

STRATFORD PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 2244

Principal: Jason Elder

School Address: Regan Street, Stratford

School Postal Address: Regan Street, Stratford, 4332

School Phone: 06 765 6938

School Email: office@sps.kiwi.nz

Accountant / Service Provider:

Education  Services.
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STRATFORD PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2022

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Stratford Primary School

Statement of Responsibility

For the year ended 31 December 2022

The Board 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.

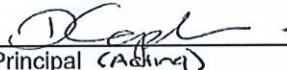
It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Le-anna Russ
Full Name of Presiding Member

Deborah Campbell
Full Name of Principal (Acting)

LRuss
Signature of Presiding Member


Signature of Principal (Acting)

17 May 2023
Date:

17 May 2023
Date:

Stratford Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	4,097,202	3,640,217	3,950,596
Locally Raised Funds	3	85,973	54,128	151,640
Interest Income		7,728	7,500	5,186
Other Revenue		-	-	8,852
		4,190,903	3,701,845	4,116,274
Expenses				
Locally Raised Funds	3	48,780	22,978	43,009
Learning Resources	4	3,232,025	2,806,909	3,149,616
Administration	5	441,542	180,166	454,580
Finance		4,316	1,104	2,422
Property	6	564,775	665,922	493,087
Loss on Disposal of Property, Plant and Equipment	11	-	-	491
		4,291,438	3,677,079	4,143,205
Net Surplus / (Deficit) for the year		(100,535)	24,766	(26,931)
Other Comprehensive Revenue and Expense		3,207	-	5,791
Total Comprehensive Revenue and Expense for the Year		(97,328)	24,766	(21,140)

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

Stratford Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		533,993	535,427	553,481
Total comprehensive revenue and expense for the year		(97,328)	24,766	(21,140)
Contributions from the Ministry of Education		6,160	-	1,652
Contribution - Furniture and Equipment Grant		21,214	-	-
MOE Donated Assets				
Equity at 31 December		464,039	560,193	533,993
Accumulated comprehensive revenue and expense		464,039	560,193	533,993
Equity at 31 December		464,039	560,193	533,993

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

Stratford Primary School
Statement of Financial Position
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	19,704	99,770	17,946
Accounts Receivable	8	198,830	174,546	190,586
GST Receivable		10,226	-	31,936
Prepayments		14,303	8,373	5,513
Inventories	9	416	530	29
Investments	10	245,182	462,410	469,328
Funds Receivable for Capital Works Projects	17	65	-	29,964
Float		40	40	40
		488,766	745,669	745,342
Current Liabilities				
GST Payable		-	459	-
Accounts Payable	12	230,406	215,417	244,253
Revenue Received in Advance	13	7,665	8,113	9,917
Provision for Cyclical Maintenance	14	-	63,791	-
Painting Contract Liability	15	37,768	37,768	37,768
Finance Lease Liability	16	18,928	19,098	14,653
Funds held for Capital Works Projects	17	1,921	-	172,403
Funds held on behalf of RT Lit Cluster		1,138	-	-
		297,826	344,646	478,994
Working Capital Surplus/(Deficit)		190,940	401,023	266,348
Non-current Assets				
Property, Plant and Equipment	11	383,145	288,867	371,926
Work in Progress		6,957	-	-
Shares in Group Mowing Scheme		35,725	26,728	32,519
		425,827	315,595	404,445
Non-current Liabilities				
Provision for Cyclical Maintenance	14	102,376	122,289	81,750
Painting Contract Liability	15	17,094	17,094	44,525
Finance Lease Liability	16	33,258	17,042	10,525
		152,728	156,425	136,800
Net Assets		464,039	560,193	533,993
Equity		464,039	560,193	533,993

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these financial statements.

