

STELLA MARIS CATHOLIC SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 1663

Principal: Alan Watts

School Address: 50 Silverdale Road, Silverdale, Auckland 0944

School Postal Address: PO Box 103, Silverdale, Auckland

School Phone: (09) 427 9189

School Email: principal@stellamaris.school.nz

Members of the Board of Trustees

Name	Position		How Position Gained	Term Expires
	Chair Person	Sarah Porter	Elected	June 2019
	Principal	Alan Watts	ex Officio	
	Parent Rep	Irena Minogue	Elected	June 2019
	Parent Rep	Derek Molloy	Appointed	June 2019
	Parent Rep	Kerri Tait	Elected	June 2019
	Parent Rep	Bronwyn Hudson	Elected	June 2019
	Proprietors Rep	Father John Tollan	Appointed	Feb 2019 (Resigned)
	Proprietors Rep	Rachel Nui	Appointed	Dec 2018 (Resigned)
	Proprietors Rep	Nicole Lawson	Appointed	June 2019
	Proprietors Rep	Leanne Cate	Appointed	June 2019
	Proprietors Rep	John Walker	Appointed	June 2019
	Staff Rep	Catherine Cyprian	Elected	June 2019

Accountant / Service Provider:

Top Class Financial Management Services

STELLA MARIS CATHOLIC SCHOOL

Annual Report - For the year ended 31 December 2018

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Stella Maris Catholic School

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

DEREK MOLLOY
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

21/5/19
Date:

Alan Desmond Joseph Watts
Full Name of Principal

[Signature]
Signature of Principal

21/05/19
Date:

Stella Maris Catholic School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	1,676,002	1,704,643	1,745,717
Locally Raised Funds	3	295,406	309,500	329,117
Use of Land and Buildings Integrated		753,705	753,705	753,705
Interest Earned		10,354	8,250	9,635
International Students	4	2,942	-	-
		<u>2,738,409</u>	<u>2,776,098</u>	<u>2,838,174</u>
Expenses				
Locally Raised Funds	3	61,646	56,950	85,711
International Students	4	149	-	-
Learning Resources	5	1,519,988	1,593,300	1,627,699
Administration	6	156,204	177,590	175,589
Finance		6,117	2,500	3,321
Property	7	871,350	875,050	872,512
Depreciation	8	49,046	30,000	42,663
Loss on Disposal of Property, Plant and Equipment		-	-	2,300
		<u>2,664,500</u>	<u>2,735,390</u>	<u>2,809,795</u>
Net Surplus for the year		73,909	40,708	28,379
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>73,909</u>	<u>40,708</u>	<u>28,379</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Stella Maris Catholic School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	324,185	324,185	295,808
Total comprehensive revenue and expense for the year	73,909	40,708	28,379
Capital Contributions from the Ministry of Education	-	-	-
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	398,094	364,893	324,185
Retained Earnings	398,094	364,893	324,185
Equity at 31 December	398,094	364,893	324,185

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Stella Maris Catholic School
Statement of Financial Position
As at 31 December 2018

