

**REPORT TO THE READERS OF
CLUTHA DISTRICT COUNCIL'S
LONG-TERM COUNCIL COMMUNITY PLAN
FOR THE TEN YEARS COMMENCING 1 JULY 2009**

The Auditor-General is the auditor of Clutha District Council (the District Council). The Auditor-General has appointed me, P F Heslin, using the staff and resources of Deloitte, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

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 LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

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

Opinion

Overall Opinion

In our opinion the LTCCP of the District Council incorporating volumes one and two dated 25 June 2009 provides a reasonable basis for long-term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District 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 District 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;**

- the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and
- the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.

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 25 June 2009, and 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 District 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 New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP 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 District Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;

- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the District 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 District 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 LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP 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 and the Auditor

The District Council is responsible for preparing an LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

Independence

When reporting on the LTCCP 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, in conducting the audit of the Statement of Proposal for adoption of the LTCCP, the annual audit and provision of financial reporting advice which are compatible with these independence requirements we have no relationship with or interests in the District Council.



P F Heslin

Deloitte

On behalf of the Auditor-General

Dunedin, New Zealand

Matters relating to District Council adopted amendment to the LTCCP subsequent to this report.

This report dated 25 June 2009 relates to the Long Term Council Community Plan (the LTCCP) for the 10 years commencing 1 July 2009, approved by District Council on 25 June 2009. Subsequent to this, the District Council adopted an amendment to its LTCCP for the 10 years commencing 1 July 2009 for a change in the revenue and financing policy, which incorporates changes with respect to rate funding for the Clutha Recreation Centre and West Otago Health facility, adopted on 24 June 2010, to take effect from 1 July 2010. The District Council has not prepared an amended LTCCP that incorporates the amendment adopted on 24 June 2010. Consequently, to form a view of the LTCCP of the District Council, the content of the LTCCP to which this report relates should be considered in conjunction with District Council's adopted amendment. There is no legislative requirement for us to report on the adopted amendment and we have not done so.

This report relates to the LTCCP of Clutha District Council for the ten years commencing 1 July 2009 which was approved by District Council on 25 June 2009 included on Clutha District Council's web-site. The Clutha District Council is responsible for the maintenance and integrity of the Clutha District Council's web site. We have not been engaged to report on the integrity of the Clutha District Council's web site. We accept no responsibility for any changes that may have occurred to the LTCCP since it was initially presented on the web site.

The report refers only to the LTCCP named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the LTCCP, including the adopted amendment to the LTCCP published by the District Council and which has not been incorporated with the content of the LTCCP to which this report relates. 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 LTCCP incorporating volumes 1 to 2 approved on 25 June 2009 and the related audit report dated 25 June 2009 to confirm the information included in the LTCCP presented on this web site.

The preparation and dissemination of the LTCCP is governed by New Zealand legislation..