

<b>Title</b>	<b>Describe compliance and due diligence requirements of a Māori authority/Māori entity</b>		
<b>Level</b>	<b>4</b>	<b>Credits</b>	<b>12</b>

<b>Purpose</b>	People credited with this unit standard are able to, for a Māori authority/Māori entity, describe the importance of financial budgeting and planning; the financial terms; the reporting guidelines and process of preparation of an audit report; a set of accounts; and the reasons for engaging, and procedures for appointing a professional adviser.
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<b>Classification</b>	Whenua > Governance of Māori Authorities
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<b>Available grade</b>	Achieved
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### Guidance Information

#### 1 Definitions

A *Maori authority* is an entity status that is subject to specific legislative requirements, including a specific tax rate, accounting and compliance procedures. A Maori authority may be a trustee of a trust or company. There is set criteria that govern what types of organisations that are eligible to become a Maori authority. Generally, it includes entities that manage or administer assets held in common ownership by Maori. However, while an organisation may be eligible, there is no mandatory requirement for them to become a Maori authority.

A *Māori entity* refers to ahu whenua trusts, pūtea trusts, whānau trusts, whenua tōpū trusts, kaitiaki trusts, Māori incorporations, Māori reservations (e.g. marae/Māori committees), rūnanga, iwi authorities, hapū cluster groups, hauora organisations, Māori asset holders, kura kaupapa Māori, kōhanga reo, wānanga, all Māori non-government organisations (e.g. Māori Woman's Welfare League), New Zealand Māori Council, district Māori councils, local government sector, Māori/iwi advisory groups, and community committees with generic kaupapa Māori (e.g. sports club, church groups, kaumātua groups).

#### 2 Legislation includes but is not limited to – Te Ture Whenua Māori Act 1993, Māori Incorporations Constitution Regulations 1994, Trusts Act 2019, Māori Reservations Regulations 1994, Income Tax Act 2007, Privacy Act 1993, and Resource Management Act 1991, Charities Act 2005, Māori Community Development Act 1962, their amendments and any other relevant Acts, available from [www.legislation.govt.nz](http://www.legislation.govt.nz).

#### 3 Assessment

Assessment will be based on one Māori authority/Māori entity agreed to by the candidate and the assessor.

- 4 The learner must take into consideration ethical, privacy and confidentiality issues when using financial reports in case studies.
- 5 Resource Support  
*Current accounting standards; true and fair view; standard auditing practice* and other useful reference material may be found in The New Zealand Framework for the Preparation and Presentation of Financial Statements; which may be purchased from the Chartered Accountants Australia and New Zealand. Website address:  
<https://www.charteredaccountantsanz.com/>.

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## Outcomes and performance criteria

### Outcome 1

Describe the importance of financial budgeting and planning for a Māori authority/Māori entity.

#### Performance criteria

- 1.1 Describe the function and use of financial reports for a Māori authority/Māori entity.
- 1.2 Describe financial budgeting and planning for a Māori authority/Māori entity.
- Range periodic fluctuations, nominated year end date, business plan, agreed objectives.

### Outcome 2

Describe financial terms for a Māori authority/Māori entity.

#### Performance criteria

- 2.1 Describe the functions of accounting statements in accordance with organisational practice.
- Range statement of financial performance, statement of movement in equity and statement of financial position.
- 2.2 Describe accounting terminology in accordance with organisational practice.
- Range includes income and expenditure and two of the following: variance reporting terms, distribution to owners, koha, Māori Tax Authority, current and non-current assets.
- 2.3 Describe the financial benefits in terms of variance reporting in accordance with organisational practice.
- Range cash flow, budget actuals and forecast, end of year financials, monthly and quarterly reporting.

### Outcome 3

Describe the reporting guidelines, and process of preparation of an audit report for a Māori authority/Māori entity.

#### Performance criteria

- 3.1 Describe the purpose and limitations of an audit report in accordance with current accounting standards and in accordance with organisational practice.

Range includes a true and fair view of the financial position of the Māori authority/Māori entity.  
evidence of two limitations that may affect this from the following: soundness of business, management status of business, accuracy of statements, success of control systems, tagged accounts, disagree with the audit recommendation.

### Outcome 4

Describe a set of accounts used in a Māori authority/Māori entity.

#### Performance criteria

- 4.1 Describe a set of accounts in terms of the operational monitoring of a Māori authority/Māori entity.

Range Statement of Financial performance, Statement of Financial Position, Cash Flow report.

- 4.2 Describe key performance indicators in terms of their significance for a Māori authority/Māori entity.

Range includes but is not limited to – top 20 expenditure items to budget, top 20 under spent items to budget, list of aged creditors, cash flow reporting, exception reporting includes expenditure for unbudgeted items, items of expenditure over \$5,000, income expected but not received, return on investment; evidence of four is required.

### Outcome 5

Describe reasons for engaging, and procedures for appointing a professional adviser or auditor for a Māori authority/Māori entity.

**Performance criteria**

- 5.1 Describe reasons for engaging a professional adviser, subject matter expert (SME), or auditor in accordance with risk mitigation of Māori authority/Māori entity best practice.

Range reasons for appointing may include but are not limited to due diligence, advice, interpretation/preparation of documents, recording, reports, feasibility studies, risk management, health and safety.  
evidence of two is required.

- 5.2 Describe procedures for appointing a professional adviser, subject matter expert (SME), or auditor.

Range may include but is not limited to terms of reference, track record, credibility, reference check, tier grade (cost and experience), sector experience, tender process, negotiation, process of approval to appoint and confirmation process.  
evidence of two is required.

<b>Replacement information</b>	This unit standard was replaced by unit standards 33493 and 33500.
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**This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.**

**Status information and last date for assessment for superseded versions**

Process	Version	Date	Last Date for Assessment
Registration	1	22 August 2005	31 December 2016
Review	2	16 April 2010	31 December 2016
Review	3	10 December 2015	31 December 2021
Review	4	24 June 2021	31 December 2026
Review	5	27 November 2025	31 December 2026

<b>Consent and Moderation Requirements (CMR) reference</b>	0166
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.