

18 June 2024

The Council
Waitomo District Council
15 Queen St
PO Box 404
TE KUITI 3941

The Board Members
Trustees Executors Limited
Level 7
51 Shortland Street
AUCKLAND 1140

Dear Councillors and Trustees Executors Limited Board Members

Confirmation of Engagement – Limited Assurance Report in respect of the Waitomo District Council's Debenture Trust Deed

The purpose of this letter is to confirm our understanding of our mutual responsibilities arising from your request to provide a report under clause 10.2.6(a) of the Debenture Trust Deed between Trustees Executors Limited, (the Trustee) and Waitomo District Council (the 'Council') dated 6 August 2010 and as amended and restated on 10 April 2017 (the 'Trust Deed').

The purpose of this letter is to confirm the terms of our Limited Assurance Engagement and the nature of, and limitations to the services that we will provide. All services are provided subject to the terms and limitations set out in this letter (including any appendices).

Scope of the Engagement

The Auditor-General is the auditor of the Council pursuant to the Public Audit Act 2001. The Auditor-General has appointed me Matt Laing, using the staff and resources of Deloitte Limited to carry out the audit of the annual financial statements and performance information of the Council.

The objective of the audit of the annual financial statements and performance information, which is the subject of a separate letter of engagement with the Council dated 20 February 2024, (attached as Appendix A), is to report our opinion on those annual financial statements and performance information on behalf of the Auditor-General.

As auditors appointed for the audit of the annual financial statements and performance information, we are not responsible for:

- The preparation of the annual financial statements and performance information of the Council;
- Any Reporting Certificate(s) issued to the Trustee by the Council;
- The Council's compliance with the Trust Deed; or
- The obligations of the Trustee, as defined in the Trust Deed and relevant legislation, or the Trustee's execution of those responsibilities in accordance with the Trust Deed and relevant legislation.

The procedures performed when carrying out the audit of the annual financial statements and performance information of the Council are not designed to assess the Council has complied with the Trust Deed or to make an evaluation of the Reporting Certificate(s) the Council issued to the Trustee.

The scope of this Limited Assurance Engagement is to report on certain matters stated in clause 10.2.6(a) of the Trust Deed based on information obtained as a by-product of the audit of the annual financial statements and performance information of the Council for the year ending 30 June 2024.

For the purpose of providing our Limited Assurance report (Report), (example attached as Appendix B), other than as expressly stated in the section below titled "Scope of Auditor's Responsibilities", we will not perform any further procedures beyond those required to complete the audit of the annual financial statements and performance information of the Council .

In the performance of our duties as auditors, unless expressly stated, we do not perform any work at the time the Council's Reporting Certificate for the year ended 30 June 2024 is prepared. Accordingly, our statements contained in the Report in relation to the matters addressed in clause 10.2.6(a) of the Trust Deed must be viewed in that context.

Scope of the Council's Responsibilities

The Council is required to provide a copy of the annual report, which includes the audited financial statements and performance information of the Council and our audit opinion, to the Trustee under clause 10.2.1 of the Trust Deed.

The Council is responsible for preparing Reporting Certificates to the Trustee in accordance with clause 10.2.4 of the Trust Deed. The Council is responsible for such internal control as is determined necessary to ensure compliance with the requirements of the Trust Deed and also to enable the preparation of Reporting Certificates that are free from material misstatement, whether due to fraud or error.

The Council is responsible for keeping the Register and ensuring that it is separately audited in accordance with clause 4.1 and 4.2.8 of the Trust Deed.

The Council is required to comply with the full requirements of the Trust Deed, including the continuing covenants and reporting requirements.

The Council is responsible for interpreting the clauses and definitions in the Trust Deed. We make no representations as to whether these interpretations of the Trust Deed are appropriate.

Scope of the Trustee's Responsibilities

The Trustee monitors the Council's compliance under the terms of the Trust Deed. The terms of the Trust Deed were agreed by the Trustee and the Council. We are not a signatory to the Trust Deed, and we were not consulted about the terms of the Trust Deed. We therefore take no responsibility for the adequacy of the terms of the Trust Deed for monitoring the Council.

The receipt of the Report and the audited annual financial statements and performance information of the Council, and any reliance on the audit opinion contained in our auditor's report attached to those audited annual financial statements and performance information, does not relieve the Trustee of its responsibilities under the Trust Deed and relevant legislation.

The Financial Markets Authority (FMA) issued a guidance note titled "Monitoring by Securities Trustees and Statutory Supervisors"¹. This guidance note sets out the FMA's expectations about how Trustees will carry out their monitoring functions effectively. Where applicable, it is the Trustee's responsibility to meet the FMA's expectations as set out in the guidance note.

Scope of the Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we will perform and the evidence we will obtain. We will conduct our limited assurance engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the New Zealand Auditing and Assurance Standards Board. A copy of this standard is available on the External Reporting Board's website.

A limited assurance engagement is not an audit and the procedures that will be performed are substantially less than for an audit where reasonable assurance is provided. As a result, the level of assurance that will be obtained is substantially lower than the assurance that would have been obtained had an audit been performed.

We will report to you on the following specific matters under clause 10.2.6(a) of the Trust Deed:

- From our perusal of the Reporting Certificate dated 30 June 2024 given on behalf of the Council pursuant to clause 10.2.4 and, as far as matters that we will observe in the performance of our duties as auditors are concerned, whether anything is brought to our attention to indicate that the statements made in such Reporting Certificate are not materially correct.
In meeting this responsibility we will agree the total amount of all categories of stock in the Reporting Certificate dated 30 June 2024 with Link Market Services and the Local Government Funding Agency.
With reference to the other assertions the Chief Executive will make in the Reporting Certificate our procedures will be limited to talking to management and considering any issues which might have come to our attention as a by-product of our engagement to perform the audit of the annual financial statements and performance information of the Council.

¹ Please refer to the FMA website for a copy of the guidance note titled "Monitoring by Securities Trustees and Statutory Supervisors" (2013).

Whether in performing our duties as auditors, we have:

- become aware of any matters which, in our opinion, are relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee; and
- disclosed any matter that, in our opinion, calls for further investigation by the Trustee in the interests of the Stockholders.

In meeting this responsibility, our procedures will be limited to talking to management and considering any issues which might come to our attention as a by-product of the audit of the annual financial statements and performance information of the Council.

- As at the end of the financial year, from the audit procedures performed as part of the audit of the annual financial statements and performance information of the Council, whether anything came to our attention to indicate that, in all material respects, principal money due and payable on the Stock and interest due and payable on the Stock, had not been paid.