		2018	2018	2017
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	9	186,769	137,665	99,278
Accounts Receivable	10	85,224	86,000	85,677
GST Receivable		5,476	6,000	9,502
Prepayments		4,110	5,000	8,217
Inventories	11	1,008	1,000	1,376
Investments	12	195,028	200,000	201,505
		<u>477,615</u>	<u>435,665</u>	<u>405,555</u>
Current Liabilities				
Accounts Payable	15	126,796	106,100	116,903
Revenue Received in Advance	16	2,442	1,200	1,420
Provision for Cyclical Maintenance	17	7,861	5,194	6,921
Finance Lease Liability - Current Portion	18	22,308	16,000	15,663
Funds held on behalf of the Proprietor	19	2,910	3,300	4,165
		<u>162,317</u>	<u>131,794</u>	<u>145,072</u>
Working Capital Surplus		315,298	303,871	260,483
Non-current Assets				
Work In Progress	13	-	-	11,748
Property, Plant and Equipment	14	137,922	109,298	97,439
		<u>137,922</u>	<u>109,298</u>	<u>109,187</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	17	25,041	27,276	25,470
Finance Lease Liability	18	30,085	21,000	20,015
		<u>55,126</u>	<u>48,276</u>	<u>45,485</u>
Net Assets		<u>398,094</u>	<u>364,893</u>	<u>324,185</u>
Equity		<u>398,094</u>	<u>364,893</u>	<u>324,185</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Stella Maris Catholic School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		463,303	467,102	488,323
Locally Raised Funds		300,736	307,700	326,299
Hostel		-	-	-
International Students		2,942	-	-
Goods and Services Tax (net)		4,026	-	618
Payments to Employees		(375,104)	(391,200)	(414,792)
Payments to Suppliers		(216,938)	(269,985)	(314,281)
Cyclical Maintenance Payments in the year		(6,070)	(7,237)	(7,119)
Interest Paid		(6,117)	(2,500)	(3,321)
Interest Received		9,986	7,750	8,356
Net cash from / (to) the Operating Activities		176,764	111,630	84,083
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(89,529)	(77,694)	(39,388)
Purchase of Investments		-	(25,000)	(37,575)
Proceeds from Sale of Investments		18,226	-	-
Net cash from / (to) the Investing Activities		(71,303)	(102,694)	(76,963)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(16,715)	(9,000)	(8,054)
Painting contract payments		-	-	-
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		(1,255)	(200)	100
Funds Held for Capital Works Projects		-	-	-
Net cash from Financing Activities		(17,970)	(9,200)	(7,954)
Net increase/(decrease) in cash and cash equivalents		87,491	(264)	(834)
Cash and cash equivalents at the beginning of the year	9	99,278	137,929	100,112
Cash and cash equivalents at the end of the year	9	186,769	137,665	99,278

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Stella Maris Catholic School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Stella Maris Catholic School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 14.

Critical Judgements In applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 18.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition**Government Grants**

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

Inventories are consumable items held for sale, stationery only. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment. The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

k) Property, Plant and Equipment

Land and buildings owned by the Proprietor are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Furniture and equipment	3-10 years
Information and communication technology	2-3 years
Library resources	8 years

l) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

m) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

n) Revenue Received in Advance

Revenue received in advance relates to Attendance Dues received from students where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue to the Diocese as the obligations are fulfilled.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

o) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

q) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

r) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

t) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	355,029	349,612	361,956
Teachers' salaries grants	1,212,699	1,260,000	1,262,585
Other MoE Grants	108,274	95,031	121,176
	<u>1,676,002</u>	<u>1,704,643</u>	<u>1,745,717</u>

3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	170,963	203,000	195,427
Activities	71,503	68,800	92,301
Trading	25,094	25,100	25,389
Fundraising	27,846	12,600	16,000
	<u>295,406</u>	<u>309,500</u>	<u>329,117</u>
Expenses			
Activities	37,495	33,450	61,852
Trading	24,151	23,500	23,859
	<u>61,646</u>	<u>56,950</u>	<u>85,711</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>233,760</u>	<u>252,550</u>	<u>243,406</u>

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	1	0	0
	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
International student fees	2,942	-	-
Expenses			
International student levy	149	-	-
	<u>149</u>	<u>-</u>	<u>-</u>
<i>Surplus/ (Deficit) for the year International Students'</i>	<u>2,793</u>	<u>-</u>	<u>-</u>

5. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	21,954	30,200	47,604
Information and communication technology	24,226	24,500	24,150
Library resources	1,097	1,400	1,238
Employee benefits - salaries	1,463,261	1,517,700	1,542,437
Staff development	9,450	19,500	12,270
	<u>1,519,988</u>	<u>1,593,300</u>	<u>1,627,699</u>

6. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,038	6,600	6,110
Board of Trustees Fees	5,240	6,000	6,265
Board of Trustees Expenses	4,821	3,010	3,692
Communication	4,875	5,000	4,783
Consumables	11,908	12,900	13,081
Operating Lease	9,240	22,600	20,130
Other	7,545	8,600	8,451
Employee Benefits - Salaries	88,980	95,500	96,701
Insurance	2,977	2,800	2,816
Service Providers, Contractors and Consultancy	14,580	14,580	13,560
	<u>156,204</u>	<u>177,590</u>	<u>175,589</u>

