

INDEPENDENT ASSURANCE REPORT

TO THE COUNCILLORS OF KAIPARA DISTRICT COUNCIL IN RESPECT OF THE REGISTER OF STOCK FOR THE YEAR ENDED 30 JUNE 2020

The Auditor-General is the auditor of Kaipara District Council ('the Council') pursuant to the Public Audit Act 2001. The Auditor-General has appointed me, Bryce Henderson, using the staff and resources of Deloitte Limited to carry out the audit of the annual financial statements and the performance information of the Council on his behalf.

On 13 September 2013, the Council entered into a Debenture Trust Deed ('the Trust Deed') with Corporate Trust Limited (now known as Covenant Trustee Services Limited) ('the Trustee'). The Council is required to maintain a Register of Stock ('the Register') in accordance with Clause 4 of the Trust Deed. Due to our existing appointment, the Auditor-General has also appointed me, Bryce Henderson, using the staff and resources of Deloitte Limited to conclude on whether the Register has been maintained in accordance with Clause 4 of the Trust Deed for the year ended 30 June 2020.

Unqualified Conclusion

It is our conclusion that the Register of the Council has been maintained and complies, in all material respects, with Clause 4 of the Trust Deed for the year ended 30 June 2020.

Our work was completed on 16th December 2020. This is the date at which our conclusion is expressed.

The limitations and use of this report are explained below. In addition, we explain the responsibilities of the Councillors of the Council ('the Councillors') and our responsibilities, and we explain our independence.

Limitations and Use of this Report

This independent assurance report has been prepared solely for the Councillors in accordance with Clause 4.2.8 of the Trust Deed. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Councillors or for any purpose other than that for which it was prepared, even though we understand that the Council may provide our report to their Trustee.

This assurance report may only be provided to the Trustee for their information in connection with their role as Trustee and we do not accept any duty, liability or responsibility to the Trustee in relation to this assurance report.

This assurance report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept or assume no duty, responsibility or liability to any other party in connection with the assurance report or this engagement, including without limitation, liability for negligence in relation to the conclusion expressed in this assurance report.

Responsibilities of the Councillors

The Councillors are responsible for maintaining the Register in accordance with the requirements of Clause 4 of the Trust Deed. This responsibility includes the design, implementation and maintenance of internal controls relevant to the compliance Clause 4 of the Trust Deed.

Our responsibilities

We are responsible for expressing an independent conclusion on whether the Register that is being maintained by the Council complies in all material respects, with the requirements of Clause 4 of the Trust Deed, and reporting that conclusion to you based on our work.

We have carried out our engagement 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 addition we also used elements of SAE 3100 (Revised): *Compliance Engagements* to help form our conclusion on whether the Register complies, in all material respects, with Clause 4 of the Trust Deed. Both of these standards have been issued by the External Reporting Board and copies are available on the External Reporting Board's website.

Our procedures included examining, on a test basis, evidence relevant to ascertaining whether the Register, in all material respects, contained the information referred to in Clause 4 of the Trust Deed. Any review of internal control systems was performed only to the extent required to enable us to express a conclusion on compliance with Clause 4 of the Trust Deed. Our procedures were not designed to identify all significant weaknesses in internal controls.

Because of the inherent limitations of internal control and the use of selective testing, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence, it is possible that fraud, error or non-compliance may have occurred and not been detected. As the procedures performed for this engagement were not performed continuously throughout the period our assurance engagement cannot be relied on to detect all instances where the Council may not have complied with Clause 4 of the Trust Deed with respect to the maintenance of the Register.

Our Independence and Quality Control

When carrying out this engagement, we 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 this engagement, the audit of the annual financial statements and performance information of the Council and providing a limited assurance report in our capacity as auditor pursuant to clause 10.2.6(a) of the Trust Deed, we have also provided a whistle blower hotline service to Council, fraud awareness training and fraud investigation assistance which are compatible with those independent requirements. Other than these engagements we have no relationship with or interest in the Council.



Bryce Henderson
for Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
16 December 2020