

Changes to the prior year representation letter are noted in green.

Yellow highlighted items are unavailable at time of drafting and will be updated at the meeting

25 August 2022

Carl Wessels  
Appointed Auditor  
Audit New Zealand  
PO Box 1165  
Auckland 1140

Tēnā koe Carl

### **Representation letter for the year ended 30 June 2022**

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor General, of the financial statements and performance information of Auckland Transport, for the year ended 30 June 2022 for the purpose of expressing an independent opinion about whether:

- The financial statements:
  - present fairly, in all material respects:
    - the financial position as at 30 June 2022; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entities Reporting Standards.
- The performance information:
  - presents fairly, in all material respects, the performance for the year ended 30 June 2022, including:
    - Auckland Transport's actual performance compared against the performance targets and other measures by which performance was judged in relation to Auckland Transport's objectives; and
  - complies with generally accepted accounting practice in New Zealand.





We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor General, which incorporate the **Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.**

### **General representations**

To the best of our knowledge and belief:

- the resources and activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations, and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of Auckland Transport to prevent and detect fraud or error, and which enables the preparation of the financial statements and the statement of performance that are free from material misstatement whether due to fraud or error.

### **Representations on the financial statements and the performance information**

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and performance information, and that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the performance information as required by the Local Government Act 2002 and, in particular, that:
  - The financial statements:
    - Present fairly, in all material respects:
      - The financial position as at 30 June 2022; and
      - The financial position as at 30 June 2022; and
      - The financial performance and cash flows for the year then ended; and



- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entities Reporting Standards.
- o The performance information:
  - presents fairly, in all material respects, **the performance for the year ended 30 June 2022, including:**
    - Auckland Transport's actual performance compared against the performance targets and other measures by which performance was judged in relation to Auckland Transport's objectives; and
  - **complies with generally accepted accounting practice in New Zealand.**
- we believe the **methods, significant assumptions, and data used by us in making and supporting accounting estimates, including those measured at fair value** and the related disclosures in the financial statements and performance information are **reasonable** appropriate to achieve recognition, measurement, or disclosure that is in accordance with Public Benefit Entities Reporting Standards;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to balance date that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements and the performance information as a whole. **A list of uncorrected disclosure deficiencies is attached as Appendix 1 to this representation letter;**
- we believe the effects of uncorrected disclosure deficiencies, including both omitted and incomplete disclosures, are quantitatively and qualitatively immaterial, both individually and in aggregate, to the financial statements as a whole. **A list of uncorrected disclosure deficiencies is attached as Appendix 2 to this representation letter;**
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Benefit Entities Reporting Standards.
- we have appropriately accounted for and disclosed capitalised employee costs in the financial statements;
- we have appropriately accounted for and disclosed work in progress in the financial statements, including the appropriate classification of operational and capital expenditure and the appropriate recognition of overheads, research and feasibility costs;
- we confirm that the revaluations are reasonable, appropriately reflect fair value and are correctly accounted for and disclosed in the financial statements. Assets revalued include operational land and buildings, **rolling stock and roading.**
- we confirm that the valuation of property, plant and equipment, that was not revalued at 30 June 2022, is not materially different from its fair value;



- we have performed a risk assessment of the impact of Covid-19 on the accounting policies, disclosures, financial statements and performance information and have provided you with all relevant information on the impact of Covid-19. Sufficient disclosures have been made in the annual report; and
- we confirm that the transfer of City Rail Link assets from City Rail Link Limited to Auckland Transport through Auckland Council have been accounted for appropriately.
- We confirm that the adjustments on both current year and prior years as a result of the Software-as-a-Service (SaaS) assessment have been accounted for appropriately;

### **Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- We have provided you with:
  - All information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the performance information; and
  - Unrestricted access to persons within Auckland Transport from whom you determined it necessary to obtain audit evidence;
- We have disclosed to you the results of our assessment of the risk that the financial statements and the performance information may be materially misstated as a result of fraud;
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects Auckland Transport and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements and the performance information;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting Auckland Transport's financial statements and the performance information communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the performance information;



- we have provided you with all the other documents (“other information”) which will accompany the financial statements and the performance information which are consistent with one another, and the other information does not contain any material misstatements.
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware;

### **Publication of the financial statements and the performance information and related audit report on a website**

- The Board of Directors accepts that it is responsible for the electronic presentation of the audited financial statements and performance information.
- The electronic version of the audited financial statements and performance information and the related audit report presented on the website, are the same as the final signed version of the audited financial statements and performance information and audit report.
- We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.
- We have assessed the security controls over audited financial and performance information and the related audit report, and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- Where the audit report on the full financial statements and performance information is provided on a website, the financial statements and performance information are also provided in full.

### **Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, Auckland Transport has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board of Directors continues to adopt the going concern basis of accounting in preparing the financial statements and the performance information for the year ended 30 June 2022. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect Auckland Transport during the period of one year from 25 August 2022, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements and the performance information adequately disclose the circumstances, and any uncertainties, ~~surrounding that we can reasonably be expected to be aware of concerning~~ the adoption of the going concern basis of accounting by Auckland Transport.

~~Throughout the year, Auckland Transport has complied with the requirements of its banking arrangements, debenture trust deeds, or negative pledge agreements, including those relating to its net tangible assets ratios.~~



### Sign-off on these representations

The representations in this letter are made at your request, and to supplement information obtained by you from the records of Auckland Transport and to confirm information given to you orally.

Adrienne Young-Cooper  
**Chair of the Board**

Mark Darrow  
**Finance and Assurance Committee Chair**



## Appendix 1: Uncorrected misstatements

Statement of comprehensive income		Statement of financial position	
Dr \$000	Cr \$000	Dr \$000	Cr \$000

## Appendix 2: Uncorrected disclosure deficiencies

Detail of disclosure deficiency	Explanation of why not corrected