We will not test that each individual Stockholder has received all monies due and payable to them.

- Whether the Council 's agents have maintained the Register in accordance with the requirements of the Trust Deed.

The Council is responsible for maintaining the Register and ensuring it is separately audited in accordance with clause 4.1 and 4.2.8 of the Trust Deed.

We will not audit the Register for the year ended 30 June 2024. Our procedures will be limited to asking the Council for a copy of the audit report about the audit of the Register.

- As at 30 June 2024 :
 - the amount of Stock and how much is Security Stock and Bearer Stock; and
 - the Principal Money owing or secured under the Stock distinguishing between Security Stock and other categories of Stock.

In meeting this responsibility, we will agree the total of all categories of Stock with Link Market Services and the Local Government Funding Agency. We will not test that each individual Stockholder has received all monies due and payable to them.

Our Limited Assurance Engagement to provide the Report will be completed in accordance with the scope defined in this letter and any reliance on the Report can only be in the context of the scope as defined. The Report will therefore not be suitable for any other purpose.

Inherent limitations

We will report to you as accountants, not lawyers. Accordingly, we are not aware of all the powers and duties of trustees which may exist in statute, regulation, case law, legal precedent or otherwise.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement will not be performed continuously throughout the period and the procedures performed in respect of the Council's compliance with the Trust Deed will be undertaken on a test basis (that is, we will not check every transaction), our Report cannot be relied on to detect all instances where the Council may not have complied with the requirements of the Trust Deed. Our Conclusion will be formed on the above basis.

Restricted use

Our Report will be addressed to the Council and the Trustee. This Report has been prepared solely for the Council and the Trustee in accordance with the requirements of clauses 10.2.6(a) of the Trust Deed. We disclaim any assumption of responsibility for any reliance on this report to any persons other than the Council and the Trustee or for any purpose other than that for which it was prepared.

Our Report is not to be copied or made available (in whole or in part), or recited or referred to in any document, made available to any other person, without our prior written consent except as may be required by law. In addition, we will take no responsibility for, nor do we report on, any part of the Trust Deed not specifically mentioned in the report.

Independence and quality control

We will comply with the Auditor-General's:

- Independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- Quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 issued by the New Zealand Auditing and Assurance Standards Board.

Timetable

Our work will be completed concurrently with the audit of the annual financial statements and performance information. We will complete our Report as soon as possible once the Council has signed the annual financial statements and performance information and provided us with the Reporting Certificate given on behalf of the Council pursuant to clause 10.2.4 of the Trust Deed.

Health and Safety

The Auditor-General and Deloitte Limited take seriously their responsibility to provide a safe working environment for their staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our staff safe while they are working at your premises. We expect you to provide a work environment for our staff that is without risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

The Council recognises and accepts its legislative responsibilities to provide a safe and healthy workplace for its staff at work or where they may be conducting work activities. All staff members are required to take reasonable care for the health and safety of themselves and others who may be affected by their actions or omissions whilst at work or conducting work activities. Before commencement of work at a client site, staff are required to familiarise themselves with and follow the Health and Safety practices and emergency procedures in place.

Audit tools

You agree that, for the purpose of providing the services covered by this letter, we may use third parties, wherever located, to store and process information received from you or your agents; provided that such third parties are bound by confidentiality obligations similar to those contained in the Code of Conduct. For example, Deloitte Limited uses a cloud services platform (currently Microsoft Azure), to host an integrated suite of audit tools which may be used as part of our engagement with you.

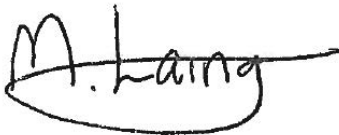
Fees

The fee will be payable by the Council for this Limited Assurance Engagement. The total fee is estimated to be \$8,025.

Agreement

If you have any questions about this letter, please contact me. Please confirm your agreement to the terms and limitations of this engagement letter by signing below and returning a copy to us.

Yours faithfully

A handwritten signature in black ink that reads "M. Laing". The signature is written in a cursive style with a long horizontal stroke extending to the right from the end of the name.

Matt Laing
For Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand

The Council Acceptance

The Council confirms and accepts the engagement of Deloitte Limited to provide the services on the terms and conditions set out in this engagement letter.

(Signature)

(Name)

(Position)

Trustee Acceptance

Trustees Executors Limited as Trustee for the Council confirms and accepts the engagement of Deloitte Limited to provide the services on the terms and conditions set out in this engagement letter.

Trustees Executors Limited has entered into this letter of engagement in its capacity as Trustee of the Council and accordingly its liability shall not be personal and unlimited but shall be limited to the assets of the Council available to it from time to time in that capacity.

(Signature)

(Name)

(Position)



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Hamilton 3216

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Waikato Mail Centre
Hamilton 3240
New Zealand

Tel: +64 838 4800

20 February 2024

The Councillors
Waitomo District Council
PO BOX 404
TE KUITI

Dear Councillors,

AUDIT ENGAGEMENT LETTER

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all “public entities”, including Waitomo District Council, under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, under section 32 and 33 of the Act, to carry out the annual audits of the Waitomo District Council (the District Council) and its subsidiaries and controlled entities (the Group) financial statements and performance information. We will be carrying out this annual audit on the Auditor-General’s behalf, for the year ending 30 June 2024.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Mayor and Councillors (“Council”) and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Council’s and the Group’s financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit. Typically those matters will relate to issues of financial management and accountability.

We will carry out the audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the District Council’s and the Group’s financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

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Your responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
 - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
- all other information, in addition to the financial statements and performance information, to be included in the annual report;
- additional information that we may request from the Waitomo District Council for the purpose of the audit;
- unrestricted access to Council members and employees that we consider necessary; and
- written confirmation concerning representations made to us in connection with the audit.

In addition, the Council is responsible

- for the preparation of the summary financial statements and summary performance information;
- for making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- for including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within the Waitomo District Council, with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred - regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Annex 1. Annex 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of Waitomo District Council and the Group:

- present fairly, in all material respects:
- its financial position as at 30 June 2024; and
- the results of the operations and cash flows for the year then ended;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement, presents fairly, in all material aspects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's Annual Plan.

We are also responsible for forming an independent opinion on whether the performance information of Waitomo District Council:

- presents fairly, in all material respects, the performance for the year ended 30 June 2024, including:
- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service;
- complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's Annual Plan; and
- the funding impact statement for each group of activities, presents fairly, in all material aspects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's Long-term plan.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. 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 the Auditing Standards.