7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	8,556	11,950	11,697
Consultancy and Contract Services	30,261	27,000	26,420
Cyclical Maintenance Expense	6,581	7,000	7,144
Grounds	5,253	8,000	5,333
Heat, Light and Water	15,035	16,400	16,504
Rates	88	95	91
Repairs and Maintenance	7,502	8,500	5,289
Use of Land and Buildings	753,705	753,705	753,705
Security	5,558	4,400	4,419
Employee Benefits - Salaries	38,811	38,000	41,910
	<u>871,350</u>	<u>875,050</u>	<u>872,512</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a "proxy" for the market rental of the property. During 2017 financial year, the Auckland Council revalued the property for rating purpose, this will not change until the next revaluations in 2020.

8. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture and Equipment	22,031	14,000	20,102
Information and Communication Technology	24,847	14,000	20,606
Library Resources	2,168	2,000	1,955
	<u>49,046</u>	<u>30,000</u>	<u>42,663</u>

9. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	100	100	100
Bank Current Account	175,174	125,215	82,579
Bank Call Account	2,354	2,350	14,249
Bank Current Account	9,141	10,000	2,350
Cash and cash equivalents for Cash Flow Statement	<u>186,769</u>	<u>137,665</u>	<u>99,278</u>

The carrying value of short-term deposits with maturity dates of 90 days or less approximates their fair value.

Of the \$186,769 Cash and Cash Equivalents, \$2,910 is held by the School for the Proprietor. Those funds are due to be transferred to the proprietor in 2019.

10. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	1,102	5,000	5,410
Interest Receivable	2,320	1,000	1,952
Teacher Salaries Grant Receivable	81,802	80,000	78,315
	<u>85,224</u>	<u>86,000</u>	<u>85,677</u>
Receivables from Exchange Transactions	3,422	6,000	7,362
Receivables from Non-Exchange Transactions	81,802	80,000	78,315
	<u>85,224</u>	<u>86,000</u>	<u>85,677</u>

11. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	1,008	1,000	1,376
	<u>1,008</u>	<u>1,000</u>	<u>1,376</u>

12. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	195,027	200,000	201,505

13. Work in Progress

	2018 Actual \$	2018 Budget \$	2017 Actual \$
Work in Progress	-	-	11,748

Work commenced in 2017 on a playground. This was completed in 2018.

14. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Furniture and Equipment	52,670	70,441	-	-	(22,031)	101,080
Information and Communication Technology	37,661	14,491	-	-	(24,847)	27,305
Library Resources	7,108	4,597	-	-	(2,168)	9,537
Balance at 31 December 2018	97,439	89,529	-	-	(49,046)	137,922

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Furniture and Equipment	423,912	(322,833)	101,079
Information and Communication Technology	135,981	(108,676)	27,305
Library Resources	76,384	(66,846)	9,538
Balance at 31 December 2018	636,277	(498,355)	137,922

The net carrying value of IT equipment held under a finance lease is \$48,164 (2017: \$38,040)

The net carrying value of furniture and equipment held under a finance lease is \$37,190 (2017: \$14,441)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Furniture and Equipment	42,872	29,899	-	-	(20,102)	52,669
Information and Communication Technology	33,372	27,195	(2,300)	-	(20,606)	37,661
Library Resources	9,064	-	-	-	(1,955)	7,109
Balance at 31 December 2017	85,308	57,094	(2,300)	-	(42,663)	97,439

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Furniture and Equipment	354,724	(302,054)	52,670
Information and Communication Technology	122,117	(84,456)	37,661
Library Resources	75,086	(67,978)	7,108
Balance at 31 December 2017	551,927	(454,488)	97,439

15. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	29,640	20,000	26,446
Accruals	4,738	6,100	4,775
Employee Entitlements - salaries	88,843	80,000	83,876
Employee Entitlements - leave accrual	3,575	-	1,806
	126,796	106,100	116,903

Payables for Exchange Transactions	126,796	106,100	116,903
	<u>126,796</u>	<u>106,100</u>	<u>116,903</u>

The carrying value of payables approximates their fair value.

