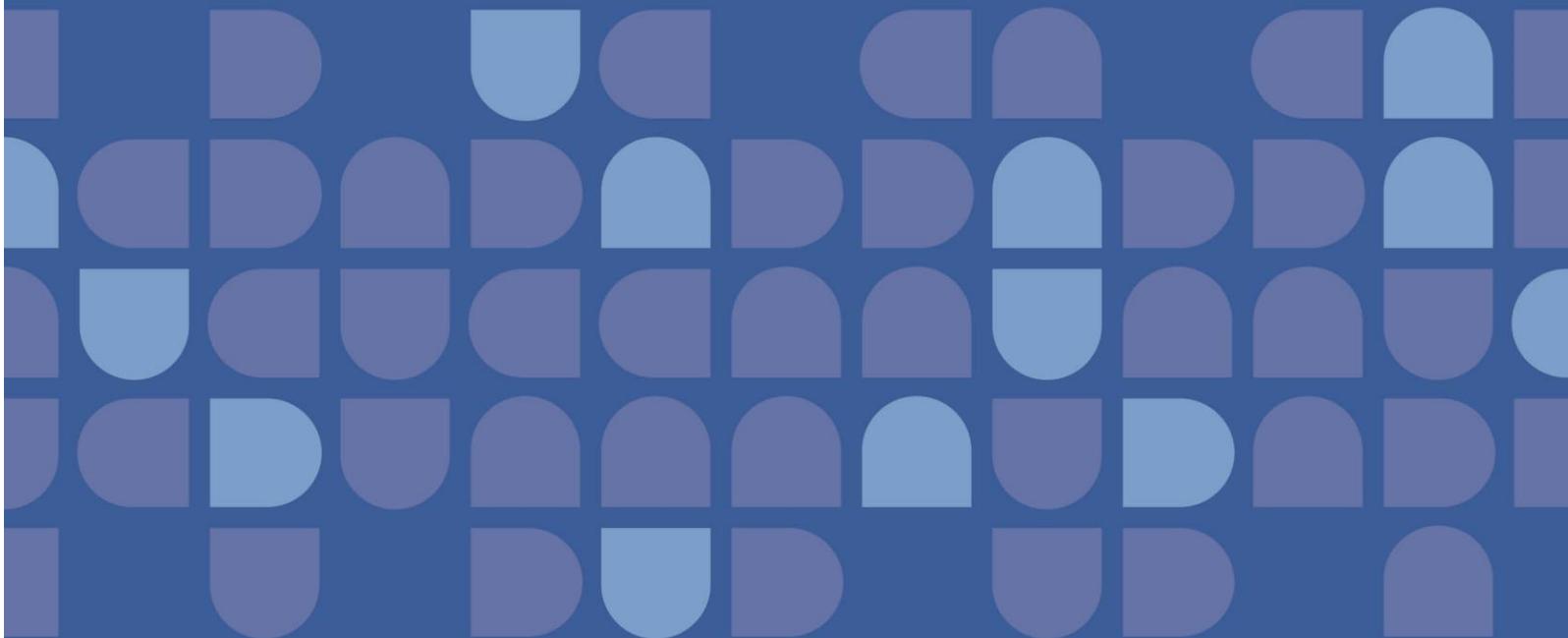


**Homai Early Childhood Centre  
Audit Management Letter  
Year Ended 31 December 2019**



3 May 2020

The Chairperson  
Homai Early Childhood Centre  
**For e-mail transmission**

E-mail: mitchellharris@mediaworks.co.nz

Dear Chairperson

### **Management Letter – Year Ended 31 December 2019**

We have completed our audit of the financial statements of Homai Early Childhood Centre for the year ended 31 December 2019, in which we examined the annual financial statements and certain aspects of the Centres systems of internal control and accounting procedures.

We note that the Centre has now ceased trading and will be wound up. This has been disclosed in the financial statements and referred to in our audit report.

There are certain mandatory matters that we are required to report to you as part of the audit.

We are pleased to report that the audit progressed smoothly, and that there are no significant matters to raise to your attention.