During the audit, we 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 Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Council and the District Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of the District Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Council and the District Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

You agree that, for the purpose of providing the services covered by this letter, we may use third parties, wherever located, to store and process information received from you or your agents; provided that such third parties are bound by confidentiality obligations similar to those contained in the Terms. For example, Deloitte uses a cloud services platform (currently Microsoft Azure), to host an integrated suite of audit tools which may be used as part of our engagement with you.

In the delivery of services we may engage other Deloitte Network Firms to assist with certain aspects of this engagement. We will at all times remain responsible for the work undertaken in the delivery of those services to you.

Our independence

It is essential that the audit team and Deloitte Limited remain both economically and attitudinally independent of Waitomo District Council; including being independent of management personnel and members of the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Deloitte Limited.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and myself or Deloitte Limited.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report. In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a management letter that will be sent to the Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other management letters to the Waitomo District Council from time to time. We will inform the Council of any other management letters we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the enclosed copy of the letter in the space provided and returning it to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M. Laing', written over a faint horizontal line.

Matt Laing
Appointed Auditor
On behalf of the Auditor-General

CLIENT ACCEPTANCE

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.


(Signature)

John Robertson
(Name)

Mayor
(Position)

22/05/2024
(Date)

Annex 1 – Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities for the financial statements and performance information	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> -present fairly, in all material respects: <ul style="list-style-type: none"> - the financial position as at 30 June 2024; and - the results of the operations and cash flows for the year then ended; -comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards. -the funding impact statement, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's Annual Plan; <p>We are also responsible for forming an independent opinion on whether the performance information of Waitomo District Council:</p> <ul style="list-style-type: none"> - presents fairly, in all material respects, the performance for the year ended 30 June 2024, including: <ul style="list-style-type: none"> - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and - the reasons for any significant variation between the levels of service achieved and the intended levels of service. -complies with generally accepted accounting practice in New Zealand; and -the statement about capital expenditure for each group of activities, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's Annual Plan; and -the funding impact statement for each group of activities, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared

	<p>to the information included in the Council's Long-term plan.</p> <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p> <p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p> <p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none">- the appropriateness of accounting policies used and whether they have been consistently applied;- the reasonableness of the significant accounting estimates and judgements made by those charged with governance;- the appropriateness of the content and measures in any performance information;- the adequacy of the disclosures in the financial statements and performance information; and- the overall presentation of the financial statements and performance information. <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none">- the adoption of the going concern basis of accounting is appropriate;- all material transactions have been recorded and are reflected in the financial statements and performance information;
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	<ul style="list-style-type: none"> - all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and - uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p> <p>The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.</p>
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Responsibilities for the accounting records	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> - correctly record and explain the transactions of the public entity; - enable you to monitor the resources, activities, and entities under your control; - enable the public entity's financial position to be determined with reasonable accuracy at any time; - enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and - are in keeping with the requirements of the Commissioner of Inland Revenue. 	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

Responsibilities for accounting and internal control systems	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the public entity), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and - where applicable - performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p>

	We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.
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Responsibilities for preventing and detecting fraud and error	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the public entity) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the Waitomo District Council with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> - obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and - report to you any significant weaknesses in internal control that come to our notice. <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>

Responsibilities for compliance with laws and regulations	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for ensuring that the public entity has systems, policies, and procedures (appropriate to the size of the public entity) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the public entity are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> - the relevance of the law or regulation to the audit; - our assessment of the risk of non-compliance;

	<ul style="list-style-type: none"> - the impact of non-compliance for the addressee of the audit report <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>
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Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the public entity may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p> <p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>

Responsibilities for conflicts of interest and related parties	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions.</p>

<p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>
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Responsibilities for publishing the audited financial statements on a website	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>

Annex 2 – Health and safety of audit staff

The Auditor-General and Audit Service Providers take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

Appendix B: Example Report**Independent Assurance Report****To Waitomo District Council and to Trustees Executors Limited
in respect of Waitomo District Council's Debenture Trust Deed for the year ended 30 June 2024**

The Auditor-General is the auditor of Waitomo District Council (The Council) pursuant to the Public Audit Act 2001. The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited to undertake a limited assurance engagement, on his behalf, as required by clause 10.2.6(a) of the Debenture Trust Deed dated 6 August 2010 and as amended and restated in 10 April 2017 (the Trust Deed), for the year ended 30 June 2024.

Councillors Responsibilities

The Council is required to provide a copy of the annual report, which includes the audited financial statements and performance information of the Council and our audit opinion, to the Trustees Executors Limited (Trustee) under 10.2.1 of the Trust Deed.

The Council is responsible for preparing Reporting Certificates to the Trustee in accordance with clause 10.2.4 of the Trust Deed. The Council is responsible for such internal control as is determined necessary to ensure compliance with the requirements of the Trust Deed and also to enable the preparation of Reporting Certificates that are free from material misstatement, whether due to fraud or error.

The Council is responsible for keeping the Register and ensuring that it is separately audited in accordance with clauses 4.1 and 4.2.8 of the Trust Deed.

The Council is required to comply with the full requirements of the Trust Deed, including the continuing covenants and reporting requirements.

The Council is responsible for interpreting the clauses and definitions in the Trust Deed. We make no representations as to whether these interpretations of the Trust Deed are appropriate.

Trustee's Responsibilities

The Trustee monitors the Council's compliance under the terms of the Trust Deed. The terms of the Trust Deed were agreed by the Trustee and the Council. We are not a signatory to the Trust Deed, and we were not consulted about the terms of the Trust Deed. We therefore take no responsibility for the adequacy of the terms of the Trust Deed for monitoring the Council.

The receipt of this limited assurance report (Report) and the audited financial statements and performance information of the Council, and any reliance on the audit opinion contained in our auditor's report attached to those audited financial statements and performance information, does not relieve the Trustee of its responsibilities under the Trust Deed and relevant legislation.

The Financial Markets Authority (FMA) issued a guidance note titled "Monitoring by Securities Trustees and Statutory Supervisors"². This guidance note sets out the FMA's expectations about how Trustees will carry out their monitoring functions effectively. Where applicable, it is the Trustee's responsibility to meet the FMA's expectations as set out in the guidance note.

² Please refer to the FMA website for a copy of the guidance note titled "Monitoring by Securities Trustees and Statutory Supervisors" (2013).

