

Appendix 1 : Report of the Audit Office



Audit New Zealand

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF HAURAKI DISTRICT COUNCIL FOR THE YEAR ENDED 30 JUNE 2003

We have audited the financial statements on pages 7 to 25 and 31 to 75. The financial statements provide information about the past financial and service performance of Hauraki District Council and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 7 to 10.

Responsibilities of the Council

Section 283 of the Local Government Act 2002 requires the Council to prepare its annual report for the year ended 30 June 2003 under section 223E of the Local Government Act 1974. That section requires the Council to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Hauraki District Council as at 30 June 2003 and the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's Responsibilities

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit the financial statements presented by the Council. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and to report that opinion to you.

The Auditor-General has appointed J R Smaill of Audit New Zealand to undertake the audit.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Hauraki District Council's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.



During the year we carried out an assurance related assignment in respect of contract procurement procedures. In addition to this assignment we also carried out a review of Council's planning processes. Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Hauraki District Council.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of Hauraki District Council on pages 7 to 25 and 31 to 75:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - Hauraki District Council's financial position as at 30 June 2003;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 24 November 2003 and our unqualified opinion is expressed as at that date.



J R Smail
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand