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The Management Committee
Wyalkatchem Community Resource Centre Inc.
PO Box 156
WYALKATCHEM WA 6485

Date: 25th August 2023

Dear Sirs/Madams,

I have completed the audit of the Financial Statements of Wyalkatchem Community Resource Centre Inc. for the year ended 30 June 2023. I would like to thank Amanda and Craig for their time & assistance in conducting the audit. I have listed below some feedback and recommendations for the committee from my observations as I conducted the audit.

1) Loss for the Year & Ongoing Liquidity Concern

The association recorded a loss for the year of \$40374. The net current asset position as at 30 June 2023 was \$36507. Consequently, the association cannot afford to have a similar trading result for the coming period as it would extinguish all of its available current assets.

The audit report contains an Emphasis of Matter, with regard to the associations ability to continue as a going concern in the next 12 months to highlight the matter.

Discussions with the Chairperson, Coordinator & book keeper during the audit identified the staff & committee are aware of the position and have already implemented some changes to reduce costs. Given the low net current asset position, the committee will need to look at implementing significant cost reductions, or additional revenue additions, as a priority to ensure the association remains able to pay its debts as & when they fall due into the future.

2) Negative Bank Balance

The associations NAB Cheque account reflects a negative balance as at 30 June 2023. While funds were available in other bank accounts, the cheque account was inadvertently transacted beyond its available balance in June 2023 without suitable funds transfers being made.

Recommendation

The bank accounts of the association should always have an adequate balance to meet payment obligations as & when they fall due. Given the current financial position of the association, the cash balances should be reviewed and monitored closely to ensure Funds are adequate.

3) Employee Contracted Hours of Employment

It was noted that a number of the employee contracts indicate employees are contracted to work for 75 or 76 hours per fortnight whereas, the actual payments made each fortnight reflected less hours than these contracted amounts.

Recommendation

Technically, an employee should be remunerated for the contracted hours if the contract stipulates the standard hours of pay that they are contracted to work. If the intention of the agreement is for staff to have variable hours "up to" a maximum number of hours each pay period, then the wording of the contracts may need to be reviewed to ensure this is more accurately reflected in the contracts, otherwise employees should be remunerated in line with their contracted hours.

4) Fixed Assets Review

The review of the Fixed Asset register highlighted a number of assets that have been flagged as either disposed of or no longer of any value to the CRC. I was advised these items have been discussed with the committee to be disposed and written off in the accounts, however, there was no documented evidence of this available during the audit. As a result, the items remain in the asset register a at 30 June 2023.

Recommendation

The register should be reviewed by the committee and any assets approved for disposal or to be written off should be documented and approved by the committee before being acted upon by the staff.

Should you require any further information or assistance regarding the above matters or the audit Statements/Report, I would be more than happy to discuss further.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'G. Sherriff', with a stylized flourish at the end.

Graham Sherriff MIPA BBus