

12 October 2005

The Councillors
Greater Wellington Regional Council
PO Box 11 646
Wellington

Dear Councillors

LETTER OF REPRESENTATION FOR THE YEAR ENDED 30 JUNE 2005

This letter is to give you assurance that, to the best of my knowledge and belief, the accounting records have been maintained and year end financial statements have been prepared to properly present the financial position and performance of Wellington Regional Council and its subsidiaries (the Group) for the year ended 30 June 2005.

This representation letter is furnished to you as to whether the financial statements comply with generally accepted accounting practice in New Zealand and fairly reflect the financial position of Wellington Regional Council and Group as at 30 June 2005 and of the results of their operations and cash flows and service performance achievements for the year then ended in accordance with the

- ▲ Local Government Rating Act 2002
- ▲ Local Authorities (Members' Interest) Act 1968
- ▲ Local Government Act 2002

I confirm that the following matters have been complied with and that, to the best of my knowledge, the following statements are correct:

General

- 1 The Council is responsible for ensuring, and has in place appropriate systems and mechanisms to ensure, that all applicable aspects of legislative requirements, which impact on the activities, and functions of the Region have been complied with. The Council's actions during the financial period were according to and within its powers. I am not aware of any actual or potential non-compliance with legislative requirements; the consequences of which should be considered for inclusion in the financial statements as a liability, contingency or commitment, which has not been disclosed to the auditor.
- 2 To the best of my knowledge and belief, no charges, other than those reflected in the notes as contingent liabilities, are pending against Wellington Regional Council for

alleged violation of any laws or regulations which, if decided adversely would have a material effect on the financial statements for the year.

- 3 The financial statements have been prepared within the scope of generally accepted accounting practice and show due regard to the Statements of Standard Accounting Practice and Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand, including adequate disclosures of any deviations from such standards.
- 4 Wellington Regional Council and Group has applied the accounting policies, as defined in the financial statements, consistently throughout the period and any significant change in policy has been disclosed in the financial statements.
- 5 Wellington Regional Council and Group accepts that it is responsible for establishing and maintaining a system of internal accounting control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. It has had effective accounting and internal controls in place during the financial year. The accounting and internal control systems, supplemented by an internal audit review process, generate accurate and reliable financial data, safeguard assets and promote operational efficiency.
- 6 There have been no changes to, or introduction of new, information systems during the year that could adversely impact the completeness and accuracy of the Wellington Regional Council and Group's information systems and underlying data.
- 7 Wellington Regional Council and Group will continue its operations for the foreseeable future. It has neither the intention nor the necessity to materially curtail the scale of its operations.
- 8 The financial statements are free of material errors and omissions.
- 9 I have informed you of the existence of all agreements relating to Agencies, Subsidiary Companies, Joint Ventures or Partnerships or other contractual agreements.
- 10 No transactions and balances (including cash and investment accounts) have been offset, except where a right of set-off is permitted by generally accepted accounting practice in New Zealand.
- 11 There have been no frauds or irregularities involving management or employees that have not been disclosed to you.
- 12 Wellington Regional Council and Group has satisfactory title to all assets shown in the financial statements and all security interests or other charges outstanding against the assets have been recorded in the financial statements.
- 13 The carrying value of all non current assets, which are recorded on a valuation basis, is not materially different from face value.

- 14 Wellington Regional Council and Group has identified and accounted for all restricted and infrastructural assets it has control over.
- 15 An acceptable level of insurance has been affected in respect of all assets and insurable risks generally, and all policies are still current.
- 16 The rate of depreciation applied to each asset is sufficient to amortize the value of that asset over its remaining estimated useful life.
- 17 All current assets are expected to realize, in the ordinary course of business, at least the value at which they are recorded in the financial statements and are expected to be realized within twelve months. Adequate provision has been made for all non-collectable or doubtful amounts owing to Wellington Regional Council.
- 18 All known or ascertainable material liabilities, commitments, contingent liabilities or assets, of Wellington Regional Council and Group at balance date have been reflected in the financial statements to 30 June 2005. In addition, guarantees given to third parties are disclosed in the notes to the statements. I have disclosed all obligations in respect of options (put and call), guarantees, on-selling and buy back agreements, and all other arrangements (contingent or otherwise) relating to the acquisition or disposal of assets, including investments.
- 19 Wellington Regional Council and Group have no off-balance sheet assets or liabilities, including financial derivatives, except as disclosed in the financial statements.
- 20 Except as disclosed in the financial statements, the operations for the year ended 30 June 2005 have not been materially affected by transactions of a type not usually undertaken by Wellington Regional Council and Group or circumstances of an exceptional or non-recurrent nature.
- 21 The Statement of Service Performance is a fair reflection of the achievements of Wellington Regional Council and Group in relation to its objectives.
- 22 No events have occurred and no facts have been discovered since 30 June 2005 that would make the financial statements materially inaccurate or misleading or which, though properly excluded from the financial statements, should be disclosed through some other medium.
- 23 Wellington Regional Council and Group has provided full and complete information regarding the identification of related parties and has made adequate disclosures of such parties in the financial statements.
- 24 Throughout the year the Wellington Regional Council and Group have conformed with the requirements of their banking arrangements, debenture trust deeds or negative pledge agreements, including those relating to their net tangible asset ratios.
- 25 The nature of any guarantee given by or on behalf of Wellington Regional Council and group is fully disclosed.

