



Statement of Compliance and Responsibility

Compliance

The Council and management of Wellington Regional Council confirm that all the statutory requirements of the Local Government Act 2002 in relation to the Annual Report have been complied with.

Responsibility

The Council and management of Wellington Regional Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of Wellington Regional Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Wellington Regional Council, the annual Financial Statements of the year ended 30 June 2004 fairly reflect the financial position and operations of Wellington Regional Council.

Margaret Shields
Chairperson
7 October 2004

Barry Harris
Chief Executive
7 October 2004

Barry Turefry
Chief Financial Officer
7 October 2004



TO THE READERS OF WELLINGTON REGIONAL COUNCIL AND GROUP'S ANNUAL REPORT

For the year ended 30 June 2004

The Auditor-General is the auditor of Wellington Regional Council and group. The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of Wellington Regional Council and group for the year ended 30 June 2004, including the financial statements.

Unqualified opinion

In our opinion:

- the financial statements of the Wellington Regional Council and group on pages 20 to 129:
- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect :
 - Wellington Regional Council and group's financial position as at 30 June 2004; and
 - the results of operations and cash flows for the year ended on that date.
- the Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 7 October 2004, 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 Council and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;



- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of Wellington Regional Council and group as at 30 June 2004. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The Council is also responsible for preparing the information in the other requirements. The Council's responsibilities arise from Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This 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 Institute of Chartered Accountants of New Zealand.

During the year we performed the following assignments for the Wellington Regional Council and group, which are compatible with those independence requirements:

- We provided assurance on the probity of the process used to select an operator for the Wellington Urban Passenger Rail Services.
- We delivered a presentation on contract procurement processes.
- We completed an evaluation of the tax compliance systems in relation to GST, FBT, PAYE and withholding tax.
- We reviewed the Council's water division annual report and provided assurance that the financial information has been correctly extracted from the financial systems and provides a true and fair representation of the activities of the water division.

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 the Wellington Regional Council and group.

R L Tomlinson

Audit New Zealand

On behalf of the Auditor-General
Wellington, New Zealand

**Matters relating to the electronic presentation of the audited financial statements**

This audit report relates to the financial statements of Wellington Regional Council and group for the year ended 30 June 2004 included on the Wellington Regional Council's website. The Council is responsible for the maintenance and integrity of the Wellington Regional Council's website. We have not been engaged to report on the integrity of the Wellington Regional Council's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

We have not been engaged to report on any other electronic versions of the Wellington Regional Council's financial statements, and accept no responsibility for any changes that may have occurred to electronic versions of the financial statements published on other websites and/or published by other electronic means.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information, which may have been hyperlinked to/from these financial statements. 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 and related audit report dated 7 October 2004 to confirm the information included in the audited financial statements presented on this web site.

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