

**Mandy Lowe**

**From:** [REDACTED]@harkness.co.nz>  
**Sent:** Thursday, 19 May 2016 4:32 PM  
**To:** Simon Richell  
**Subject:** RE: Thames/Hauraki Health & Disability Resource Centre Trust

Hi Simon,

Thanks for your response.

Kind regards,

[REDACTED]

[REDACTED] Harkness Henry, Lawyers | DDI [REDACTED]

**From:** Simon Richell [mailto:Simon.Richell@dia.govt.nz]  
**Sent:** Wednesday, 18 May 2016 11:45 AM  
**To:** [REDACTED]@harkness.co.nz>  
**Subject:** RE: Thames/Hauraki Health & Disability Resource Centre Trust

Dear [REDACTED]

The following is provided in answer to your questions of 16 May 2016.

**1. Can you please confirm the purpose and scope of this audit?**

Two COGS grants have been selected for Audit. The scope of the Audit is to confirm that the grants have been used for the approved purposes and that the Grant Client Agreement Terms and Conditions have been met. The scope of the Audit is restricted by these terms and conditions. It will not specifically address any other matters that the Trust may be currently experiencing [REDACTED].

**2. Can you please advise what actions DIA has carried out as part of this audit and the relevant dates? i.e. review of bank accounts, visiting the office, etc.**

The Audit is in its initial stages. To date a file review has taken place and a standard request for information made to the Trust (15 April 2016). To try and move forward quickly a site visit took place on 3 May at the Trust's premises with the intention of viewing key documentation held by the Trust. Documentation provided to date has been viewed. We are currently awaiting further documents (including bank statements) from the Trust in order to complete the documentation review.

**3. What short-term and possible long-term impact does the audit have on the Trust's ability to apply and be granted funding?**

The Trust can continue to apply to any open funding round at any time. The requirements of these are outlined on the Community Matters website and advice can be provided by the Department's regional offices as to the suitability of each of the funds. The stability and capability of the applicant group at the time of application is a key consideration and the Trust will need to demonstrate robust governance and financial management practices are in place for any funding application to be recommended for consideration by the relevant decision making committee.

**4. Can you please advise for what purpose the further employee information has been requested (as set out in your email of 11 May)?**

Employee information has been requested as part of one of the COGS grants (being audited) was expended on the salary of the Manager. This is standard practice to request such information for any Audit that has a salary component.

**5. Our client has advised that it was informed by DIA that the Trust would need to be run with no reporting or financial issues for a minimum of between 6-12 months before it could look at receiving further grants and funding from DIA – is this correct?**

A general discussion took place with the Chair around this matter. In previous cases where governance conflicts have arisen for grant recipients, a period of re-building and demonstrable stabilisation has been required before further funding has been granted. In this particular case we will not know the potential consequences until the Audit is complete.

The decision to award further grants rests with the relevant funding committees (in this case COGS and Lottery Committees). However, any funding Committee considers the stability and capability of the applicant group at the time of a funding application.

**6. When is it anticipated that DIA's final report on this audit will likely be made available?**

The Audits are being dealt with as a priority, however at this stage it is not possible to advise of a date of completion. At the moment we are awaiting the requested documentation from the Trust in order to progress the Audits.

I hope this is helpful.

Kind regards.

Simon Richell  
Grant Auditor

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**From:** [REDACTED]  
**Sent:** Monday, 16 May 2016 3:57 p.m.  
**To:** Simon Richell  
**Subject:** Thames/Hauraki Health & Disability Resource Centre Trust  
**Importance:** High

Hi Simon,

We act for the Thames/Hauraki Health & Disability Resource Centre Trust.

I understand that Warwick Macale has contacted you to advise we had a few questions regarding the audit and you have requested these be provided in writing.

We would appreciate if DIA could provide further clarification / information regarding the following:

- Can you please confirm the purpose and scope of this audit?
- Can you please advise what actions DIA has carried out as part of this audit and the relevant dates? i.e. review of bank accounts, visiting the office, etc.
- What short-term and possible long-term impact does the audit have on the Trust's ability to apply and be granted funding?
- Can you please advise for what purpose the further employee information has been requested (as set out in your email of 11 May)?
- Our client has advised that it was informed by DIA that the Trust would need to be run with no reporting or financial issues for a minimum of between 6-12 months before it could look at receiving further grants and funding from DIA – is this correct?
- When is it anticipated that DIA's final report on this audit will likely be made available?

Your earliest response to these matters would be greatly appreciated. Please feel free to contact me if you wish to discuss or require further clarification.

Kind regards,

[REDACTED]

[REDACTED]

Harkness Henry, Lawyers | DDI +64 7 834 6677



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