Stratford Primary School
Statement of Cash Flows
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		1,218,958	1,074,403	1,034,122
Locally Raised Funds		83,776	54,128	166,208
Goods and Services Tax (net)		21,710	-	(32,395)
Payments to Employees		(873,434)	(662,914)	(752,650)
Payments to Suppliers		(412,174)	(383,330)	(411,213)
Interest Paid		(4,316)	(1,104)	(2,422)
Interest Received		6,610	7,500	7,225
Net cash from/(to) Operating Activities		41,130	88,683	8,875
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(53,252)	(21,000)	(99,187)
Purchase of Investments		(2,815)	-	(6,918)
Proceeds from Sale of Investments		226,961	-	-
Net cash from/(to) Investing Activities		170,894	(21,000)	(106,105)
Cash flows from Financing Activities				
Furniture and Equipment Grant		6,160	-	1,652
Finance Lease Payments		(13,669)	(12,786)	(14,587)
Painting contract payments		(59,474)	-	(27,431)
Funds Administered on Behalf of Third Parties		(143,283)	-	110,669
Net cash from/(to) Financing Activities		(210,266)	(12,786)	70,303
Net Increase/(decrease) in cash and cash equivalents		1,758	54,897	(26,927)
Cash and cash equivalents at the beginning of the year	7	17,946	44,873	44,873
Cash and cash equivalents at the end of the year	7	19,704	99,770	17,946

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 Statement of Cash Flows should be read in conjunction with the accompanying notes which form part of these financial statements.

Stratford Primary School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Stratford Primary School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

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 and Training Act 2020 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 expense 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.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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 11.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 16. Future operating lease commitments are disclosed in note 23b.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward 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 Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are 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 Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

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.

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

d) 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.

e) 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.

f) 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.

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) Inventories

Inventories are consumable items held for sale and comprised of stationery and school uniforms. 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.

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

j) Property, Plant and Equipment

Land and buildings owned by the Crown 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 (funded by the Board) to buildings owned by the Crown or directly by the board 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.

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.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Building Improvements	15-40 years
Furniture and Equipment	15 years
Motor Vehicles	5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

k) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

l) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on a comparison to recent market transactions.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

m) 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.

n) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

o) Revenue Received in Advance

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

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

p) 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 Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Funds held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTLB programme), all income and expenditure related to the provision of the service is recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings 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 provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

t) Financial Instruments

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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

u) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

v) 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.

w) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

x) 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

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Government Grants - Ministry of Education	1,432,830	1,059,242	1,300,775
Teachers' Salaries Grants	2,330,574	2,086,508	2,307,004
Use of Land and Buildings Grants	326,899	492,467	339,596
Other Government Grants	6,899	2,000	3,221
	<u>4,097,202</u>	<u>3,640,217</u>	<u>3,950,596</u>

The school has opted in to the donations scheme for this year. Total amount received was \$60,600.

3. Locally Raised Funds

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

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations & Bequests	29,501	15,750	49,869
Fees for Extra Curricular Activities	27,743	7,078	27,320
Trading	428	950	1,068
Fundraising & Community Grants	28,301	30,350	73,383
	<u>85,973</u>	<u>54,128</u>	<u>151,640</u>
Expenses			
Extra Curricular Activities Costs	48,561	22,978	41,815
Trading	219	-	1,194
	<u>48,780</u>	<u>22,978</u>	<u>43,009</u>
Surplus for the year Locally raised funds	<u>37,193</u>	<u>31,150</u>	<u>108,631</u>

4. Learning Resources

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	117,968	82,986	127,969
Employee Benefits - Salaries	2,993,878	2,596,687	2,890,593
Staff Development	12,606	41,200	5,005
Depreciation	106,137	84,886	112,440
Text Books	92	600	618
Learning Centre	1,344	550	1,595
Rt Lit	-	-	11,396
	<u>3,232,025</u>	<u>2,806,909</u>	<u>3,149,616</u>

5. Administration

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	5,016	5,016	4,870
Board Fees	3,110	4,080	3,680
Board Expenses	6,079	6,000	3,643
Communication	7,582	10,854	10,434
Consumables	20,895	18,750	23,439
Other	34,167	28,710	28,250
Employee Benefits - Salaries	130,214	80,236	90,071
Insurance	7,865	7,800	8,793
Service Providers, Contractors and Consultancy	18,806	18,720	18,330
Healthy School Lunch Programme	207,808	-	263,070
	<u>441,542</u>	<u>180,166</u>	<u>454,580</u>