16. Revenue Received In Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	2,442	1,200	1,420
	<u>2,442</u>	<u>1,200</u>	<u>1,420</u>

17 Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	32,391	32,391	32,366
Increase/ (decrease) to the Provision During the Year	6,581	7,000	7,144
Adjustment to Provision	-	-	(2,638)
Use of the Provision During the Year	(6,070)	(6,921)	(4,481)
Provision at the End of the Year	<u>32,902</u>	<u>32,470</u>	<u>32,391</u>
Cyclical Maintenance - Current	7,861	5,194	6,921
Cyclical Maintenance - Term	25,041	27,276	25,470
	<u>32,902</u>	<u>32,470</u>	<u>32,391</u>

18. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	26,425	16,000	16,202
Later than One Year and no Later than Five Years	34,260	21,000	22,756
	<u>60,685</u>	<u>37,000</u>	<u>38,958</u>

19. Funds held In Trust

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held in Trust on Behalf of the Proprietor - Current	2,910	3,300	4,165
	<u>2,910</u>	<u>3,300</u>	<u>4,165</u>

These funds are held on behalf of the Proprietor. They were collected in December and will be paid to the Proprietor in 2019.

20. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Proprietor of the School (Bishop of Auckland) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues and special character donations payable to the Proprietor. The amounts collected in total were \$125,958 (2017: \$126,033). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$2,910, (2017: \$4,165).

In addition the school has entered into a Service Level Agreement with the Proprietor for the provision of services, including

21. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	5,240	6,265
Full-time equivalent members	0.17	0.33
<i>Leadership Team</i>		
Remuneration	315,087	315,854
Full-time equivalent members	3	3
Total key management personnel remuneration	320,327	322,119
Total full-time equivalent personnel	3.17	3.33

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	130 - 140
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2018 FTE Number	2017 FTE Number
	-	-

The disclosure for 'Other Employees' does not include remuneration of the Principal.

22. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

23. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

24. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has no capital commitments.
(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(b) operating lease of IT Equipment;

	2018 Actual \$	2017 Actual \$
No later than One Year	3,503	6,922
Later than One Year and No Later than Five Years	-	425
	<u>3,503</u>	<u>7,347</u>

25. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

26. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	186,769	137,665	99,278
Receivables	85,224	86,000	85,677
Investments - Term Deposits	195,028	200,000	201,505
Total Loans and Receivables	<u>467,021</u>	<u>423,665</u>	<u>386,460</u>

Financial liabilities measured at amortised cost

Payables	126,796	106,100	116,903
Finance Leases	52,393	37,000	35,678
Total Financial Liabilities Measured at Amortised Cost	<u>179,189</u>	<u>143,100</u>	<u>152,581</u>

27. Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

School Name:	Stella Maris	1663
Strategic Aim:	<p>All students are actively engaged in their learning in order to make progress and achieve to their full potential in all areas of the New Zealand Curriculum, with a particular focus on reading, writing and mathematics.</p> <p>In mathematics all students show progress in achievement in relation to the New Zealand Curriculum Levels, especially those in the national target group of Maori and Pasifika and those identified as at risk from 2017 data.</p> <p>In reading and writing all students show progress in achievement in relation to the New Zealand Curriculum Levels, especially those in the national target group of Maori and Pasifika and those identified as at risk from 2017 data.</p>	
Annual Aim:	<p>All students are actively engaged in their learning in order to make progress and achieve to their full potential in all areas of the New Zealand Curriculum, with a particular focus on reading, writing and mathematics.</p>	
Target:	<p>2018 Student Achievement Targets</p> <p><u>Yr 4</u></p> <p>Reading</p> <p>To move 7 students to achieving at the end of Curriculum Level 2, including 1 Maori student and 1 Pasifika student.</p> <p>Writing</p> <p>To move 5 students to achieving at the end of Curriculum Level , including 1 Maori Student.</p> <p>Maths</p> <p>To move 7 students to achieving at the end of Curriculum Level 2.</p> <p><u>Yr 6</u></p> <p>Reading</p> <p>To move 4 students to achieving at the end of Curriculum Level 3.</p>	

