

1 May 2017

The Trustees
Greytown District Trust Lands Trust
Via email: gm@greytowntrustlands.org.nz

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Dear Trustees

AUDIT ARRANGEMENTS LETTER: YEAR ENDED 31 MARCH 2017

This letter outlines our audit arrangements in respect of Greytown District Trust Lands Trust for the year ended 31 March 2017. It also focuses on the areas where we will be placing particular audit emphasis.

The objective and scope of the audit

Moore Stephens Wairarapa Audit is appointed the auditor of Greytown District Trust Lands Trust by the engagement letter.

We are to audit the performance report of Greytown District Trust Lands Trust as of 31 March 2017 and the year then ended with the objective of forming and expressing an opinion on the performance report. Our report will be in the form prescribed by the International Standard's on Auditing (NZ) and ISAE (NZ) 3000. The form and content of our report may need to be amended in the light of our audit findings.

We will also issue a report to you at the completion of our audit detailing any audit findings.

Areas of audit emphasis

For the current audit, the following items will be given particular audit emphasis:

- From observation and discussion, confirming our understanding of the trust's operation, risks and financial procedures.
- Walkthrough and document key financial systems and confirm systems are operating as documented.
- Substantive verification of key payments and receipts to supporting documentation.
- Whether proper books and records are being kept during the year as well as regular reconciliations performed of key account balances including debtors, creditors, GST, and bank.
- Completeness and accuracy of 31 March 2017 performance note disclosure.
- Compliance with the applicable financial reporting framework.

International standards on auditing (ISA (NZ) 240) – The auditor's responsibilities relating to fraud in an audit of financial statements

ISA (NZ) 240 requires us to formally consider the susceptibility of your organisation to material error in the performance report and misappropriation resulting from fraud. We have designed our audit to obtain reasonable, but not absolute, assurance of detecting fraud in your organisation.

We will report to you weaknesses in internal control systems and procedures related to monitoring the prevention and detection of fraud and error. However, it remains your responsibility to design, implement and maintain an internal control system designed to reduce the opportunity for fraud through misstatement or misappropriation to occur in your organisation.

In the letter of representation we will require you to confirm to us that you have disclosed the results of your assessment of the risk that the performance report may contain material error as a result of fraud, together with your knowledge of fraud or suspected fraud affecting the organisation.

Timetable

Planning meeting with your General Manager and Accountant	16 March 2017
Final copy of draft trial balance and performance report available for audit	19 May 2017
Audit Visit	24 & 25 May 2017
Audit clearance provided	14 June 2017
Independent auditor's report issued	19 June 2017
AGM	Likely August 2017 (tbc)

Fees

We estimate our fees for the completion of the audit at \$6,670 plus GST (2016: \$6,500 plus GST).

Our fees and timetable are based on the following assumptions:

- Complete performance report, including notes, will be available at the commencement of the audit
- Reconciliations will be able to support key balances in the statement of financial position, for example: bank, debtors, payables, GST
- Supporting schedules and primary records are made readily available to us
- Key personnel will be available to answer queries during the audit.

Audit team

Audit Partner	Miecio Czudaj
Audit Manager	Adrienne Dempsey
Auditor	Bruce Mcniven
Auditor	Lisa Hallam

Letter of representation

At the end of the audit, we will request from the Trustees written confirmation concerning representations made to us in connection with the audit. We will provide you with appropriate wording for inclusion in the letter.

Audit preparation checklist

To enable us to provide an efficient and timely audit, we require that certain audit information is ready at the commencement of our audit. To assist you in this matter we have enclosed our audit preparation checklist.

Independence

In conducting our audit, we are required to comply with the relevant ethical requirements prescribed in the auditing standards in regards to independence.

Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.

We can confirm the engagement team and the firm comply with those requirements and further, that other than audit services, there are no other services provided to Greytown District Trust Lands Trust or any of its subsidiaries by either the engagement team, firm or network firms.

Conclusion

We look forward to receiving the full co-operation of your team and we trust they will make available to us whatever records, documentation and other information are requested in connection with our audit.

If you have any queries please do not hesitate to contact me.

Kind regards

Moore Stephens Wairarapa Audit



Adrienne Dempsey

Audit Manager

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