

Audit Report

Davallia Primary School Parents & Citizens Association

I have conducted an independent audit of the following financial records of the Davallia Primary School Parents & Citizens Association: Westpac Community Solutions Cheque Account No. 036-080 259 964, Westpac Business Cash Reserve Account 036-080 478 294 and the Australia Post Mastercard for the period 1 October 2021 to 30 September 2022.

The audit has been conducted to provide reasonable assurance as to whether the financial transactions are free of material misstatement.

The audit procedures include the examination of evidence supporting the amounts and other disclosures in the financial records. The procedures have been undertaken in order to form an opinion as to whether, in all material respects, the financial records present fairly the financial position of the Davallia Primary School P & C Association's Westpac Community Solutions Cheque Account No. 036-080 259 964, Westpac Business Cash Reserve Account 036-080 478 294 and the Australia Post Mastercard for the period 1 October 2021 to 30 September 2022.

Accounts Subject to Audit

- Davallia Primary School P & C Association's Westpac Community Solutions Cheque Account No. 036-080 259 964.
- Davallia Primary School P & C Association's Westpac Business Cash Reserve Account No. 036-080 478 294.
- Davallia Primary School Post Mastercard.

Audit Opinion

In my opinion the financial records present fairly the transactions of the Davallia Primary School P & C Association's Westpac Community Solutions Cheque Account No. 036-080 259 964, Davallia Primary School P & C Association's Westpac Business Cash Reserve Account No. 036-080 478 294 and the Davallia Primary School P & C Association's Australia Post Mastercard for the period 1 October 2021 to 30 September 2022.

The accounting records of the Davallia Primary School P & C Association appear to have been properly kept to record and explain the financial position as at 30 September 2022.



Frank Keaney
Bachelor of Business (Accounting)

14 November 2022

**Davallia Primary School Parents & Citizens Association Westpac
Community Solutions Cheque Account No. 036-080 259 964**

**Bank Reconciliation Statement for the Period 1 October 2021 to
30 September 2022**

Bank balance as at 1 October 2021	42 297.37
Add Income for the Period	
Receipts	<u>40 833.77</u>
	83 131.14
Less Expenditure for the Period	
Operating expenses	<u>66 519.25</u>
Balance as per bank statement 30 September 2022	16 611.89

Notes

Merchant Fees \$563.86.

The Cash Flow statement did not include the following transactions from the bank statements as at 1 October 2021 and 30 September 2022:

Date	Cash Flow Statement	Bank Statement	Difference	Comments
1 Oct 2021	42 572.37	42 297.37	275	Withdrawal not recorded
30 Sept 2022	18 037.79	16 611.89	1 425.90	Withdrawals not recorded

**Davallia Primary School Parents & Citizens Association Westpac
Business Cash Reserve Account No. 036-080 478 294**

**Bank Reconciliation Statement for the Period 1 October 2021 to
30 September 2022**

Bank balance as at 1 October 2021	8 551.83
Add Receipts*	<u>9 531.48</u>
	18 083.31
Less Payments	
Transaction Fees	<u>55.00</u>
Bank balance as at 30 September 2022	18 028.31

Notes

*Interest \$21.08

Davallia Primary School Parents & Citizens Association Australia Post Mastercard

Reconciliation Statement for the Period 1 October 2021 to 30 September 2022

Cash Balance as at 1 October 2021	90.19
Add	
Reloads	680.20
	<u>770.39</u>
Less	
Outgoings/Expenses	770.39
Balance of Australia Post Mastercard 30 September 2022	Nil

Erin

From the documentation reviewed; bank statements, financial statements, systems transactions and supports, the transactions for the P & C confirm the balances at the end of the reporting period.

For your information, I have included the following observations and recommended enhancements for the accounting processes of the P & C to improve the transparency and confirmation of transactions for future reviews.

The processes are to provide more controls over the transactions and assist with reconciliations. You may want to include some of the processes as a template for future audits. Some of the suggestions may not be applicable.

(Note, your first effort as Treasurer was great).

Accounting Systems Access

Access to the accounting system should be password protected and limited to staff who are authorised for recording transactions. Any change in personnel should be recorded and registered.

Accounts Payable

➤ Cheque Payments (if applicable)

Although the payment of accounts by cheque is rarely used, it would be worthwhile, where relevant, to indicate the details on the cheque butt. (the cheque butt can also indicate if a cheque has been cancelled/lost/destroyed). In addition, it is recommended the following details are included on an invoice when received: *Date of receipt, authorisation for payment, amount, cheque number and the date when payment is made.*

These details can also be added on invoices received for all system-based accounts payments if they are not scanned. If the accounts are scanned, the receipt and payment details etc. (and audit trail) should be shown in the accounts payments portal.

It is advisable to have a separation of duties for receiving and paying an account. I understand this may not be possible.

Cheque books are to be kept in a secure place with authorised access.

Accounts Receivable

As indicated for *Cheque Payments*, it is advisable to have a separation of duties for dealing with assets such as cash and the recording of the receipts. That is, the function of dealing with the assets is not conducted by the same person who records the transactions.

Where possible, receipts should be forwarded, recorded and maintained.

Bank deposit and receipt books are to be kept in a secure place with authorised access.

Reconciliations

➤ Accounting Systems

Reconciliations (leading to a trial balance) to ensure the balances in the accounting system match the transactions in subsidiary accounts (for example, creditors, debtors, cash at bank) should be undertaken on a monthly basis (the accounting system should have this functionality).

➤ Bank Reconciliation

A bank reconciliation should be completed monthly. The reconciliation is to confirm cash balances and records of deposits and expenditure during the period.

Any discrepancies should be investigated in a timely fashion.

The reconciliation can be used as a reference to the accounting system reconciliation.

➤ Cash on Hand

Reconciliation of cash on hand, including petty cash floats (if applicable) should be conducted on a quarterly basis. Cash is to be held in a locked container, left in a secure place and with authorised access only. Documentation supporting purchases and any change to the float should be authorised, recorded and maintained.

➤ Interest

Unlike last year, there is no interest recorded for the Westpac Community Solutions Account 036-080 259-964. It may be worthwhile to question Westpac on this.

If the P&C is happy with the report, can you please forward payment as follows:

Bankwest – West Perth

Account - Mr Francis Kevin Keaney

BSB 306-051

Account No. 304545-6

Please contact me when the payment is made so I can acknowledge receipt.

Note, I may not be working this time next year (retirement) but would be happy to do the audit again.

Please call me on 9448 4669 if you want me to do.

Frank Keane
18 Sheahan Way
Marmion WA 6020

Telephone: 9489 4739 (Work)
9448 4669 (Home)

The Treasurer
Davallia Primary School P & C Association
6 Juniper Way
Duncraig WA 6023

INVOICE

Professional services for the reporting period 1 October 2021 to 30 September 2022

- *Verification of financial transactions and supporting documentation*
- *Review of bank accounts and statements*
- *Preparation of reconciliation statements*
- *Audit report for the Davallia Primary School P & C Association*

10 - 14 November 2022 \$250.00

Total **\$250.00**

With thanks.



Frank Keane
Bachelor of Business (Accounting)

14 November 2022