



Te Tari Taiwhenua

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30 September 2016

Warwick Macale
Chair
Thames / Hauraki Health and Disability Resource Centre Trust
PO Box 535
Thames 3540

Client no: 219223

Dear Warwick,

Compliance Audit Results

The Department of Internal Affairs (Department) recently completed its audit of COGS grants made to Thames / Hauraki Health and Disability Resource Centre Trust. This was as a result of a complaint received.

The purpose of the compliance audit was to gain assurance that the following grants were used for the approved purposes and all applicable terms and conditions of the Grant Client Agreement were complied with:

Grant No.	Committee	Date Approved	Amount	Approved Purposes
345609	COGS Hauraki	22 July 2014	\$4,000	Global contribution (Volunteer expenses, Salaries and Training costs)
334514	COGS Hauraki	17 Oct 2013	\$3,000	Global contribution (Volunteer expenses and Training costs)

Audit Findings

As a result of our audit we gained reasonable assurance that the grants had been spent on the approved purposes.

The Audit process highlighted that the grant condition "*Tracking of different funding e.g. through a spreadsheet or journal entry*" was not met at the time these grants were spent.

The Audit process also found that both the Client Agreement and Accountability Report (Grant 334514) were signed by the Manager at the time. The second signatory on the Client Agreement was a trustee who was a relative of the Manager. This presents a potential conflict of interest.

Related Matters

The Audit process found that there were governance, financial management and record keeping concerns at the time of the grants being audited. These matters do not fall within the remit of this Audit to resolve, but are worth noting.

Effective financial management requires close oversight from the trustees on the Board. Financial management on a day to day basis appears to have been the sole responsibility of the Manager at the time. Best practice recommends that a second person review and authorise all financial transactions.

It is also good practice that a second person (usually a trustee) counter-signs and approves volunteer gift voucher expenditure and the allocation of gift vouchers. A volunteer receipt log, signed by the volunteer, confirming the receipt of the gift vouchers should also be maintained.

We encountered a number of difficulties during the Audit which prolonged the process and made it difficult to conclude. These included the absence of a General Ledger and timesheets not being available which recorded the volunteers' work or who the volunteers assisted in the community.

It is acknowledged that the recent months have been a difficult time for the trustees, staff and volunteers as the Trust has now ceased trading.

Contact the Audit Team

If you have any questions about the audit results, please contact Simon Richell on (04) 3823 628 or email: simon.richell@dia.govt.nz

Yours sincerely,



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