



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF VICTORIA UNIVERSITY OF WELLINGTON AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2010

The Auditor-General is the auditor of Victoria University of Wellington (the University) and group. The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the university and group on her behalf.

We have audited:

- ⊞ the financial statements of the university and group on pages 57 to 92, that comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of financial performance, statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- ⊞ the statement of service performance of the university and group on pages 41 to 50.

### Opinion

In our opinion:

- ⊞ the financial statements of the university and group on pages 57 to 92:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the university and group's:
    - financial position as at 31 December 2010; and
    - financial performance and cash flows for the year ended on that date;
- ⊞ the statement of service performance of the university and group on pages 41 to 50:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects the university and group's service performance achievements measured against the performance targets adopted for the year ended 31 December 2010.

Our audit was completed on 28 March 2011. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards and the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the university and group's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the university and group's internal control.

An audit also involves evaluating:

- ⊕ the appropriateness of accounting policies used and whether they have been consistently applied;
- ⊕ the reasonableness of the significant accounting estimates and judgements made by the Council;
- ⊕ the adequacy of all disclosures in the financial statements and statement of service performance; and
- ⊕ the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Council**

The Council is responsible for preparing financial statements and a statement of service performance that:

- ⊕ comply with generally accepted accounting practice in New Zealand;
- ⊕ fairly reflect the university and group's financial position, financial performance and cash flows; and
- ⊕ fairly reflect the university and group's service performance achievements.

The Council is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Education Act 1989 and the Crown Entities Act 2004.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out assignments in the areas of the provision of technical accounting advice and have provided tutoring services to the university which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the university or any of its subsidiaries.



Stuart Mutch  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand

### **Matters relating to the electronic presentation of the audited financial statements and statement of service performance**

This audit report relates to the financial statements and statement of service performance of Victoria University of Wellington (the University) and group for the year ended 31 December 2010 included on University and group's website. The University and group's Council is responsible for the maintenance and integrity of University and group's website. We have not been engaged to report on the integrity of University and group's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 28 March 2010 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.