



Statement of Significant Underlying Assumptions

The forecast financial statements on pages 72-98 have been compiled on the basis of existing Government policies and after consultation by the Auditor-General with the Speaker and the Officers of Parliament Committee. The main assumptions are that:

- The Auditor-General's *portfolio of entities* will remain substantially the same as for the previous year.
- The Auditor-General will continue to deliver the *range of assurance products and services* currently provided and will also be positioned to deliver new products, or existing products in new ways, to cope with changing demands.
- The scale of *annual audits* will remain substantially the same.
- The Auditor-General will for the first time in 2005-06 conduct an audit of Long-Term Council Community Plans, which will require materially increased resources, particularly in this first year.
- The activity involved in performance audits and special reports will increase permanently this year from 17 audits to 21, requiring a substantial increase in resources.
- The balance of activity associated with *advice to Parliament and others, and inquiries* will continue to be variable because of increases in demand and the effects of the Public Audit Act 2001.
- The Auditor-General will continue to utilise audit expertise from both Audit New Zealand and the private sector.

These assumptions are adopted as at 11 April 2005.