

Report to management

on the audit of South Wairarapa District Council

For the year ended 30 June 2025

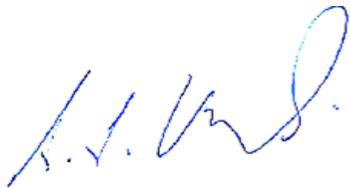
AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Introduction

We completed our audit of South Wairarapa District Council on 8 October 2025. The significant matters arising from the audit were covered in our Report to the Assurance, Risk and Finance committee dated 8 October 2025.

The purpose of this report is to report to management on relevant matters identified during the audit. It supplements the Report to Council, covering other matters identified and our recommendations for improvements. For each recommendation we provide an indicative priority rating.

We would like to thank management, and staff for the assistance they provided during the audit.



Sefton Vuli
Appointed Auditor
21 January 2026

Recommendations



Ref	Priority	Recommendation	Why we are making this recommendation
1	High	We recommend that all DIA mandatory measures are included in the performance reporting.	A DIA mandatory measure was not reported against representing a breach of performance reporting legislation.
2	Medium	Fraud Policy not in line with AG ISA (NZ) 240	The Council's Fraud and Corruption Policy and Procedures does not mention any regular reviews of transactions, activities or locations that may be susceptible to fraud.
3	Medium	We recommend that the Council enhance its formal documentation protocols for all critical administrative steps involved in managing data migration. This includes clearly recording roles and responsibilities (e.g., preparer, reviewer, approver), maintaining structured records of decisions and approvals, and ensuring that all communications and actions related to data migration are properly archived.	We noted that the Council did not maintain formal documentation, such as internal memos or email chains, detailing the key payroll data reconciliation processes, including identification of the preparer, checker, and approver. There was no formal approval to proceed with the Smartly system.
4	Low	The Council should perform an assessment of assets that are fully depreciated in their asset register to ascertain which are still in use and further assessing whether the useful lives of similar assets remain appropriate.	Fully depreciated assets still in use in the fixed asset register.

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