

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

TO THE READERS OF THE UNIVERSITY OF CANTERBURY AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2011.

The Auditor-General is the auditor of the University of Canterbury (the University) and group. The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, 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 25 to 66, that comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the statement of accounting policies, notes to the financial statements and other explanatory information; and
- the statement of service performance of the University and group on pages 15 to 24.

Opinion on the financial statements and statement of service performance

In our opinion:

- the financial statements of the University and group on pages 25 to 66:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the University and group's:
 - financial position as at 31 December 2011; 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 15 to 24:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of the University and group's service performance achievements measured against the performance targets adopted for the year ended 31 December 2011.

Opinion on other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the University and group as far as appears from an examination of those records.

Our audit was completed on 29 February 2012. 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 give a true and fair view of 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. In accordance with the Financial Reporting Act 1993 we report that we have obtained all the information and explanations we have required. 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;
- give a true and fair view of the University and group's financial position, financial performance and cash flows; and
- give a true and fair view of 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, the Crown Entities Act 2004 and the Financial Reporting Act 1993.

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 other assurance engagements in providing an auditor's report to the University's philanthropic bond trustees, a review report to the United States Department of Education in relation to the Federal Family Education Loan Programme and a report on the University's Performance-Based Research Fund external research income. These engagements are compatible with those independence requirements.

Other than the audit and these engagements, we have no relationship with or interests in the University or any of its subsidiaries.



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand