

To the reader:

**Independent auditor's report on Nelson City Council's
consultation document for its proposed 2021-31 Long-term Plan**

I am the Auditor-General's appointed auditor for Nelson City Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document (CD) when developing its Long-term Plan. Section 93C of the Act sets out the content requirements of the CD and requires an audit report on the CD. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 18 March 2021.

Opinion

In our opinion:

- the CD provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-31 Long-term Plan, because it:
 - fairly represents the matters proposed for inclusion in the Long-term Plan; and
 - identifies and explains the main issues and choices facing the Council and city, and the consequences of those choices; and
- the information and assumptions underlying the information in the CD are reasonable.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosure:

Uncertainty over three waters reforms

Without modifying our opinion, we draw attention to the disclosure on page 53, outlining the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The CD was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the CD has been based.

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

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

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 CD 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 CD 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 CD, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the CD.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

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.



John Mackey

Audit New Zealand

On behalf of the Auditor-General, Christchurch, New Zealand