

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

TO THE READERS OF UNIVERSITY OF CANTERBURY AND GROUP'S FINANCIAL STATEMENTS AND NON FINANCIAL PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2012

The Auditor General is the auditor of 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 non financial performance information of the University and group on her behalf.

We have audited:

- the financial statements of the University and group on pages 28 to 75, that comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes 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 non financial performance information of the University and group that comprises the statement of service performance and the report about outcomes on pages 16 to 26.

Opinion

Financial statements and non-financial performance information

In our opinion:

- the financial statements of the University and group on pages 28 to 75:
 - 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 2012; and
 - financial performance and cash flows for the year ended on that date;
- the non financial performance information of the University and group on pages 16 to 26 gives a true and fair view of the University and group's service performance achievements and outcomes measured against the performance targets adopted in the investment plan for the year ended 31 December 2012.

Emphasis of Matter – effects of the Canterbury earthquakes

Without modifying our opinion, we draw your attention to note 25 to the financial statements which discusses the financial effects of the 2010 and 2011 Canterbury earthquakes and in particular:

- the impairment estimates for buildings damaged in the earthquakes, the significance of the estimates and the inherent uncertainties in the information on which the estimates have been based; and
- the validity of the going concern basis on which the financial statements have been prepared and the factors the Council considered in respect of this matter.

We consider the disclosures to be adequate.

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 27 February 2013. 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, which incorporate 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 non financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non financial performance information. 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 non financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non financial performance information, 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 non financial performance information that gives 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 non financial performance information; and
- the overall presentation of the financial statements and non financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non financial performance information.

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 that:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the University and group's financial position, financial performance and cash flows.

The Council is also responsible for preparing non financial performance information that gives a true and fair view of the University and group's service performance achievements and outcomes.

The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and non financial performance information that are free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the financial statements and non financial performance information, whether in printed or electronic form.

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 non financial performance information 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 External Reporting Board.

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 and a report on the University's Performance-Based Research Fund external research income. These engagements are compatible with those independent 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