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the New Zealand Auditing and Assurance Standards Board. A copy of this standard is available on the External Reporting Board's website.

A limited assurance engagement is not an audit and the procedures that have been performed are substantially less than for an audit where reasonable assurance is provided. As a result, the level of assurance that has been obtained is substantially lower than the assurance that would have been obtained had an audit been performed.

The procedures performed when carrying out the audit of the annual financial statements and performance information of the Council are not designed to assess whether the Council has complied with the Trust Deed or to make an evaluation of the Reporting Certificate(s) the Council issued to the Trustee.

The scope of this limited assurance engagement is to report on certain matters stated in clause 10.2.6(a) of the Trust Deed based on information obtained as a by-product of our engagement to perform the audit of the annual financial statements and performance information of the Council for the year ended 30 June 2024.

For the purpose of providing our Report, unless expressly stated, we have not performed any further procedures beyond those required to complete our engagement to perform the audit of the annual financial statements and performance information of the Council.

In the performance of our duties as auditors, unless expressly stated, we do not perform any work at the time the Reporting Certificate for the year ended 30 June 2024 is prepared by the Council. Accordingly, our statements contained in the Report in relation to the matters addressed in clause 10.2.6(a) of the Trust Deed must be viewed in that context.

Our responsibility under clause 10.2.6(a) of the Trust Deed is to:

- From our perusal of the Reporting Certificate dated [insert date] given on behalf of the Council pursuant to clause 10.2.4 and, as far as matters that we will observe in the performance of our duties as auditors are concerned, report whether anything is brought to our attention to indicate that the statements made in such Reporting Certificate are not materially correct.

In meeting this responsibility we agreed the total amount of all categories of Stock in the Reporting Certificate dated [insert date] with Link Market Services and the Local Government Funding Agency.

With reference to the other assertions made by the Chief Executive in the Reporting Certificate our procedures have been limited to talking to management and considering any issues which might have come to our attention as a by-product of our engagement to perform the audit of the annual financial statements and performance information of the Council.

- Report whether, in performing our duties as auditors, we have:
 - become aware of any matters which, in our opinion, are relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee; and
 - disclosed any matter that, in our opinion, calls for further investigation by the Trustee in the interests of the Stockholders.

In meeting this responsibility, our procedures have been limited to talking to management and considering any issues which might have come to our attention as a by-product of our engagement to perform the audit of the annual financial statements and performance information of the Council.

- Report, as at the end of the financial year, from the audit procedures performed as part of our engagement to perform the audit of the annual financial statements and performance information of the Council, whether anything came to our attention to indicate that, in all material respects, principal money due and payable on the Stock and interest due and payable on the Stock, had not been paid.

We have not tested that each individual Stockholder has received all monies due and payable to them.

- Report whether the Council's agents have maintained the Register in accordance with the requirements of the Trust Deed.

The Council is responsible for maintaining the Register and ensuring it is separately audited in accordance with clauses 4.1 and 4.2.8 of the Trust Deed.

The audit of the Register is a separate engagement in the same way the engagement to perform the audit of the annual financial statements and performance information is a separate engagement.

Our procedures were limited to asking the Council for a copy of the audit report about the Register.

- Report as at 30 June 2024:

- the amount of Stock and how much is Security Stock and Bearer Stock; and
- the Principal Money owing or secured under the Stock distinguishing between Security Stock and other categories of Stock.

In meeting this responsibility, we have agreed the total of all categories of Stock with Link Market Services and the Local Government Funding Agency. We have not tested that each individual Stockholder has received all monies due and payable to them.

Inherent limitations

We report to you as accountants, not lawyers. Accordingly we are not aware of all the powers and duties of trustees which may exist in statute, regulation, case law, legal precedent or otherwise.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the period and the procedures performed in respect of the Council's compliance with the Trust Deed are undertaken on a test basis (that is, we do not check every transaction), our Report cannot be relied on to detect all instances where the Council may not have complied with the requirements of the Trust Deed. Our Conclusion has been formed on the above basis.

Restricted use

This Report has been prepared solely for the Council and the Trustee in accordance with the requirements of clause 10.2.6 of the Trust Deed. We disclaim any assumption of responsibility for any reliance on this report to any persons other than the Council and the Trustee or for any purpose other than that for which it was prepared.

Limited Assurance Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that:

- The statements made by the Council in the Reporting Certificate dated [insert date] pursuant to clause 10.2.4 are materially incorrect (Reporting Certificate dated [insert date] is given in appendix one).
- There are any matters which, in our opinion, are relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee;
- There are any matters that, in our opinion, calls for further investigation by the Trustee in the interests of the Stockholders;
- In all material respects, that the Council has not paid all principal money due and payable on the Stock and all interest due and payable on the Stock.

Our limited assurance engagement was completed on [insert date] and our conclusion is expressed as at that date.

The Register and Stock

The Council has provided us with a copy of the audit report about the Register(s). Please refer to appendix two for a copy of the audit report about the Register(s).

Based on the work described in this Report, as at 30 June 2024 the following balances are given:

○	Total stock of	xxxx
This is comprised of:		
○	Security stock of	xxxx
○	Bearer stock of	xxxx
○	Other stock of	xxxx
○	Security stock (Local Government Funding Agency stock) of	xxxx

Based on the work described in this Report, as at 30 June 2024 the following balances are given:

○	Total Principal Money owing and secured under the stock of	xxxx
This is comprised of:		
○	Security stock of	xxxx
○	Bearer Stock of	xxxx
○	Other stock of	xxxx
○	Security stock (Local Government Funding Agency stock) of	xxxx

The Council is one of a group of guarantors of the Local Government Funding Agency. As at 30 June 2024 the Council had x,xxx,xxk units of Security Stock on issue associated with the guarantee.

The difference between Security Stock on issue associated with the guarantee and total borrowings of the Local Government Funding Agency at 30 June 2024 is as follows:

x,xxx,xxxk	units of Security Stock on issue associated with the guarantee
xx,xxxk	accrued interest
(xxx,xxx)k	Treasury Stock ³ held by the Local Government Funding Agency
xx,xxxk	Treasury Stock lent to the market via repurchase agreements by the Local Government Funding Agency
x,xxx,xxxk	Total borrowings of the Local Government Funding Agency at 30 June 2024

The Reporting Certificate dated [insert date] (attached) requires the Council to report Security Stock (issued with a floating nominal amount) no more than 5 business days before the date of the Reporting Certificate. The Council has x,xxx,xxxk units of Security Stock on issue associated with the guarantee at that date. This value includes xxx,xxxk of Treasury Stock held by the Local Government Funding Agency and excludes accrued interest. The Local Government Funding Agency may have lent an amount of the Treasury Stock to the market via repurchase agreements.