Yours faithfully  
**William Buck Audit (NZ) Limited**



Darren Wright  
**Director**

Copy to:           The Office of the Controller and Auditor-General  
                          The Principal

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William Buck Audit (NZ) Limited

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## Engagement

We have undertaken an audit of the financial report of Homai Early Childhood Centre (“the Early Childhood Centre”) for the year ended 31 December 2019. Our audit was conducted in accordance with Auditing Standards published by the Auditor-General (<http://oag.govt.nz/2014/auditing-standards>), which incorporate the International Standards on Auditing (New Zealand). This report has been prepared for the Board of Trustees.

## Appreciation for Assistance

We would like to express our appreciation for the cooperation and assistance which we received during the course of our audit from all the staff at the Centre. We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

## Responsibility for the Financial Report

The Board of Trustees is responsible for preparing financial statements in accordance with the Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR). The responsibility for producing the financial report and ensuring adequate internal controls and sound business practices is the responsibility of the management and is a part of management's overall responsibility for the ongoing activities of the Centre.

Policies and procedures developed by the Centre to safeguard its assets and to provide reasonable assurance that errors and irregularities or illegal acts are promptly identified, must be properly monitored to ensure that all staff are complying with the guidelines provided.

## Overall Audit Approach

Our responsibilities include expressing an opinion on the financial statements. Our audit procedures are tailored to our assessment of risk of material misstatement in the financial statements.

Our understanding of the internal control environment and financial risk areas determines the nature and extent of our audit testing. Given the level and nature of the activities of the Centre, our audit approach has been largely substantive in nature. We cannot in practice, and do not, examine every operating activity or accounting procedure carried out by the Centre, nor can we substitute for the Board of Trustee's responsibility to maintain adequate controls at all levels of operations.

## Audit Report

Based on our audit work we will issue an unmodified audit opinion.

## Summary of Adjusted Audit Differences

We did not note any significant items that required adjustment to the financial report.

## Summary of Unadjusted Audit Differences

During the audit, we noted a one item that we did not require to be adjusted in the financial report. The effect of this difference did not have a material effect on the School's financial statements and, as such, our audit opinion thereon was unmodified. The details of the unadjusted differences are as follows:

Account	Amount
Underaccrual of MoE funding to be repaid	(1,042)
<b>Total Increase/(Decrease) to Surplus</b>	<b>(1,042)</b>

- Confirmation received from the MoE subsequent to draft financial statements being prepared of the amount of funding to be repaid to the MoE

### **Accounting Policies and Subjective Items**

The accounting policies used by the Centre are consistent with the previous year. Other than the cyclical maintenance provision, there are no material accounts subject to management judgement, and no material accounting estimates were made in the determination of the account balances in the financial statements.

### **Probity and Sensitive Expenditure**

Whilst carrying out our audit, on behalf of the Office of the Controller and Auditor General (“OAG”), we have been asked to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We have tested a sample of expenses for the year, and we did not identify any such items to report. However, we remind you of the importance to remain vigilant in your oversight of expenditure of the Centre.

### **Detailed Observations, Suggested Areas for Improvement**

As part of the audit we have not identified any matters which we believe we should bring to your attention.

### **Going Concern**

As of 1 January 2020 Homai Early Childhood Centre ceased operating as a separate early childhood centre and began operating as part of the Blind and Low Vision Education Network NZ (BLENNZ). From an audit perspective, the changes will include but not limited to the following; amalgamated financial reporting, budgeting and obtaining of funding. From 2020 Homai Early Childhood Centre will not have a separate audit and be audited as part of BLENNZ.

### **Disagreements with Management**

There have been no disagreements with Management about matters that, individually or in aggregate, could be significant to the Centre’s financial report or the auditor’s report.

### **COVID-19**

We understand the COVID-19 lockdown period during the Centre’s audit season has made the process different to previous years. We would like to take the opportunity to thank the Centre Leader, administrator and external service provider for their support and patience during this unusual time.

### **Independence**

We confirm that we are independent of the Centre. We are not aware of any relationships between William Buck and the Centre that, in our professional judgement, may reasonably be thought to impair our independence.

### **Disclaimer**

This report is prepared on the basis of the following limitations. This communication is prepared solely for the information of the Board of Trustees and is not intended for any other purposes. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

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 and the Board 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.

*Changing  
Lives.*

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Empowering Business Globally