

RESULTS

The Local Government Act 1974 requires Council to report our performance compared to targets published in our annual plan. We report against both financial and non-financial measures.

Council reporting is in several forms:

SERVICE PERFORMANCE (NON-FINANCIAL) REPORTING- this focuses on the significant activities or services which Council delivers. Each activity includes a goal, description of the activity, strategic action, the services or outputs delivered by that activity and annual performance targets for the activity. Against these the actual results and achievements for the year are shown.

FINANCIAL MANAGEMENT REPORTING- outlines the extent to which we have met the objectives

of the Long-term Financial Strategy, Funding policy, Investment Policy and Borrowing Management Policy Documents.

FINANCIAL PERFORMANCE REPORTING- this information includes the Statement of Financial Performance, the Statement of Financial Position and associated accounting policies and notes. This information must be prepared according to recognised accounting standards. This also includes the cost of service statements for each activity shown under Service Performance. These statements show the expenditure of each activity, the revenue directly attributable to it and the net cost which was met by rates.



STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

The Council and management of Taupo District Council confirm that all the statutory requirements of Parts VIIA and VIIB of the Local Government Act 1974 regarding financial management and borrowing have been complied with.

Responsibility

The Council and management of Taupo District Council accept responsibility for the preparation of the Financial Statements and the judgements used in them.

The Council and management of Taupo District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Taupo District Council, the Annual Financial Statements

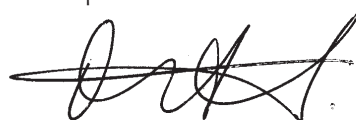
for the year ended 30 June 2003 fairly reflect the financial position and operations of Taupo District Council.



C T A Stent
MAYOR
30 September 2003



S F Rowbotham
CHIEF EXECUTIVE OFFICER
30 September 2003



D A Gartner
FINANCE MANAGER
30 September 2003

REPORT OF THE AUDIT OFFICE



REPORT OF THE AUDITOR-GENERAL TO THE READERS OF THE FINANCIAL STATEMENTS OF TAUPO DISTRICT COUNCIL AND GROUP FOR THE YEAR ENDED 30 JUNE 2003

We have audited the financial statements on pages 24 to 95. The financial statements provide information about the past financial and service performance of Taupo District Council and group and its financial position as at 30 June 2003. This information is stated in accordance with the accounting policies set out on pages 76 to 79.

Responsibilities of the Council

Section 283 of the Local Government Act 2002 requires the Council to prepare its annual report for the year ended 30 June 2003 under section 223E of the Local Government Act 1974. That section requires the Council to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Taupo District Council and group as at 30 June 2003 and the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit the financial statements presented by the Council. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and to report that opinion to you.

The Auditor-General has appointed M G Taris of Audit New Zealand to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ▲ the significant estimates and judgements made by the Council in the preparation of the financial statements; and
- ▲ whether the accounting policies are appropriate to Taupo District Council and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

During the year we carried out other assignments for Taupo District Council in the areas of review of asset management planning and governance arrangements. We also provide compilation assistance. Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Taupo District Council or any of its subsidiaries.

Unqualified opinion

We have obtained all the information and explanations we have required. In our opinion the financial statements of Taupo District Council and group on pages 24 to 95:

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
 - Taupo District Council and group's financial position as at 30 June 2003;
 - the results of its operations and cash flows for the year ended on that date and
 - the service performance achievements in relation to the performance target and other measures adopted for the year ended on that date.

Our audit was completed on 30 September 2003 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read "M G Taris".

M G Taris
Audit New Zealand
On behalf of the Auditor-General
Hamilton, New Zealand