

31 May 2020

Hope Hancy
Chairman
Te Kura o Waikare
RD 3
KAWKAWA 0291

57 Clyde Street
PO Box 627
WHANGAREI 0140
Phone: (09) 438 2312
Fax: (09) 438 2912
info@bennettca.co.nz
www.bennettca.co.nz

Dear Ms Hancy

Audit of Financial Statements for the Year Ended 31 December 2019

We are pleased to advise that we have completed the audit of your financial statements for the year ended 31 December 2019.

We enclose a complete set of your school's financial statements together with our formal audit report issued on behalf of the Controller and Auditor-General, as required by the Public Finance Act 1989.

Here is the link to the page on the MOE website which refers to and has a link to the school data portal where you will need to login and upload your accounts:

<https://education.govt.nz/school/running-a-school/school-finances/model-financial-report-kiwi-park-school/>

Near the bottom of the page under Annual Report Checklist is where to you click to go to the data portal.

This letter includes observations on the school's accounting procedures. As the trustees are responsible for the financial operations of the school we suggest this letter be considered at the next finance committee meeting and tabled at the next full board meeting.

Why we write this letter

The primary aim of our audit is to form an opinion as to whether the financial statements fairly reflect the results of your school's activities for the year and your financial position at 31 December 2019. The audit report expresses this opinion.

To ensure your school receives the maximum benefit from our audit we have turned our focus to the future and set out below some matters for the attention of your board. Our motive is to offer constructive advice so that the accounting functions and related issues can be improved in the future. Please note that this letter is sent only to you, with a copy to the Office of the Controller & Auditor-General. We do not send a copy of this letter to the Ministry of Education.

Governance Issues

Credit Card Transactions – lack of independent authorisation

Koha

We noted that there is a payment for groundskeeping recorded as koha. The definition of Koha is an unconditional gift. In all instances we would view an unconditional gift to an individual as a probity issue. In our view it is clear that the person has provided services and therefore an invoice



should be produced for services provided. Given the circumstance we do not consider this is an unconditional gift and should therefore be recorded as an expense.

It is recommended that expenditure be recorded correctly where it is clear that the payment is for services performed rather than a donation in the appropriate area.

Internal Controls

When testing the system the school employs to make changes to Novopay payroll we noted that there were some school generated source documents retained which recorded changes / input into the Novopay system. In our view it is important that the school establishes a system where it generates a consistent source document for processing changes to the Novopay system. We would expect that such documentation would be forms such as: annual leave and sick leave forms, timesheets, fortnightly relievers schedule etc.

We recommend that the school generate appropriate source documentation to trigger the information to be processed into Novopay.

Online Publication of Annual Report

The Education Act 1989 requires you to publish your Annual Report on-line. Your Annual Report contains your audited annual financial statements including our audit opinion, analysis of variance, list of trustees and Kiwisport statement.

Making your Annual Report accessible to the school community is important for transparency and accountability. The expectation is that your Annual Report is published as soon as possible after your audit is completed, as the value of good accountability lessens over time.

We note that at the time we carried out our audit, your 2017 and 2018 years Annual Report had not been published on your website. The failure to publish your Annual Report on your website is a breach of section 87AB of the Education Act 1989.

The Day-to-Day Accounting System

Overall, based on our knowledge of your school and the results of our audit procedures, we again found the financial control environment in place at your school to be good. The attitude towards controls and ensuring your school is being governed effectively is very positive. We were also impressed that your board appears concerned about planning and performance monitoring.

Our Sincere Thanks

We would like to take this opportunity to thank the Principal and Financial Administrator for their assistance and co-operation during our audit. The assistance from the school team greatly influences the efficiency of the whole audit process.

We would also like to thank the trustees for selecting Bennett & Associates as your auditors. We appreciate our relationship with your school and look forward to continuing to provide a valuable service to you.

Yours sincerely

BENNETT & ASSOCIATES