Baseline Data:	Writing To move 11 students to achieving at the end of Curriculum Level 3.
	Maths To move 6 students to achieving at the end of Curriculum Level 3.
	Yr 4 Reading Outcome <i>5 Students from below level 2 to mid level 2 including 1 Pasifica and 1 Maori student.</i> <i>1 Student from below level 2 to at level 2</i> <i>1 student from below level 2 to beginning level 2</i>
	Yr 4 Writing Outcome <i>3 Students from below level 2 to mid level 2.</i> <i>1 Maori student from below level 2 to beginning level 2</i> <i>1 student from below level 2 to beginning level 2</i>
	Yr 4 Maths Outcome <i>1 student from below level 2 to beginning level 2.</i>

3 Students from below level 2 to mid level 2.

3 students from below level 2 to end of level 2

Yr 6 Reading

Outcome

2 Students from below level 3 to mid level 3.

2 Students from below level 3 end of level 3.

Yr 6 Writing

Outcome

1 Student from level 2 to mid level 3

3 Students from level 2 to the end of level 3.

3 Students from below level 3 to mid level 3.

4 Students from below level 3 to at level 3

Yr 6 Maths

Outcome

1 student from level 2 to beginning of level 3

1 student from level 2 to the end of level 3.

3 Students from below level 3 to mid level 3.

1 student from beginning of level 3 to the end of level 3

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Teachers working collaboratively for teaching and learning programmes targeting the specific needs of those below the standard.</p> <p>Continued moderation in school and with other schools.</p> <p>School wide focus on writing and maths.</p> <p>Individual teacher focus on differentiated teaching and learning.</p> <p>Focus on Teaching as Inquiry to identify resources and strategies to implement effective change.</p>	<p>See outcomes above.</p>	<p>Some students improved subsets of achievement but not enough to reach the curriculum level aimed for.</p> <p>The rate of learning varied between students in the same classroom.</p>	<p>See planning for 2019.</p>
Planning for next year			
Continue the future focus and collaborative teaching and learning in Mathematics and English for the senior and middle teams.			

Kiwisport Report 2018

In 2018 Stella Maris received \$3648.70. The funding was spent in the following ways:

Outside coaches came in and took each class through a variety of age appropriate sports skill lessons.

Subsidies swimming across the school for all students.

In 2018 Stella Maris had the following sports teams:

2 miniball

2 Flippa ball teams

1 Hockey Team

5 Netball teams

5 Summer footy Teams

7 Touch Teams

1 Interschool Cross country team.

2 Interschool Ripa Rugby teams.

2 Interschool football teams.

1 Interschool swimming

1 Interschool athletics

1 Interschool Hockey team

2 Interschool Cricket teams.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF STELLA MARIS CATHOLIC SCHOOL'S FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Stella Maris Catholic School (the School). The Auditor-General has appointed me, Blair Stanley, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 17, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime

Our audit was completed on 21 May 2019. This is the date at which our opinion is expressed

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the other statements, which includes Analysis of Variance, Members of the Board of Trustees and Kiwisport Statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.

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

Blair Stanley
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand



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Level 4
BDO Centre
4 Graham Street
PO Box 2219
Auckland 1140
New Zealand

22 May 2019

Sarah Porter
Stella Maris Catholic School
50 Silverdale Street
Silverdale
Auckland 0932

Dear Sarah

**Stella Maris Catholic School
Audit Management Letter for the year ended 31 December 2018**

We have completed our audit of Stella Maris Catholic School for the financial year ended 31 December 2018. We set out the findings of our audit work for this year in the Board Report attached to this letter.

We would like to thank Alan Watts and Helen Mackereth for their assistance during the course of the audit. We also would like to thank the Board for choosing our firm to be your appointed auditor.

