

Auditor's Independence Declaration to

KSHS Gilmore College Alumni Association Inc. "Old Flames"

ABN 79 805 851 948

In accordance with the requirements of *Associations Incorporation Act 2015*, as auditor for the KSHS Gilmore College Alumni Association Inc. "Old Flames" for the period 1 July 2018 to 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements of the *Associations Incorporation Act 2015* in relation to the audit;
and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Jack Penkin

C.A.(S.A.), FCIS

Perth, 19 August 2019

Jack Penkin
Unit 4 259 The Strand
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19 August 2019

**Independent Auditor's Report to the KSHS Gilmore College Alumni Association Inc.
"Old Flames" ("The Association") ABN 79 805 851 948**

Audit for the period 1 July 2018 to 30 June 2019

Pursuant to the Constitution of the KSHS Gilmore College Alumni Association Inc. "Old Flames", I have been asked to audit the Financial Accounts of the Association and to provide an opinion as to the solvency of the Association. The Management Committee of the Association is responsible under the Constitution for preparing financial reports which give a true and fair view of the financial position of the Association. This includes responsibility for the maintenance of adequate accounting records.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards also includes the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. I have fulfilled my ethical responsibilities in accordance with the Code.

I performed audit procedures to assess whether in all material respects the financial reports present fairly and that the Association is solvent. Procedures included examination, on a test basis, of evidence supporting amounts and other disclosures in the financial reports. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

The Association Accounts are prepared on a Cash basis and not on an Accrual Basis. This is fitting considering the scope and scale of the business of the Association.

In view of the requirements of the Associations Incorporations Act relating to Financial Reporting that it is a requirement to produce a Balance Sheet and a Statement of Profit & Loss for the AGM. I provide the following comments:

Balance Sheet

- (i) The Assets outside of the cash holdings of the Association are minimal and relate to the activities of the Association. During the period an additional bank account has been opened which is specifically for the allocation of scholarship funds to deserving students
- (ii) The primary asset, and only substantive asset of the Association is two bank accounts. These are separately reported in the Statement of Income and Expenditure and managed through the reconciliations and monthly reporting to the Management Committee.
- (iii) There were no outstanding suppliers due for payment at 30 June 2019.

Profit & Loss

- (iv) Revenues consist mainly of membership fees, general donations and donations to the scholarship fund and other miscellaneous income received.
- (v) Expenses consist mainly of the cost of merchandise for resale, monthly Xero software expenses, printing and stationary and Association registration fees.

Substantive Audit Testing

I undertook a number of Audit Tests primarily concerned with:

- (vi) Occurrence Tests – which are tests concerned with whether transactions underpinning the financial report actually occurred. The focus is on whether the transactions recorded are Bona Fide and that no fictitious transactions have been recorded.
- (vii) Completeness Tests – these are tests concerned with identifying evidence indicating that items that should be included have in fact been included. For example that all cash deposits that should have been deposited have in fact been deposited.
- (viii) Accuracy Tests – which are concerned with determining the appropriate recording of amounts and other information into the financial report.

These tests involved reviewing source documents i.e. bank statements, invoices and e-mail correspondence and tracing those transactions into the financial report. I selected a sample of 75% of the transactions from the financial records for review.

I reviewed for accuracy the Statement of Income & Expenditure and the Balance Sheet of the Association prepared by Mr Redpath and I also reviewed his reconciliation of the Cash Book to the Bank Statements.

In my opinion the financial reports of the Association provide:

- (i) a true and fair view of the financial position of the Association and present fairly, in accordance with applicable Accounting Standards in Australia,
- (ii) evidence that the Association is solvent and satisfies the usual criteria associated with audit testing to ensure that the Association is a "going concern," and
- (iii) sufficient information relative to the nature of the Association's business for the management committee to be able to rely on.

I thank the Association's Organisational Representative, Mr David Redpath, for his assistance and co-operation in the conduct of the audit and commend his attention to detail in the preparation of the monthly reports which have been reviewed as part of the substantive audit testing undertaken.

Yours Faithfully



Jack Penkin
C.A.(S.A.), FCIS
Perth, 19 August 2019