

22 February 2018

The Executive Members  
Ngāti Whātua Ōrākei Reserves Board  
Level 1  
32 – 34 Mahuhu Crescent  
Auckland 1010

**RSM Hayes Audit**

PO Box 9588  
Newmarket, Auckland 1149  
Level 1, 1 Broadway  
Newmarket, Auckland 1023  
T +64 (9) 367 1656  
www.rsmnz.co.nz

Dear Executive Members

## Ngāti Whātua Ōrākei Reserves Board Audit of your performance report For the year ending 30 June 2018

This arrangement letter confirms our email with Dan Keys arranging the audit visit to commence on 17 September 2018. The audit field work will be led by Julian Rao. The senior manager overseeing this audit will be Mwauluka Mubano. It would be helpful if your key management and accounts team could be available to assist to ensure an efficient audit.

Attached for your approval is our formal engagement letter which outlines the detailed terms of our engagement.

### Areas of Significant Audit Focus

We believe it is best practice to communicate with you as the governing body regarding matters which form an important part of our audit process.

While our audit necessarily involves evaluating your overall performance report and underlying financial controls, the following are areas we have assessed as areas of higher potential risk which require additional audit focus in relation to your organisation. Accordingly, we believe that they are important areas that should be of interest to you in your governance capacity. This year we believe the more significant risk areas are as follows:

- Completeness and occurrence of revenue from Auckland Council
- Completeness and classification of related party transactions, including any tax implications.

In addition to the above, our audit will seek to ensure that your entity's performance report is in compliance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) ("PBE SPR-A (NFP)") issued by the New Zealand Accounting Standards Board.

If there are other areas of concern to you that you believe may require some audit focus, we would appreciate you advising us as soon as possible.

### Reporting Timeline

To ensure everyone involved in the reporting process is clear as to their responsibilities, a reporting timeline is included in Appendix A. If you have any concerns with the proposed timeline, please contact us as soon as possible.

Should you at any stage believe that you will be not ready for audit work to commence as per the timeframe outlined above, please contact us immediately, so that we can coordinate alternative audit timings.

## Fees

In accordance with the terms of our engagement, our fees are based on the time required by the individuals assigned to the engagement plus disbursements. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. The fee for the audit of your performance report for the year ending 30 June 2018 is based on time and costs incurred. This has been agreed at \$5,500 plus GST and disbursements. Our fee will be billed periodically as work progresses. This estimate is subject to the general assumptions included in the terms of our engagement.

Unless we are advised to the contrary, we assume the above fee arrangements are mutually agreeable. Fees for future audits will be discussed with you and agreed before the work commences.

## Conclusion

We look forward to continuing our constructive relationship with your team and we trust that they will make available to us all records, documentation and other information requested in connection with our audit.

If you would like to discuss any aspect of this letter please contact me, or Mwauluka Mubano, on 09 367 1656.

Yours sincerely



**Elaine Yong**  
Audit Partner



## Appendix A: Proposed timetable

<b>Trial balance finalised:</b>	<b>14 September 2018</b>
<b>Draft performance report prepared</b>	<b>14 September 2018</b>
<b>Final on-site audit visit commences:</b>	<b>17 September 2018</b>
<ul style="list-style-type: none"><li>▪ Balance sheet verification work</li><li>▪ Quality control review of performance report.</li></ul>	
<b>Completion matters and exit meeting (if required):</b>	<b>November 2018</b>
Our recommendations will be discussed and confirmed with management, including:	
<ul style="list-style-type: none"><li>▪ Any financial or audit matters</li><li>▪ Performance report disclosures</li><li>▪ Management letter suggestions for improvement</li></ul>	
<b>Executive Members sign:</b>	<b>November 2018</b>
<b>Sign off:</b>	<b>November 2018</b>