

## Report to the readers of

### Rotorua District Council's Long-Term Council Community Plan for the ten years commencing 1 July 2009

The Auditor-General is the auditor of Rotorua District Council (the District Council). The Auditor-General has appointed me, B H Halford, using the staff and resources of Audit New Zealand, 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 1 and 2 dated 29 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 29 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.

# report of the auditor general **cont.**

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 and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.



B H Halford  
Audit New Zealand  
On behalf of the Auditor-General  
Tauranga, New Zealand

**Matters relating to Rotorua District Council's adopted amendment to the Ten Year Plan subsequent to this report**

This report dated 30 June 2011 relates to the Ten Year Plan (TYP) for the 10 years commencing 1 July 2009, approved by Rotorua District Council (the District Council) on 29 June 2009. Subsequent to this, the District Council adopted an amendment to its TYP for the 10 years commencing 1 July 2009 to introduce a new targeted rate for stormwater and land drainage on 30 June 2011. The District Council has not prepared an amended TYP that incorporates the amendment adopted on 30 June 2011. Consequently, to form a view of the TYP of the District Council, the content of the TYP to which this report relates should be considered in conjunction with the District Council's adopted amendment. There is no legislative requirement for us to report on the adopted amendment and we have not done so.

**Matters relating to the electronic presentation of the report to the readers of the Ten Year Plan**

This report relates to the Ten Year Plan (TYP) of Rotorua District Council (the District Council) for the ten years commencing 1 July 2009 which was approved by the District Council on 29 June 2009 included on Rotorua District Council's web-site. The District Council's governing body is responsible for the maintenance and integrity of the District Council's web site. We have not been engaged to report on the integrity of the District Council's web site. We accept no responsibility for any changes that may have occurred to the TYP since it was initially presented on the web site.

The report refers only to the TYP named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the TYP, including the adopted amendment to the TYP published by the District Council and which has not been incorporated with the content of the TYP 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 TYP incorporating parts A to C approved on 29 June 2009 and the related audit report dated 29 June 2009 to confirm the information included in the TYP presented on this web site.

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