

# External Auditor Independence Policy

## 1. Purpose

POAL is committed to ensuring that its external auditor is able to carry out its functions independently. The objective of this policy is to ensure that external audit independence is maintained at all times both in fact and appearance, such that the external financial reporting is highly reliable and credible.

## 2. Engagement

The Office of the Auditor-General (“OAG”) determines the external auditor of the POAL Group.

## 3. Services

The Board has considered what services POAL can obtain from its External Auditor.

### 3.1 Services Permitted

The Board allows the following services:

- Financial statement audits
- Audits of the annual report and related media statements
- Audits of public offer documents and regulatory returns

### 3.2 Services Not Permitted

The Board prohibits the following services:

- Internal audit services
- Liquidations and Receiverships and related work
- Advice resulting in success fees
- Roles which involve decision making which should be undertaken by management or owner
- Preparing accounting records and financial statements
- Valuation services
- Taxation advice relating to the design or implementation of tax management policies or mechanisms
- Taxation advice that has, or will be, applied in determining the income tax liabilities recorded in the financial statements of the audit entity, and is not in accordance with published Inland Revenue Department policy, or has not been confirmed with the Inland Revenue Department
- Designing or implementing new IT systems or financial controls

- Provision of litigation support services
- Provision of legal services
- Executive search and selection
- Corporate finance, i.e. broker-dealer, investment adviser, investment banking services
- Actuarial services.

### **3.3 Services That May Be Permitted**

The Board may approve the following services subject to a recommendation from the Audit Committee:

- technical accounting services
- temporary accounting services, i.e. junior staff providing data input services
- fraud investigation
- review of financial legislation and standards.

With the exception where the matter is urgent it may be approved by the Chair of the Board or Chair of the Audit Committee and later advised to the Board.

## **4. Exceptions**

An exception can be made to the above policy with the specific approval of the Board on the recommendation of the Audit Committee.

**Adopted by the Board: 18 May 2018]**