Independence and quality control

We complied with the Auditor-General’s:

- Independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- Quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this engagement, we performed the annual audit of the Council’s annual financial statements and performance information, and assurance engagement(s) on the Council’s consultation document and long-term plan. Other than these engagements, we have no relationship with or interests in the Council or any of its subsidiaries or the Trustee.

Matt Laing
For Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand

³ Treasury Stock is stock which is bought back by the issuing entity reducing the amount of outstanding stock on the open market. When an entity repurchases its stock, it reduces its liabilities.

Appendix one

Copy of the reporting certificate dated [insert date]

[Insert copy of reporting certificate]

Appendix two

Copy of the audit report about the Register

[Insert copy of audit report about the Register]

Master Terms of Business

1. This Agreement

1.1 This Agreement sets out the terms on which we will provide Services to you.

2. Our Services

2.1 We will provide the Services described in the Letter. We will use all reasonable efforts to complete the Services within any agreed time frame but time frames are not legally binding.

2.2 Except as expressly agreed in writing before providing a particular Service, the Services do not include:

- (a) financial reporting;
- (b) investment or financial advisory services regulated under the Financial Markets Conduct Act 2013;
- (c) advice regarding the financial accounting treatment of any transaction;
- (d) any opinion on the achievability of prospective financial information;
- (e) legal advice or legal due diligence services;
- (f) detection of irregularities, errors, fraud or misrepresentation (and accordingly we do not accept responsibility for detecting irregularities, errors, fraud or misrepresentation whether by directors, management, staff or external parties);
- (g) the use by you of our address for any business purpose (including as a registered office);
- (h) responsibility for updating our Work following the date of our Work, or notifying you of any changes in laws or regulations following completion of our Work which could impact your use of, or reliance on, the Work; or
- (i) receipt or storage of the sole copy of original documents you are required to keep at law.

2.3 We will use reasonable efforts to ensure that our Representatives named in the Letter provide the Services. However, we may replace or reassign any Representative at any time with a Representative of similar skill.

3. About Deloitte

3.1 We are a Deloitte Network Firm. You acknowledge that:

- (a) each Deloitte Network Firm is a separate and independent legal entity;
- (b) the Services are provided to you by us and not by any other Deloitte Network Firm, (even if we use

other Deloitte Network Firms to help us to provide the Services in accordance with clause 3.2 below); and

(c) no Deloitte Network Firm is liable for any other Deloitte Network Firm's acts or omissions, except as expressly set out in clause 3.2 below.

3.2 Sometimes we may use other Deloitte Network Firms or reputable third party providers to help us to provide the Services and Representatives from those Deloitte Network Firms or third party providers may be in contact with you directly for that purpose. If we use other Deloitte Network Firms or third party providers, we alone will be responsible to you for any work undertaken by them.

3.3 To the extent permitted by law, you agree that:

- (a) no other Deloitte Network Firm or any of our Representatives will have any liability to you (whether in contract, tort (including negligence) or otherwise) under or in connection with this Agreement and/or the Services; and
- (b) you will not bring any claim, demand or proceedings under or in connection with this Agreement and/or the Services against any other Deloitte Network Firm or any of our Representatives.

3.4 We are required to comply with all applicable by-laws, rules, regulations, professional and ethical standards and membership obligations of Chartered Accountants Australia and New Zealand (**CA ANZ**) and the New Zealand Institute of Chartered Accountants (**NZICA**). Information is available on the CA ANZ website.

4. Our Work

4.1 Our Work is for your exclusive use and must be used by you only for the Purpose. Unless we give our consent:

- (a) our Work must not be used for any other Purpose or made available to anyone else, except your Professional Advisers;
- (b) our Work may not be relied on by anyone other than you; and
- (c) you must not name us or refer to us, our Work or Services in any written materials, other than to your Professional Advisers, in any publicly filed documents, or as required by law.

4.2 If you provide a copy of any Work to any of your Professional Advisers, or any other person with our consent, you must ensure that they are aware of and comply with the limits placed on the use and

disclosure of our Work (including that they may not rely on the Work) and treat our Work as confidential.

- 4.3 You acknowledge that use of or reliance on our Work by a person other than you may expose us, our Representatives and Deloitte Network Firms to a claim from a person with whom we have no relationship or whose interests we have not considered in providing the Services. You will indemnify us, our Representatives and/or Deloitte Network Firms (collectively, “**Indemnified Parties**”) against any Loss the Indemnified Parties suffer or incur as a result of any distribution to, use of and/or reliance on, any Work by a third party, except to the extent such Loss arises from the fraudulent act of an Indemnified Party, or to the extent such indemnity is prohibited by law or statutory duty.
- 4.4 The signed copy of our Report is the definitive version of our advice, subject to any qualifications in that version. You may not rely on any other Work or oral comments or advice unless confirmed in writing. We do not undertake to update any Report after we have issued the final Report to you.
- 4.5 To comply with our professional standards we must retain as our own property our Work, together with copies of all Information provided to us in the course of us performing the Services. In the absence of other statutory or regulatory requirements or instructions from you, it is our normal practice to destroy correspondence and other papers that are more than seven years old.
- 4.6 We take our ethical obligations seriously. We have internal anti-bribery and corruption policies that outline the requirements applicable to our operations under anti-bribery and corruption laws, including but not limited to applicable New Zealand laws, the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act 2010.
- 4.7 We also have procedures in place to ensure we comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, applicable trade controls laws and audit independence obligations. We may have obligations to undertake due diligence on you in order to provide, or continue to provide, Services to you under this Agreement. If you are an entity, this may include information on your ownership and management structure, and ultimate owners. You agree to assist us to comply with these obligations.

5. Our Fees

- 5.1 The Fees and the basis on which they are calculated are set out in the Letter. Any estimate of the Fees for

the Services will be based upon our assessment of the work involved, taking account of any assumptions set out in the Letter. Unless we have agreed otherwise in the Letter, our Fees may be adjusted if the Services prove more complex or time consuming than expected. We reserve the right to vary the Fees where:

- (a) an Unexpected Event occurs; or
- (b) there is a change in the scope of the Services we provide to you (including as a result of an Unexpected Event); or
- (c) you do not accept this Agreement within three months of the date of the Letter.

