



Appendix 12: Statement of compliance and Report from Council's auditor

Statement of compliance


Council and management of Taupō District Council confirm that all the relevant statutory requirements of part 6 of the Local Government Act 2002 have been complied with.

Council and management of Taupō District Council accept responsibility for the preparation of the Long-term Plan and the prospective financial statements presented, including the assumptions underlying the prospective financial statements.

The prospective financial statements contained within this Long-term plan were authorised for issue on the 30th of September 2024 by Council.

The opening balances in the prospective statement of financial position is derived from the most recently completed financial statements being 30 June 2023, adjusted according to the 2023/24 Annual Plan movements and/or any other forecast movements that are materially different from the 30 June 2023 closing position.

Future annual plans will be used to update the financial forecasts outlined in this Long-term plan. The Long-term-plan will be formally reviewed every three years. In the opinion of Council and management of Taupō District Council, the Long-term Plan for the ten years commencing on 1 July 2024 provides a reasonable basis for long term integrated decision making, co-ordination of the Taupō District Council' s resources and provides a basis for accountability to the community about the activities of the Taupō District Council.



David Trewavas
Mayor
30 September 2024



Julie Gardyne
Chief Executive
30 September 2024

Report from Council's auditor

To the readers:

Independent Auditor's Report on Taupō District Council's 2024-34 Long-term Plan

I am the Auditor-General's appointed auditor for Taupō District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's Long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 30 September 2024.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures in Appendix 1 (Financial prudence disclosure statement) represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of matter – uncertainty over the income and costs related to the development and sale of surplus council property

Without modifying our opinion, we draw attention to Assumption 25 in Appendix 9 (Forecasting assumptions), which outlines the Council’s assumed income and costs related to the development and sale of surplus council property, as part of the Eastern Urban Lands project. The levels and timing of the expected income and costs are highly uncertain because the development agreement with the Council’s development partner has not yet been signed, although commercial terms were agreed by each party which formed the basis of the draft development agreement. If the levels or the timing of expected income and costs differ significantly, debt might need to be increased, or debt repayments might need to be amended, depending on the circumstances. This could also have consequential impacts on rates.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General’s Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council’s systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council’s financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council’s infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council’s forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council’s knowledge of the assets’ condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council’s key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council’s activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council’s intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3)* issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and

operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Leon Pieterse

Audit New Zealand
On behalf of the Auditor-General, Hamilton, New Zealand



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