6. Property

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	6,901	9,050	15,149
Cyclical Maintenance Provision	20,626	20,626	(49,358)
Grounds	22,124	15,200	20,792
Heat, Light and Water	34,363	30,400	32,582
Rates	1,552	1,480	1,570
Repairs and Maintenance	62,337	21,700	46,713
Use of Land and Buildings	326,899	492,467	339,596
Security	7,103	2,500	6,357
Employee Benefits - Salaries	82,870	72,499	79,686
	<u>564,775</u>	<u>665,922</u>	<u>493,087</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank Accounts	19,704	99,770	17,946
Cash and cash equivalents for Statement of Cash Flows	<u>19,704</u>	<u>99,770</u>	<u>17,946</u>

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

Of the \$19,704 Cash and Cash Equivalents \$1,921 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	-	4,710	55
Interest Receivable	1,708	2,629	590
Teacher Salaries Grant Receivable	197,122	167,207	189,941
	<u>198,830</u>	<u>174,546</u>	<u>190,586</u>
Receivables from Exchange Transactions	1,708	7,339	645
Receivables from Non-Exchange Transactions	197,122	167,207	189,941
	<u>198,830</u>	<u>174,546</u>	<u>190,586</u>

9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Sports Shirts	-	475	-
Stationery	416	55	29
	<u>416</u>	<u>530</u>	<u>29</u>

10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	245,182	462,410	469,328
Total Investments	<u>245,182</u>	<u>462,410</u>	<u>469,328</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	105,217	882	-	-	(15,699)	90,400
Furniture and Equipment	175,834	40,831	-	-	(48,013)	168,652
Information and Communication Technology	45,510	26,870	-	-	(13,738)	58,642
Motor Vehicles	10,080	-	-	-	(6,257)	3,823
Leased Assets	23,770	46,361	-	-	(19,314)	50,817
Library Resources	11,515	2,412	-	-	(3,116)	10,811
Balance at 31 December 2022	371,926	117,356	-	-	(106,137)	383,145

The net carrying value of equipment held under a finance lease is \$50,817 (2021: \$23,770)

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	565,920	(475,520)	90,400	565,037	(459,820)	105,217
Furniture and Equipment	823,007	(654,355)	168,652	784,048	(608,214)	175,834
Information and Communication Technology	293,989	(235,347)	58,642	267,119	(221,609)	45,510
Motor Vehicles	36,521	(32,698)	3,823	36,521	(26,441)	10,080
Leased Assets	80,526	(29,709)	50,817	50,275	(26,505)	23,770
Library Resources	94,024	(83,213)	10,811	91,612	(80,097)	11,515
Balance at 31 December	1,893,987	(1,510,842)	383,145	1,794,612	(1,422,686)	371,926

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	18,056	35,432	42,167
Accruals	3,345	4,572	3,247
Banking Staffing Overuse	1,188	-	-
Employee Entitlements - Salaries	197,122	167,207	189,941
Employee Entitlements - Leave Accrual	10,695	8,206	8,898
	<u>230,406</u>	<u>215,417</u>	<u>244,253</u>
Payables for Exchange Transactions	230,406	215,417	244,253
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>230,406</u>	<u>215,417</u>	<u>244,253</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue in Advance	-	8,113	-
Other Revenue In Advance	7,665	-	9,917
	<u>7,665</u>	<u>8,113</u>	<u>9,917</u>

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	81,750	165,454	135,000
Increase to the Provision During the Year	20,626	20,626	20,626
Use of the Provision During the Year	-	-	(3,892)
Other Adjustments	-	-	(69,984)
Provision at the End of the Year	<u>102,376</u>	<u>186,080</u>	<u>81,750</u>
Cyclical Maintenance - Current	-	63,791	-
Cyclical Maintenance - Non current	102,376	122,289	81,750
	<u>102,376</u>	<u>186,080</u>	<u>81,750</u>

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2025. This plan is based on the schools 10 Year Property plan / painting quotes.

