

Kenthurst Public School P&C Association 2017 Financial Statements Independent Audit Report

Report on the Financial Statements

I have audited the accompanying financial statements of the Kenthurst Public School P&C Association, the "Association", which comprises the statement of Balance Sheet as at 30 September 2017 and the Profit and Loss Statement for the 9 months ended 30 September 2017.

Committees' Responsibility for the Financial Statements

The Kenthurst Public School P&C Committee are responsible for the preparation of the Financial Statements that gives a true and fair view of the financial results and financial position of the Association.

Responsibility of person conducting audit

My responsibility is to express an opinion on the financial report based on my audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Observations and recommendations

The following observations and recommendations were identified as part of the audit:

- All cash receipts should be checked and counted immediately at the end of each day or event. A record such as a receipt book indicating the event, date, the person who collected the cash and the person who checked the cash to be deposited should be maintained.
- The P&C levy funds held by the school should be transferred on a regular basis to the P&C, in particular before the new 30 September year end. In addition, it is noted that the P&C levy contribution is paid by approximately 62.5% of students / families. As this is the major source of funding it would be recommended to develop strategies on how the proportion paying the P&C levy contribution could be increased.
- The coffee cart that originally cost \$2,580 has not been used during the year and has now been written down to a closing book value of \$500, which is the estimated recoverable amount. The cart should either be fixed so it can be used and generate income or sold and a replacement machine obtained. I understand that a replacement coffee cart is part of a grant application with Bendigo Bank.
- A record of uniform sales by item should be maintained and ideally a roll forward of uniform quantities by item showing opening balance, purchases, sales and closing stock would be kept as this would assist with ordering and stock management.
- Signed employment agreements should be obtained for all paid positions. This should document the remuneration (including hourly or weekly wage, allowances, superannuation, applicable award) the conditions of employment (hours, term of employment) and the responsibilities of the role.
- A review of the canteen and uniform shop selling prices as compared to the costs would be beneficial. For the 9 months ended 30 September 2017 the gross profit for the canteen and uniform shop was 41% and 46%, respectively.

- There is \$2,177 in uniform inventory that is classified as Discontinued stock. I was informed these uniform lines will be donated to a charity and some items will be sold at a discount to clear out. Old or slow moving inventory should be monitored on a regular basis and if it cannot be sold it should be written down to a Nil \$ value.
- A relatively basic budget is currently prepared showing the net amount for each planned activity as a one line amount. A more detailed budget for the canteen, uniform shop and each fundraising event should be prepared.

Independence

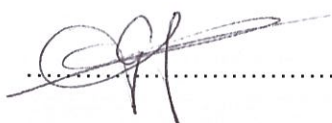
I confirm that I am not related to any executive member of the Kenthurst Public School P&C Committee.

Audit report qualification

Receipts from cash donations and other cash fundraising activities are a significant source of revenue for the Association. It has been determined that it is impracticable to establish control over the collection of donations and other fundraising activity revenue prior to entry in the financial records. Accordingly, as the evidence supporting revenue was limited, the audit procedures had to be restricted to the amounts recorded in the financial records. I am therefore unable to express an opinion on whether cash donations and other cash fundraising activity revenue obtained by the Association are complete.

Opinion

In my opinion, except for the matter mentioned in the previous paragraph, the Financial Statements of the Association are properly drawn up to give a true and fair view of the financial results for the 9 months ended 30 September 2017 and the financial position as at 30 September 2017.

.....signature 9 Nov 2017 date

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