As part of the normal course of the audit we review the accounting systems and procedures operating within the school, and their effectiveness from an audit perspective. We also review the significant estimates and judgments made by the Board and the impact of these on the financial statements.

Our review was designed to enable us to form an opinion on the financial statements. Our work has focused on significant transaction streams and therefore our observations should not be relied upon as a comprehensive review of the school's financial systems, procedures and controls. Our review was not designed for nor should it be relied upon to detect all incidences of fraud or error. The responsibility to maintain adequate accounting systems and controls designed to prevent and detect fraud and error is the responsibility of the Board.

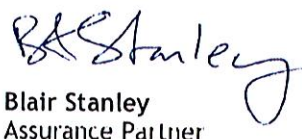
We wish to remind the Board that the management letter issued is a confidential document between your Board and ourselves and is to be read in conjunction with the board report issued as a result of our interim visit if applicable. It is not required to be provided to the MOE or made available to the public.

Please note that the school is no longer required to e-mail their audited financial statements to the Ministry. These now have to be loaded onto the School Data Portal on the Ministry website. Details of this was forwarded to you by the Ministry via Circular 2017/12 and can be located at the following address:

<https://education.govt.nz/ministry-of-education/publications/education-circulars/2017-circulars/circular-201712/>

Should you have any queries please contact Alison Kenworthy or myself.

Yours sincerely
BDO Auckland



Blair Stanley
Assurance Partner

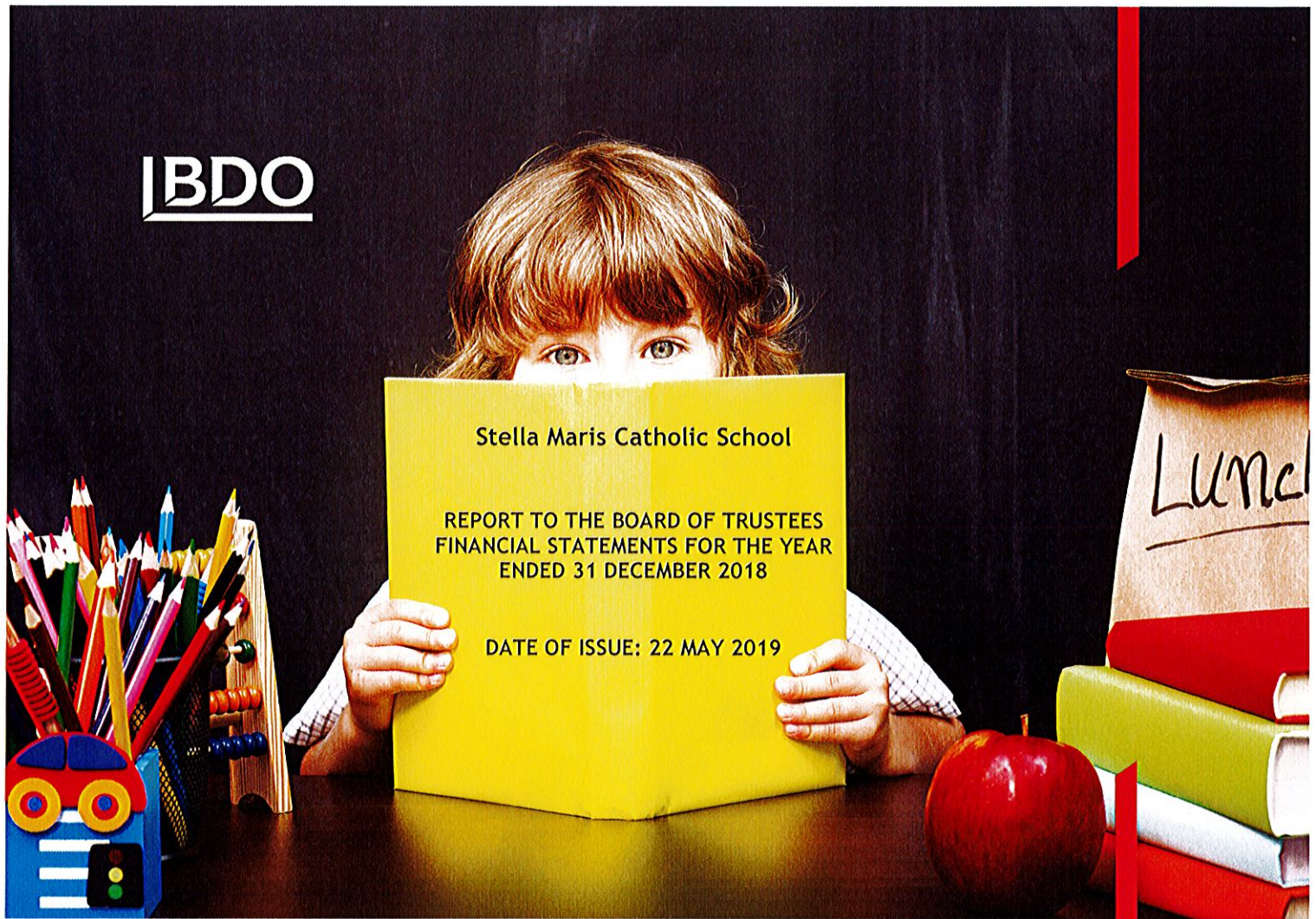
☎ DDI: 366 8293
✉ blair.stanley@bdo.co.nz