- 26 No loan has been made to any staff member of Wellington Regional Council and group or any guarantees entered into or securities provided in connection with a loan made to a member during the year outside of those made under a duly authorized Wellington Regional Council policy.
- 27 All minutes of Wellington Regional Council meetings held to date have been made available to audit for inspection, including summaries of recent meetings for which minutes have not yet been prepared or approved.
- 28 All expenditure from restricted and Wellington Regional Council created reserves, has been in accordance with the purposes of the funds and has been appropriately authorized.
- 29 All donations and/or vested assets have been accounted for in the financial statements.
- 30 For the year ended 30 June 2005, Wellington Regional Council has only been represented by the following solicitors for significant cases, Phillips Fox in respect of Wellington Stadium Tax Case.

Yours sincerely

Barry Turfrey
Chief Financial Officer

18 October 2005

Mr Rudie Tomlinson
Director
Audit New Zealand
PO Box 1165
AUCKLAND

Dear Rudie

LETTER OF REPRESENTATION FOR THE YEAR ENDED 30 JUNE 2005

This letter is to give you in connection with your audit, conducted on behalf of the Auditor-General, our assurance that, to the best of our knowledge and belief, the accounting records have been maintained and year end financial statements have been prepared to properly present the financial position and performance of Wellington Regional Council and its subsidiaries (the group) for the year ended 30 June 2005.

This representation letter is furnished to you in connection with your responsibility to express an opinion as to whether the financial statements comply with generally accepted accounting practice in New Zealand and fairly reflect the financial position of Wellington Regional Council and group as at 30 June 2005 and of the results of their operations and cash flows and service performance achievements for the year then ended in accordance with the

- ▲ Local Government Rating Act 2002
- ▲ Local Authorities (Members' Interest) Act 1968
- ▲ Local Government Act 2002

Management confirms that the following matters have been complied with and that, to the best of their knowledge, the following statements are correct:

General

- 31 The Council is responsible for ensuring, and has in place appropriate systems and mechanisms to ensure, that all applicable aspects of legislative requirements, which impact on the activities, and functions of the Region have been complied with. The Council's actions during the financial period were according to and within its powers. The Council is not aware of any actual or potential non-compliance with legislative requirements; the consequences of which should be considered for inclusion in the financial statements as a liability, contingency or commitment, which has not been disclosed to the auditor.

- 32 To the best of our knowledge and belief, no charges, other than those reflected in the notes as contingent liabilities, are pending against Wellington Regional Council for alleged violation of any laws or regulations which, if decided adversely would have a material effect on the financial statements for the year.
- 33 The financial statements have been prepared within the scope of generally accepted accounting practice and show due regard to the Statements of Standard Accounting Practice and Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand, including adequate disclosures of any deviations from such standards.
- 34 Wellington Regional Council and group has applied the accounting policies, as defined in the financial statements, consistently throughout the period and any significant change in policy has been disclosed in the financial statements.
- 35 Wellington Regional Council and group accepts that it is responsible for establishing and maintaining a system of internal accounting control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. It has had effective accounting and internal controls in place during the financial year. The accounting and internal control systems, supplemented by an internal audit review process, generate accurate and reliable financial data, safeguard assets and promote operational efficiency.
- 36 There have been no changes to, or introduction of new, information systems during the year that could adversely impact the completeness and accuracy of the Wellington Regional Council and group's information systems and underlying data.
- 37 Wellington Regional Council and group will continue its operations for the foreseeable future. It has neither the intention nor the necessity to materially curtail the scale of its operations.
- 38 The financial statements are free of material errors and omissions.
- 39 We have informed you of the existence of all agreements relating to Agencies, Subsidiary Companies, Joint Ventures or Partnerships or other contractual agreements.
- 40 No transactions and balances (including cash and investment accounts) have been offset, except where a right of set-off is permitted by generally accepted accounting practice in New Zealand.
- 41 There have been no frauds or irregularities involving management or employees that have not been disclosed to you.
- 42 We have made available to you all accounting records and supporting documentation, and there have been no material transactions, which have not been recorded in the accounting records.

