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9 February 2023

The Trustees,  
Greytown District Trust Lands Trustees  
P O Box 16  
GREYTOWN 5742

Attention: Mr Phillip Holden

Dear Mr Holden,

### **Greytown District Trust Lands Trustees - Audit Engagement Letter**

#### **Objective and Scope of Audit**

You have requested that we audit the Performance Report of Greytown District Trust Lands Trustees, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2023, the statement of financial position as at 31 March 2023, the statement of accounting policies and other explanatory information.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. The objectives of our audit are to obtain reasonable assurance about whether the Performance Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Performance Report.

#### **Responsibilities of the Auditor**

We will conduct our audit of the Performance Report in accordance with ISAs (NZ) and the audit of the service performance and entity information in accordance with the ISAs (NZ) and NZ AS 1. Those standards require that we comply with ethical requirements. As part of an audit in accordance with ISAs (NZ) and NZ AS1, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Performance Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the Performance Report that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) standard issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP)).
- Evaluate the overall presentation, structure and content of the Performance Report, including the disclosures, and whether the Performance Report represents the underlying transactions, events and service performance in a manner that achieves fair presentation.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Performance Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the Performance Report. An audit also includes assessing the significant estimates and judgements made by the Trustees in the preparation of the Performance Report and whether the accounting policies are appropriate to organisation's circumstances, consistently applied, and adequately disclosed.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (NZ).

### **Reporting**

An example of the form of our audit report is attached. The form and content of our report may need to be amended in the light of our audit findings.

In addition to our report on the Performance Report, we expect to provide you with a separate letter concerning any material weaknesses in accounting and internal control systems which come to our notice.

### **Responsibilities of the Trustees**

Our audit will be conducted on the basis that the Trustees acknowledge and understand that they have responsibility on behalf of the entity:

- For the preparation and fair presentation of the Performance Report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit);
- For such internal control as they determine is necessary to enable the preparation of a Performance Report that is free from material misstatement, whether due to fraud or error;
- For choosing service performance criteria that are suitable in order to prepare service performance information in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) framework;
- For ensuring that Greytown District Trust Lands Trustees’ business activities are conducted in accordance with all applicable laws and regulations;
- For identifying and addressing any non-compliance with applicable laws and regulations by Greytown District Trust Lands Trustees, by an individual charged with governance of the entity, by a member of management, or by other individuals working for or under the direction of Greytown District Trust Lands Trustees;
- To provide us with:
  - Access to all information of which the Trustees are aware that is relevant to the preparation of the Performance Report such as records, documentation and other matters;
  - Additional information that we may request from the Trustees for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

### Information Required

As part of our audit process, we will request from you written confirmation concerning representations made to us in connection with the audit and a written statement confirming your considered view on whether or not the adoption of the going concern assumption is appropriate. We will also be requesting access to your records and making enquiries of Trustees and staff during the audit process and may also request information directly from third parties (bank, solicitor etc).

### Errors, misstatements, illegal acts or other irregularities

We will inform you of any matters that come to our attention in the course of performing the engagement which cause us to believe or suspect that errors or misstatements, illegal acts or other irregularities exist.

We may, as part of our responsibilities as a Member in Public Practice, take steps and actions as set out in Section 260 of the Revised NZ Code of Ethics, issued by the Chartered Accountants Australia and New Zealand (CA ANZ) “Responding to Non-Compliance with Laws and Regulations”. These include but are not limited to the following:

During the course of our engagement, if we identify or suspect that non-compliance with laws or regulations has occurred or may occur, which may have a direct effect on material amounts or disclosures in the Performance Report or compliance with which may be fundamental to the operating aspects of your business, to Greytown District Trust Lands Trustees’ ability to continue its business or to avoid material penalty, we will discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate, to enable you to rectify, remediate or mitigate the consequences of the identified or suspected non-compliance or deter the commission of the non-compliance where it has not yet occurred.

We will also consider, based on materiality and/or significance of the matter, whether further action is needed in the public interest.

Further action may include disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so or withdrawing from the engagement and the professional relationship where permitted by law or regulation.

Where appropriate we will inform you of our intention to disclose the matter to an appropriate authority before disclosing the matter. However, if we have reason to believe that the actual or intended conduct would constitute an imminent breach of a law or regulation that would cause substantial harm to investors, creditors, employees or the general public, we may immediately disclose the matter to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach of law or regulation.

#### **Ownership of and access to audit file**

The working papers and files for this engagement created by us during the course of the audit, including electronic documents and files, are the sole property of Audit Plus Accounting Services Limited and constitute confidential information. Requests by third parties for access to our working papers, including those made by parties entitled by law to compel us to provide such access, will be discussed with you prior to release of the information, other than by operation of law.

As with all professional audit firms, our practice is subject to review by our Professional Body; Chartered Accountants Australia and New Zealand (CA ANZ). We are required to produce any document or other material in our possession or power and co-operate in the review process. The work we perform for you may be selected by the examiners for their review. If so, they are obliged to keep all information confidential.

#### **Fees**

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement, plus out-of-pocket expenses. If you are dissatisfied with any aspect of the work we undertake, have any questions or wish to make feedback at any stage of our work please contact me. Our fees for the 31 March 2023 audit are \$5,000 plus GST.

#### **Application**

This letter will be effective for future years unless it is terminated, amended, or superseded by either ourselves or the Trustees.

#### **Response**

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the Performance Report of Greytown District Trust Lands Trustees including our respective responsibilities.

We look forward to full cooperation with your staff and we trust that they will make available to us the records, documentation, and other information requested in connection with our audit.

Yours faithfully,

Adrienne Dempsey  
**Audit Plus Accounting Services Limited | Qualified Auditor | Wairarapa**

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**E** | [adrienne@auditplus.nz](mailto:adrienne@auditplus.nz)



We hereby acknowledge that this letter is in accordance with our understanding of the arrangements for the audit of Greytown District Trust Lands Trustees Performance Report.

[signed]

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[Name, title and contact details – email and phone]

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[Date]

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