15. Painting Contract Liability

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Due within one year	37,768	37,768	37,768
Due after one year	17,094	17,094	44,525
	<u>54,862</u>	<u>54,862</u>	<u>82,293</u>

In 2018 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a 6 year period. The programme provides for exterior painting of the Ministry owned buildings in 2018, with regular maintenance in subsequent years. The agreement has an annual commitment of \$37,735. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

16. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	23,519	19,098	16,228
Later than One Year and no Later than Five Years	38,233	17,042	11,178
Future Finance Charges	(9,566)	-	(2,228)
	<u>52,186</u>	<u>36,140</u>	<u>25,178</u>
Represented by			
Finance lease liability - Current	18,928	19,098	14,653
Finance lease liability - Non current	33,258	17,042	10,525
	<u>52,186</u>	<u>36,140</u>	<u>25,178</u>

17. Funds Held (Owed) for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works projects is included under cash and cash equivalents in note 7.

2022	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Carpet & Wallcoverings	227148	112,530	3,475	(116,005)	-	-
LSPM Access & Visual	225559	(8,468)	4,811	3,657	-	-
LSC Modifications	219725	(2,878)	-	2,878	-	-
Drainage/Driveway SIP stage 2	224646	(18,582)	24,159	(5,577)	-	-
Blk B Outdoor Learning Area	227151	55,569	11,099	(66,733)	-	(65)
Composting/Recycling	227153	(36)	-	36	-	-
Exterior Lighting Replacement	232558	4,304	-	(3,354)	-	950
A,E,H Heatpump & Elec Wrk	227147	-	5,082	(4,111)	-	971
Totals		<u>142,439</u>	<u>48,626</u>	<u>(189,209)</u>	<u>-</u>	<u>1,856</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	1,921
Funds Receivable from the Ministry of Education	(65)

2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Sewerage & Drainage Repairs	completed	(3,503)	-	3,503	-	-
Drainage/Driveway SIP Stage 1	completed	36,500	(18,885)	(17,615)	-	-
Carpet & Wallcoverings	227148	-	182,329	(69,799)	-	112,530
LSPM Access & Visual	225559	(6,160)	69,424	(71,732)	-	(8,468)
LSC Modifications	219725	7,060	97,307	(107,245)	-	(2,878)
Drainage/Driveway SIP stage 2	224646	-	187,689	(206,271)	-	(18,582)
SIP G: Install Service Connections	completed	-	16,038	(16,038)	-	-
Blk B Outdoor Learning Area	227151	-	184,341	(128,772)	-	55,569
Composting/Recycling	227153	-	10,104	(10,140)	-	(36)
Exterior Lighting Replacement	232558	-	4,304	-	-	4,304
Totals		33,897	732,651	(624,109)	-	142,439

Represented by:

Funds Held on Behalf of the Ministry of Education	172,403
Funds Receivable from the Ministry of Education	(29,964)

. Funds held on behalf of RT Lit Cluster

Stratford Primary School is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry of Education.

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Funds Held at Beginning of the Year	-	-	-
Funds Received from Cluster Members	13,371	-	-
Funds Received from MoE			
Total funds received	13,371	-	-
Funds Spent on Behalf of the Cluster	12,233	-	-
Funds remaining	1,138	-	-

19. 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 conditions 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.

20. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,110	3,680
<i>Leadership Team</i>		
Remuneration	835,512	760,985
Full-time equivalent members	8.00	6.88
Total key management personnel remuneration	838,622	764,665

There are 5 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. The Board also has Finance (3 members) and Property (0 members) that met 7 and 0 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	150 - 160
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	4.00	-
110 - 120	1.00	1.00
	5.00	1.00

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



21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, 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:

	2022 Actual	2021 Actual
Total	-	-
Number of People	-	-

22. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The school is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022.

The Ministry is in the Process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The school has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022 a contingent liability for the school may exist.

23. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

\$205,995 contract for the Blk B Outdoor Learning Area as agent for the Ministry of Education. This project is fully funded by the Ministry and \$195,441 has been received of which \$195,506 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$4,360 contract for the Exterior Lighting Replacement as agent for the Ministry of Education. This project is fully funded by the Ministry and \$4,304 has been received of which \$3,354 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$5,722 contract for the A,E,H Heatpump & Elec Wrk as agent for the Ministry of Education. This project is fully funded by the Ministry and \$5,082 has been received of which \$4,111 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2021:

\$70,842 contract for the Carpet & Wallcoverings as agent for the Ministry of Education. This project is fully funded by the Ministry and \$182,329 has been received of which \$69,799 has been spent on the project to balance date. This project has been approved by the Ministry; and



\$86,506 contract for the LSPM Access & Visual as agent for the Ministry of Education. This project is fully funded by the Ministry and \$69,424 has been received of which \$77,892 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$135,436 contract for the LSC Modifications as agent for the Ministry of Education. This project is fully funded by the Ministry and \$112,664 has been received of which \$115,542 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$211,359 contract for the Drainage/Driveway SIP stage 2 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$187,689 has been received of which \$206,271 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$189,392 contract for the Blk B Outdoor Learning Area as agent for the Ministry of Education. This project is fully funded by the Ministry and \$184,341 has been received of which \$128,772 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$10,140 contract for the Composting/Recycling as agent for the Ministry of Education. This project is fully funded by the Ministry and \$10,104 has been received of which \$10,140 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$4,360 contract for the Exterior Lighting Replacement as agent for the Ministry of Education. This project is fully funded by the Ministry and \$4,304 has been received of which \$0 has been spent on the project to balance date. This project has been approved by the Ministry.)

(b) Operating Commitments

As at 31 December 2022 the Board has entered into the following contracts:

(b) The School has entered into an agreement with Programmed Maintenance Services Ltd for painting of the School's buildings. The amount committed on the contract is:

	2022 Actual \$	2021 Actual \$
No later than One Year	10,337	10,337
Later than One Year and No Later than Five Years	10,337	20,674
Later than Five Years	-	-
	20,674	31,011

24. Financial Instruments

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

Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	19,704	99,770	17,946
Receivables	198,830	174,546	190,586
Investments - Term Deposits	245,182	462,410	469,328
	463,716	736,726	677,860

Financial liabilities measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Payables	230,406	215,417	244,253
Finance Leases	52,186	36,140	25,178
Painting Contract Liability	54,862	54,862	82,293
	337,454	306,419	351,724

25. Events After Balance Date

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

26. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

31. Credit Card Facility

The School operates a credit card facility with TSB Bank, the limit is \$6,000 and as at balance date \$3,596.33 was owing.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF *STRATFORD PRIMARY SCHOOL'S FINANCIAL STATEMENTS* FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Stratford Primary School (the School). The Auditor-General has appointed me, Cameron Town using the staff and resources of Silks Audit Chartered Accountants Limited, 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 22, that comprise the statement of financial position as at 31 December 2022, 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 2022; 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 with Tier 2 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime

Our audit was completed on 17 May 2023. 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 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.

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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 for the financial statements

The Board 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 school 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 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 is responsible for the other information. The other information comprises Statement of Financial Responsibility, Board of Trustees schedule included under the School Directory page and the Analysis of Variance, but does not include the financial statements, Kiwisport statement and Statement of Compliance with Employment Policy statement included as appendices, and our auditor's report thereon.

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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: *International 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.



Cameron Town
Silks Audit Chartered Accountants Ltd
On behalf of the Auditor-General
Whanganui, New Zealand

Stratford Primary School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Hayley Loveridge	Presiding Member	Elected	Feb 2022
Le-arna Russ	Presiding Member	Elected	Sep 2025
Jason Elder	Principal	ex Officio	
Sintina Petrie	Parent Representative	Elected	Sep 2022
Jack Whitikia	Parent Representative	Elected	Sep 2025
Fiona Jansma	Parent Representative	Elected	Sep 2025
David Chadwick	Parent Representative	Co-opted	Sep 2022
Nathan Taingahue	Parent Representative	Elected	Sep 2025
Fiona Riddick	Parent Representative	Elected	Sep 2025
Deborah Campbell	Staff Representative	Elected	Sep 2025

Stratford Primary School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$5,747 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2022 the Stratford Primary School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.