- 5.2 You agree to pay us:

- (a) the Fees for the Services plus GST (if applicable);
- (b) any expenses we incur in providing the Services to you, such as travel costs. We will charge these expenses to you at cost and tell you about them beforehand if they are anything other than incidental; and
- (c) all reasonable costs and expenses (including internal time costs and legal costs) we suffer or incur to provide information to any third party at your request or on your behalf, including following completion of the Services.

- 5.3 You also agree to pay us for all direct costs and expenses (including internal time costs and legal costs) on an indemnity basis we reasonably suffer or incur if we are required to provide information about you or the Services to comply with (or challenge) any statutory obligation, court order or compulsory process. This includes, without limitation, any information required to be provided to a regulator or supervisor (such as the Financial Markets Authority, Commerce Commission, Department of Internal Affairs or Reserve Bank of New Zealand) or other government agency (such as the Serious Fraud Office or the New Zealand Police). Your obligation under this clause applies whether or not we are permitted to make you aware of such a requirement to provide information.

- 5.4 Fee estimates are indicative only and are not legally binding.

- 5.5 We will generally invoice you monthly in arrears. You agree to pay any undisputed portions of our invoice within 30 days of the date of the invoice even if there is a dispute between the parties about that invoice or another invoice. Where amounts remain due and unpaid we may charge you related collection costs (including legal fees) and interest at an annual rate of 8% over the Official Cash Rate of

the Reserve Bank of New Zealand ruling on the date payment is due.

- 5.6 We may suspend or terminate our Services or withhold any information or any Work if you do not pay our invoices on time unless there is a genuine dispute relating to an invoice. If permitted by law and/or professional standards, we may exercise a lien over all information or Work in our possession in relation to the Services provided under this Agreement until all outstanding fees and expenses are paid in full.

6. What You agree to do

6.1 You are responsible for:

- (a) determining that the Services described in the Letter are adequate for your particular purposes and needs;
- (b) providing us with all reasonable and necessary assistance so that we can provide the Services to you, such as timely and reasonable access to your premises, facilities, networks, Information and Representatives;
- (c) designating one or more competent Representatives who possess suitable skill, knowledge, and/or experience to oversee the Services;
- (d) making timely decisions in connection with the Services;
- (e) providing us with accurate and complete Information which we will rely on without verification;
- (f) providing us with all Information that is relevant to the Services, even if the same Information has been given to us previously during another engagement;
- (g) updating any Information where there has been a material change to that Information;
- (h) operating and managing all accounting, internal control or management information systems (unless you expressly engage us to do so in writing); and
- (i) any other responsibilities you agree to, including those set out in the Letter.

6.2 You acknowledge that:

- (a) our ability to provide the Services depends on you meeting your responsibilities under this Agreement; and
- (b) we will rely on your Information, the decisions you make and any approvals you give.

- 6.3 Should you wish any of our Representatives to attend your board meetings and contribute in an advisory role, you agree that doing so does not in any way entail our Representatives acting in the capacity of a director. Your board and management remain solely responsible for all aspects of governance, oversight and all decisions in relation to your business.

7. Our Limitation of Liability

- 7.1 To the extent permitted by law, our aggregate liability to you (including of all our partners, directors, staff and contractors) under or in connection with this Agreement (whether in contract, tort (including negligence) or otherwise) is limited to five times the amount of the Fees paid and payable in respect of the Services. In the case of continuous Services provided by us, "the Fees" means the fees charged by us for the relevant Services in the twelve months preceding the occurrence of the event, act or omission giving rise to the claim.
- 7.2 The limit of liability set out above applies to all Addressees as a group. You agree not to dispute the limit if you are unable to agree on how it will be allocated between you.
- 7.3 We will only be liable to you for the proportion of the legally payable amounts that we have caused. We will not be liable for any Loss to the extent it is caused by an Unexpected Event.
- 7.4 We will not be liable for any Consequential Loss.
- 7.5 If you are not satisfied with our Services, you will provide us with the opportunity to re-perform them or resolve the issues that have arisen before taking any further action.
- 7.6 Any claim against us must be brought within two years of the occurrence of the event, act or omission giving rise to the claim.

8. Conflict of Interest

- 8.1 We have relationships with many clients. If, after this Agreement starts, we identify circumstances that could cause us to have a conflict of interest, we will evaluate the potential conflict. If we are able to apply appropriate safeguards to manage the conflict, we will inform you and seek your consent to continue to act for you. However, you acknowledge that we may need to terminate this Agreement if we are unable to resolve or manage a conflict of interest to our satisfaction or if you do not consent to the way in which we have proposed to manage the conflict.

9. Termination

- 9.1 Either party may terminate this Agreement:
- (a) at any time by giving the other party written notice; or
 - (b) immediately if the other party becomes insolvent or otherwise ceases to carry on business or commits any material breach of this Agreement that is either incapable of being remedied or is not remedied within 14 days of receipt of a notice requiring the breach to be remedied.
- 9.2 If this Agreement is terminated, you agree to pay us the Fees for any Work we have done, and any other agreed amounts or expenses we have incurred, up to the date of termination. You also agree to pay us any costs or expenses payable pursuant to clause 5.2(c), whether before or after the date of termination.
- 9.3 Any provision of this Agreement that is expressly or by implication intended to survive termination will survive, including clause 3, *About Deloitte*; clause 4, *Our Work*; clause 5, *Our Fees*; clause 9.2, *Termination*, clause 11, *Confidentiality*; clause 13, *Intellectual Property*; clause 15, *Dispute Resolution* and clause 16, *General*.
- 9.4 We may retain your information during and after our engagement to comply with our legal requirements or as part of our regular IT back-up and archiving practices and also for professional reasons (e.g. to perform the Services under this Agreement or to comply with our professional and ethical obligations). We will continue to hold such information confidentially in accordance with the terms of this Agreement.

10. Tax Services

- 10.1 Where we provide Tax Advice to you in written form on a confidential basis that written Tax Advice may qualify as a 'tax advice document' that is not required to be disclosed to the Inland Revenue in terms of the Tax Administration Act 1994. We do not place any limitations on your disclosure of such Tax Advice. However if you choose to disclose such Tax Advice your rights to claim non-disclosure may be forfeited.
- 10.2 Under the applicable tax legislation, it is the taxpayer who has the ultimate responsibility for the correctness of the tax returns. For this reason you agree that:
- (a) the responsibility for the accuracy and completeness of the return(s) remains with you. An authorised representative will be required to review and sign the return(s) prior to filing with Inland Revenue;

- (b) the preparation by us of the return(s) does not result in the expression of an audit or review opinion or provide any other form of assurance on the respective return(s); and
- (c) no reference will be made by us to further source documentation or invoices to substantiate the Information supplied by you.

