

## Independent Audit Report to the Members of Glen Waverley Uniting Church – Church Council

### **Scope:**

#### ***The financial report and councillors' responsibility***

The special purpose financial report of Glen Waverley Uniting Church (GWUC) comprises a Council Statement, Profit and Loss Statement, note to the financial statements, is attached hereto, and is for the year ended 31<sup>st</sup> December 2021.

The councillors of the church are responsible for the preparation and true and fair presentation of the special purpose financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form a part of the financial report are appropriate to meet the requirements of the Church Council. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the special purpose financial report.

The special purpose financial report has been prepared for distribution to members for the purpose of fulfilling the councillor financial reporting requirements. We disclaim any assumptions of responsibility for any reliance on this report or on the special purpose financial report to which it relates to any person other than the Council members, or for any purpose other than that for which it was prepared.

### **Audit Approach:**

We conducted an independent audit in order to express an opinion to the members of the church council. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the special purpose financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that any or even all material misstatements have been detected.

We performed procedures to assess whether in all material respects the special purpose financial report is presented fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the church's financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate to the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the special purpose financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the councillors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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YATES

CHARTERED  
ACCOUNTANTS  
& BUSINESS ADVISORS

ABN: 99 516 215 737

#### *Principal: –*

JOHN P. YATES, F.C.A.

#### *Services: –*

ACCOUNTING  
AUDIT  
MANAGEMENT &  
SMALL BUSINESS CONSULTING  
SUPERANNUATION FUNDS  
TAXATION SERVICES

#### *Accreditations: –*

MEMBER OF THE PANEL OF  
PROFESSIONAL ADVISORS –  
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REGISTERED COMPANY AUDITORS  
REGISTERED AUDITORS OF SELF  
MANAGED SUPERANNUATION FUNDS  
REGISTERED TAX AGENTS  
REGISTERED SUPPLIERS OF  
GST SERVICES

#### *Respect paid to*

G. F. Yates & Son: 1940

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## **Independent Audit Report to the Members of GWUC (continued).**

### ***Independence:***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### ***Audit Comments:***

- ***Internal Control Systems***

As is usual for organizations of this type it is impracticable to install a complete system of internal control, including cash receipts and payments systems, due to the difficulty in segregating duties. For example, Cash Receipts can only be verified from the point of their entry onto the bank statements. Completeness of receipts is therefore unable to be verified. As a consequence, our audit testing has been restricted to ensuring the financial statements have been prepared in accordance with the books and records of the Church as supplied to us for examination.

- ***Maintenance & Capital Acquisition / Deferred Maintenance Reserve – Provision Accounting***

In prior years, the Church has systematically “expended” each year an amount to cover future maintenance costs and capital purchase amounts. These amounts when actually “spent” were not allocated to asset or expense in the year when the cash was “spent”. There was no liability at balance date representing the Maintenance provision.

In this financial year a reversal of funds has occurred from the Reserve and transferred back to income to “fund” the expenditure as it was incurred. Transfers “from” reserve should be reflected as such and should not be disclosed as income. The amount applicable was \$48,206.

### ***Audit Opinion:***

In our opinion, the special purpose financial report presents fairly in accordance with the accounting policies described and attached to the financial statements, the financial position of GWUC as at 31<sup>st</sup> December 2021 and the results of its operations for the financial year then ended, **as represented by the books and records presented to us for examination.**

### ***Emphasis of Matter:***

#### ***Basis of Accounting***

Without modifying our opinion, we note that the special purpose financial report attached is a special purpose financial report. The special purpose financial report has been prepared for the purpose of fulfilling the councillors’ financial reporting responsibilities. As a result, the special purpose financial report may not be suitable for another purpose and anyone wishing to rely on this report should contact the author directly.



**John Yates**

11<sup>th</sup> July 2022