011, 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 District Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.



Our audit was completed on 20 October 2011. 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, Statement of service performance and other schedule 10 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, Statement of service performance and other schedule 10 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, Statement of service performance and other schedule 10 information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, Statement of service performance and other schedule 10 information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the District Council's financial statements, Statement of service performance and other schedule 10 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 District Council'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 and Statement of service performance;
- determining the appropriateness of the reported Statement of service performance within the Council's framework for reporting performance; and
- the overall presentation of the financial statements, Statement of service performance and other schedule 10 information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, Statement of service performance and other schedule 10 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 Statement of service performance that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council's financial position, financial performance and cash flows;

- fairly reflect its service performance, including achievements compared to its forecast; and
- other information required by schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements, Statement of service performance and other schedule 10 information that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Local Government Act 2002.

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements, Statement of service performance and compliance with the other schedule 10 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.

Other than the audit, we have no relationship with or interests in the District Council.



Peter Gulliver  
Deloitte  
On behalf of the Auditor-General  
Dunedin, New Zealand

### **Matters relating to the electronic presentation of the audited financial statements, statement of service performance and the other requirements**

This audit report relates to the financial statements, statement of service performance and the other requirements of Clutha District Council for the year ended 30 June 2011 included on Clutha District Council's website. The Council is responsible for the maintenance and integrity of Clutha District Council's website. We have not been engaged to report on the integrity of Clutha District Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, statement of service performance and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, statement of service performance and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, statement of service performance and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, statement of service performance and the other requirements as well as the related audit report dated 20 October 2011 to confirm the information included in the audited financial statements, statement of service performance and the other requirements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.