Analysis of Variance Reporting



School Name: Stratford Primary School		School Number: 2244
<p>Strategic Aim:</p> <p>2. PRIORITISING the first 4 Years of a child's schooling so they achieve success with Stratford Primary School Curriculum Milestones.</p> <p>3. To 'BUILD' teachers capability by embedding the Stratford Primary School Teaching Philosophy into the SPS Curriculum, which supports each student to be the best they can be.</p>		
<p>Annual Aim:</p> <p><u>What we hope to achieve (Long Term Goals):</u> All Year 8 learners (with a focus on Māori students and boys) are meeting or exceeding the Stratford Primary School Curriculum Milestone in writing.</p> <p><u>What we hope to achieve in 2022 (Short Term Goals):</u> To ensure our priority learners (who were 'working towards' their year level for writing in 2021) will make accelerated progress where they achieve the 'Writing Milestone' in 2022. The selected groups are: Year 3-4 Boys/Māori boys; Year 5-6 Boys/Māori boys; Year 7-8 Boys/Māori boys.</p>		
<p>Target:</p> <p><u>Target for 2022:</u> All Priority Learners make accelerated progress (More than 1 year's progress).</p>		
Baseline Data:	Year Level	Working Towards the Curriculum Writing Milestone
	Year 2-3	20 Boys (43%); 5 Māori Boys (50%)
	Year 4-5	13 Boys (24%); 4 Māori Boys (29%)
	Year 6-7	15 Boys (23%); 3 Māori Boys (30%)



MINISTRY OF EDUCATION

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Tātaritanga raraunga

<i>Actions: What did we do?</i>	<i>Outcomes: What happened?</i>	<i>Reasons for the variance: Why did it happen?</i>
<ol style="list-style-type: none">1. Teams were involved in identifying priority learners.2. Teachers were provided with 100 hours of Professional Development from an external Writing facilitator, with support from the Associate Principal. This included:<ol style="list-style-type: none">a. The facilitator modelling lessons and using research to support modelled lessons.b. Teachers videoed and reflected on their writing lessons.c. Teachers were observed teaching a small group, where they received feedback on their practice.d. Teams inquired into what was working and next steps through structured meetings.3. The Associate Principal gathered teachers and ākonga feedback throughout the year. This was used to track what was working and identify next steps.4. The Principal tracked Priority Learner progress through the year. This was presented to the Board each term. The Board were informed of what was working and barriers to learning.	<p><u>Priority Learners Roopu reported to the Board:</u> Out of 18 Boys in Year 3-8:</p> <ul style="list-style-type: none">• 5 boys made accelerated progress• 7 boys made sub level progress without reaching the Writing Curriculum Milestone• 3 boys made no progress, or their progress declined• 2 boys left. <p><u>Conclusion:</u></p> <ul style="list-style-type: none">• Accelerated Progress= 5/16 (31%)• Progress = 7/16 (44%)• No progress/ declining=3/16 (19%). <p>Teams also had extended Priority Learner Roopu in Year 3-8. Overall results showed: 12/47 (26%) made accelerated progress in that they had moved 2+ sub-levels during 2022</p> <p>18/47 (38%) made expected progress in that they moved 1 sub-level during 2022</p> <p>17/47 (36%) did not make expected progress in that they did not move a sub-level or decreased by 1 sub-level during 2022.</p>	<p><u>Variation in results was due to a range of factors:</u></p> <ul style="list-style-type: none">• Ākonga who made accelerated progress were able to retain and build on their progress in the seven sub level areas. These areas were ideas, language, organisation, vocabulary, sentence structure, punctuation and spelling. They also were hooked into the new writing strategies applied by teachers.• Ākonga who made progress without reaching the milestone had variation in their sub level progress. They required more time to retain and regularly use the writing features (consistently) in their story writing.• Ākonga who did not make progress, or their progress declined, were affected by different factors. For example, behaviour issues, attendance, retention and/or social/emotional issues. A review showed that many of these tamariki entered a new syndicate at the start of 2022. As a result, their data did not match what they could do from the previous year. Conclusions from the review showed they were not suited to being priority learners.

