

Tauranga Rowing Club Incorporated

Closing Report to the Board
Year ended 31 March 2024

WilliamBuck

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Summary

Tauranga Rowing Club Incorporated

We are pleased to present our report for the audit of Tauranga Rowing Club Incorporated ("Club") for the period ended 31 March 2024.

We'd like to express our appreciation for the cooperation and assistance which we received during the course of our audit from all the staff of Club.

This report summarises our audit approach and findings as well as providing any recommendations for areas of improvement identified during the audit process.

Independence

William Buck's independence has been confirmed by all engagement team members.

Audit opinion

We issued an unmodified audit opinion over the financial report for the year ended 31 March 2024.

Audit focus areas identified

- Revenue Recognition – Membership & Grant Income
- Impairment of Property, Plant and equipment

Areas of improvement

- Inventory Valuation
- Fixed assets not separately identifiable on the fixed assets register

We trust that you find this report informative, and we appreciate the opportunity to be of service to you.

If you have any queries or wish to discuss any issues further, please do not hesitate to contact me.

Yours sincerely



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5 September 2024



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A group of four business professionals are gathered around a table in a modern office setting. A man in a light blue shirt is on the left, smiling and looking towards the center. In the foreground, the back of a person's head and shoulders is visible. To the right, a woman with long dark hair is smiling broadly, looking at a laptop. Another woman is partially visible on the far right, also smiling. The background shows large windows with a view of greenery outside.

Audit focus areas

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Focus areas

Revenue recognition


Account description	Type	Risk
Revenue Recognition – Membership & Grant Income	Assets / Revenue	Higher
Audit procedures	Testing approach	Summary of results
<p>We have performed procedures to respond to the presumed risk of fraud in revenue recognition.</p> <p>We performed a substantive analytical procedures using the membership database and the member income.</p> <p>We verified grant income to contracts on a sample basis, considering any "use or return" clauses and checking that cutoff at the end of the financial year is accurate.</p>	<p>Purely Substantive</p>  <p>Purely Control</p>	<p>No errors were found in the revenue testing.</p> <p>The overall balance of member income is consistent with the membership database.</p> <p>Grant income were recorded in the correct accounting period.</p>

Legend




Significant	Higher
Matters identified which had a high impact on the financial statements and/or audit.	Matters identified which had a moderate impact on the financial statements and/or audit.

Focus areas

Revenue recognition

Account description	Type	Risk
Impairment of Property, Plant and equipment	Fixed Assets	Higher
Audit procedures	Testing approach	Summary of results
We selected a statistical sample of items of property, plant and equipment in physically inspected them for evidence of their existence and for any signs of impairment.	<p>Purely Substantive</p>  <p>Purely Control</p>	<p>We found no evidence of potential impairment in the sample that we tested.</p> <p>We did note that one of the items on the fixed assets register that we selected for testing was made up of multiple assets. Refer to the areas for improvement.</p>

Audit focus areas - other

Audit risk area 	Audit approach 	Summary of results 
Cash & bank balances	Verify balances to third party confirmations.	No matters arising.
Accounts and other receivables	Tested a sample of receivables to subsequent receipts. Verified doubtful debts calculation.	No matters arising.
Property, plant & equipment	Test material additions and disposals. Review depreciation calculation. Consider for impairment.	No matters arising.
Accounts payable and accruals	Perform search for unrecorded liabilities. Vouch to supplier statements. Reconcile leave provision to supporting reports.	No matters arising.
Equity	Reconcile movements.	No matters arising.
Revenue	Vouch material revenue lines to supporting documentation. Review contracts/grant notices for any use or return conditions and confirm cutoff at year end.	No matters arising.
Other expenses	Perform an analytical review over expenses. Trace a sample of expenses to supporting documentation.	No matters arising.

Summary of adjusted and unadjusted audit differences

Adjusted audit differences

- We did not identify any significant items that required adjustment to the financial statements
- Various minor amendments were made to the presentation of the financial statements.

Unadjusted audit differences

<i>GST capitalised as part of inventory balance</i>	<i>(\$733.50)</i>
Unadjusted impact on surplus	(\$733.50)





Areas of improvement, fraud risk, and communications

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Areas of improvement

Observations



Inventory Valuation

During our audit testing, we noted that cost of a selection of inventory items included GST. Per the accounting policies of the entity, only trade receivables and payables should include GST.

Fixed assets not separately identifiable on the fixed assets register

During our audit, we noted that several fixed assets recorded in the fixed assets register are not separately identifiable. This lack of detailed identification can lead to challenges in tracking, managing, and verifying the existence and condition of these assets.

The absence of separate identification for fixed assets may result in:

- Difficulty in conducting physical verification of assets.
- Challenges in accurately assessing the depreciation and useful life of each asset.
- Increased risk of asset misappropriation or loss.
- Potential inaccuracies in financial reporting and asset valuation

Recommendations



We recommend that a reconciliation of the cost used to value the inventory be performed when an inventory count is performed.

We recommend that the trustees implement of more detailed fixed assets register, that separately identifies assets in more detail.

Risk of fraud



Management override of controls and risk of fraud in revenue recognition	Audit response	Summary of findings
<p>An area of audit significance is the risk of material misstatement of the financial report due to fraud. We obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through implementing appropriate responses.</p> <p>Management override of controls and risk of fraud in revenue recognition are always pervasive risks to the financial statements, and we have planned testing to respond to these risks. Our assessment of the risk of management override of controls includes how those charged with governance (including elected officials) exercise oversight of management's processes for identifying and responding to risk of fraud and the internal control that management has established to mitigate these risks.</p>	<p>Our audit response is a combination of controls and substantive-based testing and include:</p> <ul style="list-style-type: none">— evaluating and testing key controls over manual journals and the extent of segregation of duties— testing a sample of revenue transactions during the year— performing analytical procedures over revenue recognition.— testing contract asset and liability balances as part of the assessment of revenue recognition. <p>We also build an element of unpredictability into our work program meaning management will not be aware of all procedures prior to their execution.</p>	<p>No matters arising.</p>

Communication of other matters

Required communications with management and governance



Disagreements with management or significant difficulties

There have been no disagreements with management in completing the audit.