Stella Maris Catholic School

REPORT TO THE BOARD OF TRUSTEES
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2018

DATE OF ISSUE: 22 MAY 2019





*Stella Maris School
Report to the Board of Trustees
For the year ended 31 December 2018*

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1. EXECUTIVE SUMMARY

This report details the processes, findings and recommendations from our audit of Stella Maris School (the "School") in accordance with International Standards on Auditing (NZ) and the terms of our engagement as set out in our audit engagement letter. We would like to emphasise that our audit work involves the review of only those systems and controls in your organisation upon which we rely for audit purposes. Our examination may not have identified and should not be relied upon to identify all control weaknesses that exist.

Overall, we are satisfied that the School presented its results for the year ended 31 December 2018 to a good level of compliance with applicable financial reporting standards, with no adjustments made as a result of our audit and 1 unadjusted difference.

We would like to thank Alan Watts and Helen Mackereth and the staff at the School for their cooperation extended to BDO during the course of the audit. We have received full and frank cooperation. There is nothing we wish to raise solely with the Trustees.

2. CONFIRMATION OF AUDIT INDEPENDENCE

In conducting our engagement, we are required to comply with the independence requirements of PES-1 *Code of Ethics for Assurance Practitioners* issued by the External Reporting Board.

Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.

For the comfort of the Board of Trustees, we note that no other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner. We have not provided any non-audit services for the School.

3. MANAGEMENT JUDGEMENTS AND ESTIMATES

Under International Standards on Auditing (NZ) we have a responsibility to ensure that you have been informed about the process used by the School in formulating particularly sensitive accounting estimates, assumptions or valuation judgements.

We are not aware of any sensitive accounting estimates, assumptions or valuation judgements made by the School, other than the School's assumptions in regards to the cyclical maintenance provision and depreciation.



4. MATTERS REQUIRING BOARD INPUT

We have placed reliance on the Board's review and approval of the following matters:

- Board minutes
- Implementing such internal control as is needed to ensure the financial statements are presented fairly
- Statutory accounts
- Management accounts
- Going concern
- Notification of fraud

5. ACCOUNTING POLICIES

Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. There were no new accounting standards that had an effect on the School's financial statements for the period ending 31 December 2018.

6. MATERIALITY AND ADJUSTED / UNADJUSTED DIFFERENCES

Materiality means, in the context of an audit or review, if financial information is omitted, misstated or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the amount of work to be performed, which account balances require work and for evaluating the financial report. Materiality is initially calculated at the planning stage and has an influence on the amount of work we do, as well as where we direct our audit efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.

Adjustments made and all unadjusted differences (none of which we consider material, either individually or in aggregate) have been detailed in Appendix 1 of this report.

It should be noted that the auditing standards do not require us to communicate misstatements that are considered "clearly trivial" and as such, if we identify such misstatements we will not communicate these to you. We consider "clearly trivial" to be 5% or less of our planned materiality.