Evaluation: Where to next?

3+ Year Cohort review from the Principal: The Principal has been tracking ākonga who have been at Stratford Primary School for three or more years. The Principal has tracked two groups: Individual Education Plan (IEP) ākonga and the remaining ākonga. Results showed for the remaining ākonga in Yr 4, 6 and 8 that...

- 18 (81.7%) of Year 4 ākonga were 'working within' or 'exceeding' the Curriculum Milestones. 12 Girls (92.3%) and 6 Boys (66.6%) were 'working within' or 'exceeding' the Curriculum Milestone, which highlighted discrepancy between the genders. 6 Māori ākonga (87.5%) and 17 New Zealand European ākonga (NZE/89.6%) were working within' or 'exceeding' the Curriculum Milestone, which highlighted comparable progress between the two main ethnic groups at Stratford Primary School.
- 20 (73.4%) of Year 6 ākonga were 'working within' or 'exceeding' the Curriculum Milestones. 10 Girls (81.4%) and 9 Boys (64.3%) were 'working within' or 'exceeding' the Curriculum Milestone, which again highlighted the discrepancy between the genders. 4 Māori ākonga (80%) and 17 NZE ākonga (77.3%) were 'working within' or 'exceeding' the Curriculum Milestone, which again highlighted comparable progress between the two main ethnic groups at Stratford Primary School.
- As highlighted in the Writing Professional Development Review (see below), Year 8 ākonga were below other cohort groups. 21 (58.4%) of Year 8 ākonga were 'working within' or 'exceeding' the Curriculum Milestones. 11 Girls (62.7%) and 11 Boys (55%) were 'working within' or 'exceeding' the Curriculum Milestone. This gap was closer than Year 4 and Year 6 but attainment results were lower. 8 Māori ākonga (61.6%) were achieving slightly better than the 12 NZE cohort (54.5%), which was different to the Year 4 and Year 6 cohorts.
- **Outcome: An ongoing goal will be to track and compare the 3+ Year Cohort with the main school cohort for writing in 2023.**

The Associate Principal and Writing Facilitated Completed the following review at the end of the Writing Professional Development:

Points of Celebration: Points of celebration in the dataset include the conclusions that:

- ★ **A majority (61%) of students at SPS are achieving well as developing writers in that they are achieving at a level that is 'within' or 'exceeding' national expectations for writing. This is especially the case for students from Years 1, 2, and 4.**

- ★ The **Year 1 and 2** cohorts at SPS are **achieving at a level that is well above national levels for their cohort**, as last reported by the Ministry of Education (in 2017). The Year 1 cohort (n=41) is achieving at a level that is 11% greater than that for the national Year 1 cohort (86% cf. 75%). The Year 2 cohort (n=40) is achieving at a level that is 14% greater than that for the national Year 2 cohort (88% cf. 74%).
 - ★ In addition, the **Year 4** cohort at SPS (n=43) is achieving at a level that is just below the national Year 4 cohort level (69% cf. 73%).
 - ★ **Girls** in most year levels (with the exception of Year 3 and Year 8) are doing well with an average of 77% of girls in the Year 1, 2, 4, 5, 6 and 7 cohorts achieving 'within' or 'exceeding' national expectations in writing. This is just below the national level for 'all girls' (77% cf. 79%).
 - ★ The overall level for achievement by **all Māori students** at SPS (63%) is slightly greater than the equivalent national figure (62%). In fact, achievement by Māori students in writing at SPS is 4% greater than achievement by NZE students. Nationally, there is a 15% gap between achievement by NZE students and achievement by Māori students – this is not the case at SPS.
 - ★ A related point of celebration is the fact that of the 9 girls in Year 8 who achieved in the 'above' range for writing, 7 identify as Māori.
 - ★ Almost half (9/11) of **Year 7-8 priority learners made accelerated progress** in writing during 2022. Although this did not take them to the achievement level they should be 'within', it is good to see significant progress being made by these students.
 - ★ It is good to note that teachers feel that they have **made changes to their practice** in terms of:
 - Running workshops; Using more diverse ways of motivating topics and tasks
 - Using more precise learning goals/success criteria
 - Giving students more opportunities to share/celebrate their writing
 - Modelling more regularly/more precisely
- This is especially good because research tells us that effective use of these strategies is important in generating greater engagement/ progress/ achievement by students in writing.

