

## To the reader

### **Independent auditor's report on Waipā District Council's consultation document for its proposed 2025-34 Long-Term Plan**

I am the Auditor-General's appointed auditor for Waipā District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed our audit on 8 May 2025.

#### **Adverse opinion**

In our opinion, because of the significance of the matters described in the basis for adverse opinion section of our report, the consultation document does not provide an effective basis for public participation in the Council's decision-making process about the content of its long-term plan. This is because the information and assumptions underlying the forecast information in the plan are not based on the best available information or supported by underlying evidence.

#### **Basis for adverse opinion**

##### **Assumption over water services assets**

As outlined on page 6 of the consultation document, the Council is consulting on the future of water services, and notes its preferred option is to establish a joint Council Controlled Organisation (CCO) with neighbouring councils.

However, in the information that supports the consultation document, the Council has assumed it will retain water services. We consider the assumption unreasonable because the Council's preferred option is to establish a separate CCO, which will see drinking water and wastewater activities and assets and any associated debt being transferred out of the Council from 1 July 2026. We expect the consultation document to be prepared using the best information available to the Council.

##### **Assumption over population growth, household occupancy rates, and industrial development**

Page 10 of the consultation document outlines the Council's population growth, household occupancy rates, and industrial development growth assumptions over the period of the long-term plan.

The Council could not provide us with adequate evidence to support these assumptions. Furthermore, the Council could not demonstrate that it has consistently applied assumptions about population growth, household occupancy rates, and industrial development to the financial forecasts underpinning the consultation document.

The above matters are pervasive given the nature and significance of the services and assumptions to the rates increases, development contribution revenue, assets, debt, and operating and capital expenditure in the forecast underlying information supporting the consultation document.

## **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 consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

## **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

## **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 and debenture trust deed assurance work, we have no relationship with or interests in the Council or any of its subsidiaries.

René van Zyl  
Audit New Zealand  
On behalf of the Auditor-General, Auckland, New Zealand