- 10.3 The Services are not binding on any government, tax or other regulatory authority or the courts of any jurisdiction. We do not guarantee that any government, tax or other regulatory authority or court will agree with the Tax Advice provided to you in connection with the Services. The Services will be performed taking into account relevant tax legislation in force at the time the Services are provided to you. Any changes in the applicable tax legislation after the Services have been provided to you may affect the validity or correctness of the Tax Advice provided. We are under no responsibility to inform you of any such changes.

11. Confidentiality

- 11.1 Each party agrees to protect and keep confidential any Confidential Information that is given to it by the other party.
- 11.2 We will only use or disclose your Confidential Information to provide the Services to you and we may also disclose your Confidential Information:
- (a) to other Deloitte Network Firms, our Representatives, and service providers, who will only process, use and/or disclose it in order for us to provide the Services to you;
 - (b) as required by law, quality review processes of DTTL, the Financial Markets Authority, NZICA or other professional bodies, or as required by our professional obligations which include "non-compliance with laws and regulations" obligations (and where such non-compliance poses substantial harm may require disclosure of the matter to an appropriate level of your management, those charged with your governance, and/or an appropriate authority);
 - (c) to our own professional advisers and insurers on a confidential basis; or
 - (d) to anyone else, on a confidential basis, where you agree first that we may do so.
- 11.3 You agree that we may:
- (a) aggregate your Information and use and disclose that Information in de-identified form as part of research and advice, including benchmarking services; and

- (b) use your name and the performance of the Services in (i) marketing, proposal and publicity materials as an indication of our experience; and (ii) in our internal data systems.
- 11.4 Subject to clauses 4.5, 5.6 and 12.1, we will return your Confidential Information, or destroy it, at any time at your request.

12. Personal Information and Electronic Communication

- 12.1 We will collect, store, process, transfer and disclose any Personal Information provided to us in connection with the Services in accordance with the Privacy Act 2020. This includes any Personal Information provided to us for the purposes of compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 prior to providing the Services to you. Please refer to our Privacy Policy (available at our website www.deloitte.co.nz) for details of your rights to access and request correction of any Personal Information that we hold about you.
- 12.2 You will only provide Personal Information required by us to provide the Services. If you provide us with any Personal Information of a third party, you confirm that you have collected that Personal Information in accordance with the Privacy Act 2020 and the individual concerned has:
- (a) authorised the disclosure to and use of their Personal Information by us in accordance with clause 12.1; and
 - (b) has been informed of their right to access and request correction of their Personal Information.
- 12.3 You authorise us to communicate with you and others electronically. If you have any doubts about the authenticity of any communication or document purportedly sent by us, please contact us immediately.

13. Intellectual Property

- 13.1 Unless we agree otherwise, we will retain ownership of the Intellectual Property in our Work and, other than Reports, we have no obligation to provide our Work to you or any other person.
- 13.2 Subject to payment of our Fees and other charges, we give you a royalty-free, perpetual, world-wide licence to use and reproduce any Reports for the Purpose.
- 13.3 You agree we can use your logos and marks on our Work, unless you tell us otherwise.

14. Health and safety

- 14.1 You agree to comply with the HSW Act and all regulations, rules, standards, approved codes of practice and any other applicable law relating to health and safety.
- 14.2 You agree to identify and advise us and our Representatives of all hazards which arise in your workplace and which may present a risk to Representatives while providing the Services. You agree to manage those risks, so far as is reasonably practicable, by either eliminating or mitigating those risks. We may suspend our Services where we consider there is a risk to the health and safety of our Representatives either in your workplace or as a result of continuing to provide Services. If you cannot eliminate or mitigate such risk after Services are suspended, we shall be entitled to terminate our Services.
- 14.3 You agree to notify WorkSafe New Zealand and us of any notifiable event (as defined in the HSW Act) arising out of the conduct of your business which concerns any Representative.
- 14.4 We agree to consult, co-operate and co-ordinate activities where we share health and safety duties in relation to the same matters.

15. Dispute Resolution

- 15.1 Each party agrees to use reasonable endeavours to resolve any dispute that arises in connection with this Agreement by mediation before bringing a legal claim or starting legal proceedings against the other. Nothing in this clause 15, *Dispute Resolution*, prevents either of us from taking immediate steps to seek interlocutory, equitable or other urgent relief before a New Zealand court.

16. General

- 16.1 This Agreement is the entire agreement between the parties. It supersedes all prior communications, negotiations, undertakings, arrangements and agreements, either oral or written between the parties. Any changes to this Agreement must be agreed to in writing by each party. Any terms and conditions included or referred to in a purchase order issued by or on behalf of you in relation to the Services will not be binding on us or limit or supersede this Agreement in any way.
- 16.2 For the purposes of section 5D of the Fair Trading Act 1986 (FTA), we both acknowledge and agree that we are contracting out of sections 9, 12A and 13 of the FTA in respect of all matters covered by this Agreement.

- 16.3 To the extent permitted by law, we exclude all warranties, representations, conditions and terms, either express or implied, in relation to the Services.
- 16.4 If there is any conflict between these Terms and any other part of this Agreement, the following order of priority will apply: (i) the Letter; (ii) the Annexure; and (iii) these Terms.
- 16.5 Subject to clause 16.6, neither party may transfer, subcontract, assign or novate this Agreement without the prior written consent of the other party.
- 16.6 We may without your consent transfer, subcontract, assign or novate our rights and/or obligations under this Agreement to any entity in Deloitte New Zealand and we may subcontract to any Deloitte Network Firm in accordance with clause 3.2.
- 16.7 Each party agrees that, during the term of this Agreement and for a period of six months after it ends, neither party will directly or indirectly solicit for employment a Representative of the other party. However, each party may advertise or recruit generally in the media.
- 16.8 We are engaged as an independent contractor. Except to the extent specified in the Letter:
- (a) neither party is an agent or representative of or has the authority to bind the other party; and
 - (b) this Agreement is not intended to constitute a partnership, agency, employment, joint venture or fiduciary relationship between the parties.
- 16.9 If any of the terms of this Agreement are not legally enforceable then that term or the relevant part of it will either be amended, where possible, to make it enforceable or ignored, but in all other respects this Agreement will have full effect.
- 16.10 A waiver by one party of a breach by the other party of any term of this Agreement does not operate as a waiver of another term or a continuing breach by the other party of the same or any other term of this Agreement.
- 16.11 Where this Agreement refers to our Representatives or Deloitte Network Firms, it is intended to confer a benefit on each Representative and Deloitte Network Firm, enforceable by them, in terms of the Contract and Commercial Law Act 2017, Part 2, Subpart 1 and the law of any relevant jurisdiction.
- 16.12 Each party will, within a reasonable time of being requested by the other party, do all things and execute all documents that are reasonably necessary to give full effect to this Agreement.