7. GOING CONCERN

We have undertaken a review of the ability of the School to continue as a going concern for 12 months from the date of signing the audit report and therefore whether the going concern basis for the preparation of the financial statements is appropriate.

The assumption of going concern was concluded as appropriate given the School's funding sources and its operating budget for the following financial year.

8. FRAUD

During the audit, no matters relating to fraud, concerning either employees or management, have come to our attention. It should be noted that our audit is not designed to detect fraud however, should instances of fraud come to our attention, we will report them to you.

9. NON COMPLIANCE WITH LAWS AND REGULATIONS

School Management has completed our Laws and Regulations questionnaire and we have made enquiries in relation to non-compliance with laws and regulations during the course of our audit. We have not become aware of any instances of non-compliance with laws and regulations which has materially impacted the financial position or performance of the School.



10. OVERALL RESULT

There are no significant or material weaknesses arising from our audit. Our audit work is complete. We have issued an unmodified audit report on the financial statements of the School for the year ended 31 December 2018.

The key findings identified during the course of this audit are illustrated in the summary below. A full list of the findings identified and the recommendations made is included in Summary of Findings section of this report. To enable management to set priorities on their action plans we have assessed our findings on the following basis, namely, critical, high, moderate, and low based on our assessment of the importance of each finding.

Classifications of findings are detailed in Appendix 2 of this report.

	Critical	High	Moderate	Low
Number of findings	-	-	-	2

Provided below is a summary of key findings:

ITEM NO	FINDINGS AND RECOMMENDATIONS	RATING
1.	Annual Report not available on School website	Low
2.	Overseas trip funding checklist issued by the MoE	Low



11. SUMMARY OF FINDINGS

1. Annual Report not available on School website

Rating of finding: Low

Background

Under section 87AB of the Education Act 1989, all schools are required to publish their annual report online. We were not able to locate your previous year annual report on the school website.

Implications

Transparency and accountability are important for all public entities. Schools are funded by the community, so it is the school's job to report back to the community in a timely way.

Recommendations

We are required to report to the Office of the Auditor General if the annual report is not published on the school's website in a reasonable timeframe. We recommend that post the completion of the audit at the end of May every year, these are uploaded on your School website.

Management comments



2. Overseas trip funding checklist issued by the MoE

Rating of finding: Low

Background

In June this year, the Ministry of Education (MoE) has updated its Financial Information for Schools Handbook (FISH) and has incorporated a number of checklists in the appendices, one of which relates to overseas trips.

This Checklist gives guidance and the questions the School Management and Board needs to address before approval can be given to undertake these trips using public funds, that is documenting a business case for the trip.

Implications

The checklist evidences that the school has considered the appropriateness of the expenditure related to the trip, and its relevance to delivery of the curriculum. We acknowledge that the school already has systems and processes in place to address this issue, however this checklist ensures that Management and the Board have both considered and documented the business case for such trips.

Recommendations

We recommend that going forward, prior to any trips being made by the School, a completed Checklist is submitted to the Board for review and consideration for approval.

Management comments



12. APPENDIX 1 - AUDIT ADJUSTED/UNADJUSTED DIFFERENCES

12.1 Significant audit adjustments

No adjustments were made upon completion of the audit.

12.2 Unadjusted differences

The following misstatements have been identified during the course of our audit, and have not been adjusted due to the immaterial nature of the adjustments:

Description	Assets	Liabilities	Reserves	Profit
	Dr(Cr)	Dr(Cr)	Dr(Cr)	Dr(Cr)
	\$	\$	\$	\$
DR. Teacher's Salaries				20,315
CC. Bulk Grant Payable		(20,315)		
<i>To record bulk grant payable</i>				
Net Effect of Adjustments not made:	-	(20,315)	-	20,315

13. APPENDIX 2 - FINDINGS RATING

The following framework for ratings has been developed to facilitate discussion with the School's management in order to prioritise issues according to their relative significance.

RATING	DEFINITION
Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.
Moderate	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.