

**REPORT TO THE READERS OF
CHRISTCHURCH CITY COUNCIL
LONG-TERM COUNCIL COMMUNITY PLAN STATEMENT OF PROPOSAL
FOR PUBLIC CONSULTATION FOR THE TEN YEARS COMMENCING
1 JULY 2006**

The Auditor-General is the auditor of Christchurch City Council (the City Council). The Auditor-General has appointed me, Devan Menon, using the staff and resources of Audit New Zealand, to report on the Statement of Proposal for adoption of a Long Term Council Community Plan (LTCCP), on his behalf.

The purpose of an LTCCP, as set out in section 93(6) of the Local Government Act 2002 (the Act), is to:

- describe the activities of the local authority;
- describe the community outcomes of the local authority's district or region;
- provide integrated decision making and co-ordination of the resources of the local authority;
- provide a long term focus for the decisions and activities of the local authority;
- provide a basis for accountability of the local authority to the community; and
- provide an opportunity for participation by the public in decision making processes on activities to be undertaken by the local authority.

Opinion

Overall Opinion

In our opinion the Statement of Proposal for adoption of the LTCCP of the City Council dated 9 March 2006 provides a reasonable basis for long term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council.

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

In forming our overall opinion, we considered our opinion on specific matters required by the Act, which is set out below.

Opinion on Specific Matters Required by the Act

The Auditor-General is required by section 84(4) of the Act to report on:

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

In terms of our obligation to report on the matters outlined in section 84(4) of the Act, in our opinion:

- the City 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 used to prepare the Statement of Proposal provides a reasonable basis for the preparation of the forecast information;
- the assumptions set out within the Statement of Proposal are based on best information currently available to the City 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 is presented in accordance with generally accepted accounting practice in New Zealand;
- the extent to which the forecast information and proposed performance measures 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 9 March 2006, 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 City 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 (revised): *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 Statement of Proposal for adoption of the LTCCP does not contain material misstatements, and provides a reasonable basis for long term integrated decision-making by the public and the City Council about the activities of the City Council, and for subsequent accountability to the community about the activities of the City Council.

Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP, determining compliance with the requirements of the Act, and evaluating the overall adequacy of the presentation of information.

We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the Council and the Auditor

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

We are responsible for expressing an independent opinion on the Statement of Proposal for adoption of the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

Independence

When reporting on the Statement of Proposal for adoption of 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 annual audit, we have no relationship with or interests in the City Council.

A handwritten signature in black ink, appearing to read "D Menon", with a horizontal line underneath the name.

D Menon
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters relating to the electronic presentation of the report to the readers of the Statement of Proposal for adoption of a Long-Term Council Community Plan

This report relates to the Statement of Proposal for adoption of a Long Term Council Community Plan (the Statement of Proposal) of Christchurch City Council for the ten years commencing 1 July 2006 included on Christchurch City Council's web-site. The City Council is responsible for the maintenance and integrity of the Christchurch City Council's web site. We have not been engaged to report on the integrity of the Christchurch City Council's web site. We accept no responsibility for any changes that may have occurred to the Statement of Proposal since it was initially presented on the web site.

The report refers only to the Statement of Proposal named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the Statement of Proposal. 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 Statement of Proposal approved on 9 March 2006 and the related audit report dated 9 March 2006 to confirm the information included in the Statement of Proposal presented on this web site.

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