- 43 Wellington Regional Council and group has satisfactory title to all assets shown in the financial statements and all security interests or other charges outstanding against the assets have been recorded in the financial statements.
- 44 The carrying value of all non current assets, which are recorded on a valuation basis, is not materially different from face value.
- 45 Wellington Regional Council and group has identified and accounted for all restricted and infrastructural assets it has control over.
- 46 An acceptable level of insurance has been affected in respect of all assets and insurable risks generally, and all policies are still current.
- 47 The rate of depreciation applied to each asset is sufficient to amortize the value of that asset over its remaining estimated useful life.
- 48 All current assets are expected to realize, in the ordinary course of business, at least the value at which they are recorded in the financial statements and are expected to be realized within twelve months. Adequate provision has been made for all non-collectable or doubtful amounts owing to Wellington Regional Council.
- 49 All known or ascertainable material liabilities, commitments, contingent liabilities or assets, of Wellington Regional Council and group at balance date have been reflected in the financial statements to 30 June 2005. In addition, guarantees given to third parties are disclosed in the notes to the statements. We have disclosed all obligations in respect of options (put and call), guarantees, on-selling and buy back agreements, and all other arrangements (contingent or otherwise) relating to the acquisition or disposal of assets, including investments.
- 50 Wellington Regional Council and group have no off-balance sheet assets or liabilities, including financial derivatives, except as disclosed in the financial statements.
- 51 Except as disclosed in the financial statements, the operations for the year ended 30 June 2005 have not been materially affected by transactions of a type not usually undertaken by Wellington Regional Council and group or circumstances of an exceptional or non-recurrent nature.
- 52 The Statement of Service Performance is a fair reflection of the achievements of Wellington Regional Council and group in relation to its objectives.
- 53 No events have occurred and no facts have been discovered since 30 June 2005 that would make the financial statements materially inaccurate or misleading or which, though properly excluded from the financial statements, should be disclosed through some other medium.
- 54 Wellington Regional Council and group has provided full and complete information regarding the identification of related parties and has made adequate disclosures of such parties in the financial statements.

- 21 Throughout the year the Wellington Regional Council and group have conformed with the requirements of their banking arrangements, debenture trust deeds or negative pledge agreements, including those relating to their net tangible asset ratios.
- 22 We understand that your examination was conducted in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We also understand that your examination was (to the extent that you deemed appropriate) for the purposes of expressing an opinion on the financial statements, and that such an examination would not necessarily disclose any or all irregularities should any exist.
- 23 The nature of any guarantee given by or on behalf of Wellington Regional Council and group is fully disclosed.
- 24 No loan has been made to any staff member of Wellington Regional Council and group or any guarantees entered into or securities provided in connection with a loan made to a member during the year outside of those made under a duly authorized Wellington Regional Council policy.
- 25 All minutes of Wellington Regional Council meetings held to date have been made available to audit for inspection, including summaries of recent meetings for which minutes have not yet been prepared or approved.
- 26 All expenditure from restricted and Wellington Regional Council created reserves, has been in accordance with the purposes of the funds and has been appropriately authorized.
- 27 All donations and/or vested assets have been accounted for in the financial statements.
- 28 For the year ended 30 June 2005, Wellington Regional Council has only been represented by the following solicitors for significant cases: Phillips Fox in respect of Wellington Stadium Tax Case.
- 29 We acknowledge that the electronic presentation of the audited financial statements is management's responsibility.

Publication of financial statements and related audit reports on web sites

- 30 The electronic version of the audited financial statements and related audit report presented on the web site are the same as the final signed version of the audited financial statements and audit report.
- 31 The Council and group have clearly differentiated between audited and unaudited information in the construction of the Council and group's web site and understand the risk of potential misrepresentation in the absence of appropriate controls.
- 32 The Council and group have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.

- 33 Where the audit report on the full financial statements is provided on the web site, the financial statements are also provided in full.

These representations are made at your request and to supplement information obtained by you from the books and records of Wellington Regional Council and group and to confirm information given to you orally.

Yours sincerely

Chair

Chief Executive

Chief Financial Officer