

He tono nā



Te Rūnanga o NGĀI TAHU

ki te

MINISTRY OF ECONOMIC DEVELOPMENT

e pā ana ki te

**DISCUSSION PAPER – AUDITING AND ASSURANCE
FOR LARGER REGISTERED CHARITIES**

20 Toru / July 2012

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contact person

Chris Ford | Group General Counsel | Te Rūnanga Group
Chris.Ford@ngaitahu.iwi.nz | Phone 03 363 8958 | PO Box 13-046 | Christchurch

1. EXECUTIVE SUMMARY

1.1 Te Rūnanga o Ngāi Tahu (Te Rūnanga) writes in general support of the proposed standards for auditing and assurance for larger registered charities which primarily aim to increase the transparency and reliability of the financial reports produced on behalf of larger registered charities.

1.2 Te Rūnanga would like to ensure that the costs of any changes made accurately reflect the benefit experienced by larger registered charities who form part of a group of entities.

1.3 Te Rūnanga, therefore, presents the following specific recommendation:

- (a) If an entity is audited as part of a wider group audit that this will be an acceptable means of assurance for the relevant entity.

2. TE RŪNANGA O NGĀI TAHU

2.1 3. This response is made on behalf of Te Rūnanga o Ngāi Tahu (Te Rūnanga). Te Rūnanga is statutorily recognised as the representative tribal body of Ngāi Tahu Whānui and was established as a body corporate on 24th April 1996 under section 6 of Te Rūnanga o Ngāi Tahu Act 1996 (the Act). We note the following relevant provisions of our constitutional documents:

- (a) Section 3 of the Act States:

This Act binds the Crown and every person (including any body politic or corporate) whose rights are affected by any provisions of this Act.

- (b) Section 15(1) of the Act states:

Te Rūnanga o Ngāi Tahu shall be recognised for all purposes as the representative of Ngāi Tahu Whānui.

- (c) The Charter of Te Rūnanga o Ngāi Tahu (1993, as amended) constitutes Te Rūnanga as the kaitiaki of the tribal interest.

2.2 Te Rūnanga respectfully requests that this response is accorded the status and weight due to the tribal collective, Ngāi Tahu Whānui, currently comprising over 49,000 members registered in accordance with section 8 of the Act .

3. TE RŪNANGA INTERESTS IN AUDITING AND ASSURANCE FOR LARGER REGISTERED CHARITIES

3.1 Te Rūnanga has the following principal interests in Auditing and Assurance for Larger Registered Charities:

- (a) *Ngāi Tahu Charitable Trust* – As trustee of the Ngāi Tahu Charitable Trust, Te Rūnanga has responsibility to ensure the Trust operates in accordance with best practice, while ensuring it is not burdened with unnecessary costs and processes;
- (b) *Ngāi Tahu Holdings Corporation Limited* – Ngāi Tahu Holdings administers the assets owned by the Ngāi Tahu Charitable Trust and has 42 registered charitable subsidiaries (see Appendix One) which may be affected by the proposed requirements in their current form;

- (c) *Papatipu Rūnanga* – Te Rūnanga represents our 18 constituent Papatipu Rūnanga, most of whom include at least one larger registered charity in their group structure; and
- (d) *Co-operation* - Te Rūnanga also has a specific interest by virtue of the Ngāi Tahu Claims Settlement Act 1998 (the Act) that provides for Ngāi Tahu and the Crown to enter a new age of co-operation.

4. TE RŪNANGA STATEMENTS OF POSITION ON AUDITING AND ASSURANCE FOR LARGER REGISTERED CHARITIES

4.1 Te Rūnanga supports the intention to provide greater confidence to users in order that financial statements can be used for decision-making purposes, evaluating the financial performance and position of an entity and making comparisons between reporting entities.

4.2 Te Rūnanga has the following positions:

- (a) The Ngāi Tahu Charitable Trust (the Trust) has a large number of associated charitable entities (see Appendix One). The Trust has thorough audit processes which match or exceed those of publicly listed entities. Any requirement to separately audit each entity associated with the Trust would add a substantial burden to the group and not add any additional transparency or reliability to the financial reports produced.
- (b) Papatipu Rūnanga are each made up of a number of entities, both charitable and non-charitable, and are currently required to complete an annual group audit. Any requirement to separately audit each entity associated with each Papatipu Rūnanga would add a substantial burden without adding anything to the transparency and reliability of the financial reports produced.

5. RECOMMENDATIONS

5.1 Group Assurance

- (a) Te Rūnanga notes that the current proposals do not deal specifically with the possibility of larger registered charities obtaining assurance as part of a group.
- (b) Te Rūnanga recognises that requiring all larger registered charities attributable to a group of entities to complete separate assurance processes may become unnecessarily costly – both in terms of time and resources – without any corresponding increase in benefits.
- (c) Te Rūnanga considers assurance as part of a group to be entirely consistent with the objectives of increasing the quality and reliability of financial statements for larger registered charities.
- (d) As such, Te Rūnanga recommends that:
 - (i) If an entity is audited as part of a wider group audit that this will be an acceptable means of assurance for the relevant entity.