- 16.13 This Agreement is governed by the laws of New Zealand and each party submits to the exclusive jurisdiction of the courts of New Zealand.

17. Definitions

- 17.1 In this Agreement the following words have the meanings set out below:

Addressee means each person to whom the Letter is addressed.

Agreement means the Letter and these Terms.

Annexure means a schedule or document which is annexed to the Letter and identified as a schedule, annexure or attachment to the Letter.

Confidential Information means any information designated as confidential or which might reasonably be expected, based on its content or circumstances of disclosure, to be confidential, including:

- (a) the terms of this Agreement and the details of the Services and any Work; and
- (b) trade secrets and information or material which is proprietary to a party,

but excludes any information that:

- (a) is independently acquired or developed without the benefit or use of the other party's confidential information; and
- (b) is disclosed with the other party's prior written consent, including in accordance with this Agreement.

Consequential Loss means any:

- (a) loss of profits, revenue, anticipated savings or business opportunity;
- (b) damage to goodwill;
- (c) loss or corruption of data or systems; and
- (d) loss which is indirect, consequential, special, punitive, exemplary or incidental,

arising under or in connection with this Agreement and/or the provision of the Services.

Deloitte Network Firm means DTTL, and any partnership or entity that is directly or indirectly a member of the DTTL network operating under the name "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu" or other related name, and each of DTTL's and such partnership's or entity's controlled entities, predecessors, successors, assignees, partners, principals, members, owners, directors, employees and agents, including Deloitte New Zealand.

Deloitte New Zealand means the New Zealand partnership that is a Deloitte Network Firm and each of the entities under the New Zealand partnership's

ultimate control and any of their respective predecessors, successors or assignees.

Deloitte Service Provider means the Deloitte New Zealand entity entering into the Agreement as identified in the Letter.

DTTL means Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee.

Existing Material means any methodologies, technologies or other proprietary information either in existence at or prior to the date of this Agreement or developed by us independently of the Services.

Fees means the fees for the Services as stated in, or calculated in accordance with, the Letter.

GST means tax imposed by the *Goods and Services Tax Act 1985*.

HSW Act means the *Health and Safety at Work Act 2015*.

Information means any information, documents, materials, facts, instructions or Confidential Information provided to us by you or your Representatives or anyone else at your request.

Intellectual Property means all industrial and intellectual property rights throughout the world, whether or not registered or capable of registration, including copyright, trade marks, designs, programming codes, trade secrets, know-how and circuit layouts in our Work.

Letter means the engagement letter between us to which these Terms are attached, including any replacement, amendment or supplementary engagement letter.

Loss means any losses, liabilities, claims, compensation, penalties, fines, damages, costs or expenses (including internal time costs, interest and taxes where applicable), however caused or arising under or in connection with this Agreement and/or the provision of the Services (whether in contract, tort (including negligence) or otherwise).

Personal Information has the meaning given to it in the Privacy Act 2020.

Professional Advisers means your professional advisers, such as your accountant or solicitor, who are assisting you in relation to the Services, and auditor, but excludes any investor, agent, intermediary, underwriter, syndicate participant, lender or other financial institution or anyone who may provide you with any credit enhancement or credit rating.

Purpose has the meaning given to it in the Letter or our Work, or where both are silent on this, the purpose for which we provide our Work to you.

Report has the meaning given to it in the Letter, or where the Letter does not set out a specific report, means any final form documents, reports or deliverables we provide to you as a result of the Services or this Agreement.

Representative means:

- (a) any officer, employee, consultant, agent, contractor or subcontractor of either party, who is involved in the Services or other activities to which this Agreement relates; and
- (b) in the case of a Deloitte Service Provider, includes any partner, officer, employee, consultant, agent, contractor or subcontractor of a Deloitte Network Firm or third party who is involved in the Services or other activities to which this Agreement relates in accordance with clause 3.2.

Services means the services described in the Letter and any other services unless we have otherwise agreed in writing.

Tax Advice means any advice, whether written or oral, relating to tax, tax structuring or tax treatment provided by us as a result of the Services.

Terms means these Master Terms of Business.

Unexpected Event means any occurrence, failure or delay under or in connection with this Agreement that is caused or contributed to by an act, omission or event that is beyond our reasonable control, including any:

- (a) act, omission or breach of this Agreement by you;
- (b) failure of, problem with, or unauthorised access to, the technology infrastructure or environment used by us or our service providers including software defects or errors; and
- (c) interference, interception or corruption of an electronic communication.

We, our and us means the Deloitte Service Provider.

Work means any work provided to you and/or created in the course of providing the Services (in any form, whether in final or draft and whether prepared alone or in conjunction with you or any other person), including Existing Material, Reports, e-mails, notes and working papers.

you and your means each Addressee and where applicable, each Addressee's Representatives or Professional Advisers. For the purpose of clause 4.3, you and your is restricted to each Addressee.

17.2 In this Agreement, a reference to:

- (a) a party includes its successors and permitted assigns;
- (b) “including” shall be construed as “including, without limitation”;
- (c) our consent shall mean our prior written consent (including by e-mail), with any conditions that we may impose, at our absolute discretion;
- (d) agreement between the parties, means express agreement in writing (including by e-mail);
- (e) the singular includes the plural and vice versa;
- (f) the word person includes an entity, a firm, a body corporate, an unincorporated association or an authority;
- (g) a statute includes amendments to that statute and any statute to the extent passed in substitution for that statute; and
- (h) dollars or \$ means New Zealand dollars.

18. Your Feedback

18.1 We value your feedback. We aim to obtain a regular assessment of our performance and we will always be pleased to hear any suggestions as to how our service can be improved. If you wish to make a complaint, please contact your usual Deloitte contact or, alternatively, information on our complaint process is available on the Get In Touch page of our website, www.deloitte.co.nz

Effective from 10 June 2024