Independence

The engagement team and others in the firm as appropriate, the firm and network firms are independent in accordance with relevant ethical requirements and any regulatory requirements that apply to the audit engagement.

Other communications with management

There have been no other significant discussions with management that have not been reported to you or included in this report.

Non-audit fees

We have not charged any non-audit related fees to the entity in the period under review.

Fraud

During the audit we have not identified or been notified by your office of any circumstances of fraud.

Going concern

During the audit there have been no material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern and require further consideration or disclosure within the financial report.

Use of other auditors and specialists

William Buck did not require the assistance of another audit firm or specialist in performing the audit of the entity.

Laws and regulations

During the audit there has been no evidence that the entity has not complied with laws and regulations pertaining to the entity.

A photograph of three people in an office environment. In the foreground, a woman with long dark hair and glasses is smiling broadly, her hand near her face. Behind her, a man with glasses and a suit is also smiling. To the right, another person is partially visible, looking at a laptop. The background is softly blurred, showing office elements like a window and a poster.

About William Buck

William Buck



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Our 'one firm' approach brings together specialists across various disciplines to provide you with the right advice at the right time.

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We customise our audit services to the size and nature of your organisation, aligning world class standards and methodologies with your business goals and associated risks.

Business Advisory

Working closely with you and your management team, we can help you plan and implement contemporary business strategies and practices to meet your business's full potential.

Tax Services

Understanding that clients want to get to the solution quickly, we offer clear, responsive advice to manage your tax risk, address local and international tax issues and develop strategies to utilise tax concessions and planning opportunities.

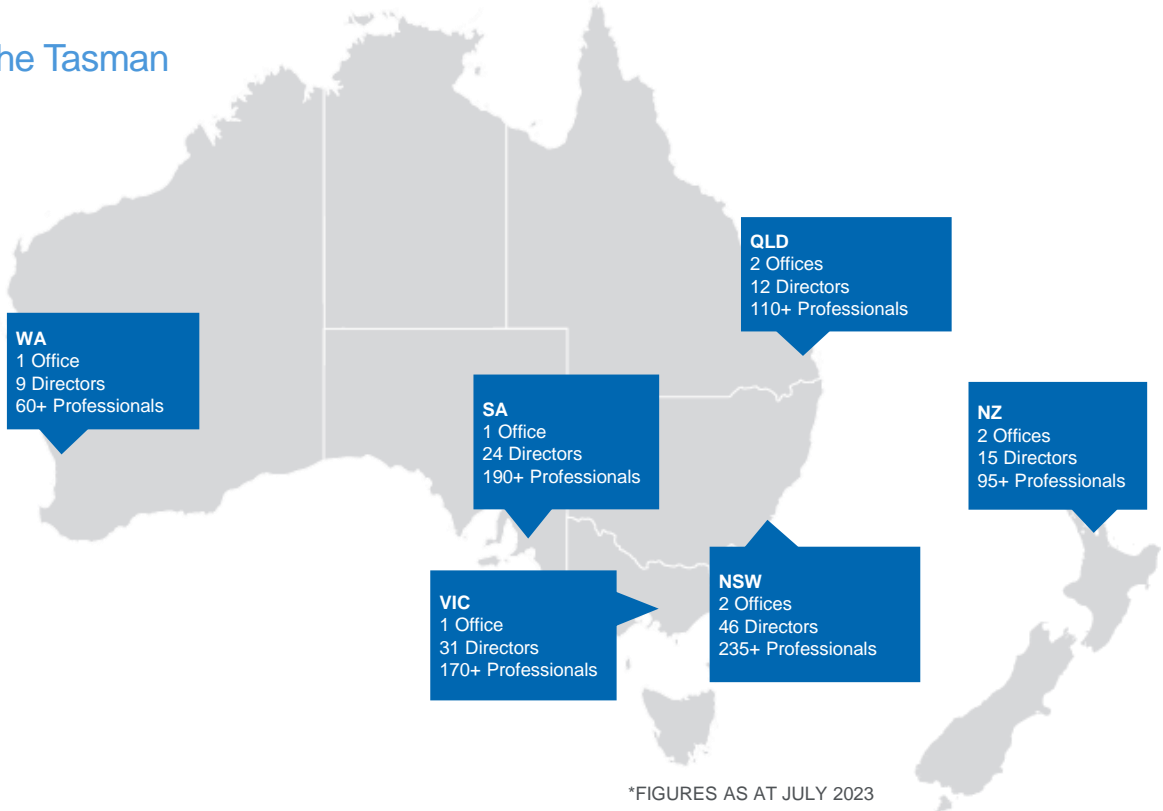
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*FIGURES AS AT JULY 2023

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in strategic locations

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Whether you are looking for business opportunities beyond national boundaries or need international support in addition to services in your home market, William Buck’s global network provides a gateway to the international marketplace.



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Ngā Mihi

This report is prepared on the basis of the limitations set out below.

This report is prepared solely for the information of those charged with governance and is not intended for any other purposes. We accept no responsibility to a third party who uses this report. The matters raised in this report are only those that came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist. Our comments should be read in the context of the scope of our work. Findings within this report may have been prepared on the basis of management representations. Suggestions for improvement should be assessed by the entity for their full commercial impact before they are implemented.

This report has been prepared solely for your use as management of the entity and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