Points of Challenge: Points of challenge in the dataset include:

→ **Continuing to work on and increase the overall achievement** by students in writing at SPS. To this end, we suggest **2023 targets** of:

- ★ **55% of Year 4 students** (this year's Year 3 students) were achieving 'within' or 'exceeding' national expectations in writing by the end 2023. Although this would constitute an 18% increase from this year (in that just 37% reached this level, we believe that this is achievable in that many of the under-achieving students in this cohort will receive priority attention next year).

Evaluation: Where to next?

- ◆ **73% of Year 5 students** (this year's Year 4 students) were achieving 'within' or '**exceeding**' national expectations in writing by the end 2023 (an increase of 4%). **60% of Year 6 students** (this year's Year 5 students) were achieving 'within' or 'exceeding' national expectations in writing by the end 2023 (an increase of 8%).
 - ◆ **63% of Year 7 students** (this year's Year 6 students) were achieving 'within' or 'exceeding' national expectations in writing by the end 2023 (an increase of 5%).
 - ◆ **60% of Year 8 students** (this year's Year 7 students) were achieving 'within' or 'exceeding' national expectations in writing by the end 2023 (an increase of 8%).
- School-wide, we suggest a **target of 68% of Year 1-8 students achieving 'within' or 'exceeding' national expectations in writing by the end 2023** (an increase of 7%). This should include:
- ◆ **Decreasing the proportion of 'all students' in the 'working towards with support' achievement band by a target of 4%** (from 19% to 15%).
 - ◆ **Decreasing the proportion of 'all students' in the 'working' achievement band by a target of 6%** (from 26% to 20%).
 - ◆ **Increasing the proportion of 'all students' in the 'exceeding' achievement band by a target of 5%** (from 13% to 18%).
- **Decreasing the gap in achievement by boys and girls in writing.** At 17%, it is too wide and the target of decreasing this to **no more than 12%** should be sought. The gap is particularly wide for this year's Year 3 students (a gap of 28%), this year's Year 4 students (a gap of 45%), this year's Year 5 students (a gap of 33%) and this year's Year 7 students (a gap of 29%).
- To this end, attention should be given to **monitoring the gender achievement gap** for next year's Year 4, 5, 6 and 8 cohorts.
- **Working at accelerating the progress of under-achieving students** across the school. In 2022, just 31% of priority learners made accelerated progress, giving them a good chance to 'catch up' with other students. A target of **50% acceleration** should be set for 2023 if the school-wide target of 68% of all students achieving 'within' or 'exceeding' national expectations in writing is to be met.

Report to Governance

For the Year ended 31 December 2022



Presiding Member
School Board Members
Stratford Primary School

17 May 2023

Tēnā koe

In accordance with our engagement letter, we confirm we have completed our audit of Stratford Primary School ("the School") for the year ended 31 December 2022. This report sets out certain matters which came to our attention during the course of the audit as well as other required communications. These items may include matters of subjectivity and accounting issues.

We have prepared this report solely for the use of the Board Members and Management of the School. This report forms part of a continuing dialogue between us and therefore, it is not intended to include every matter that came to our attention. For this reason, we believe that it would be inappropriate for this report to be made available to third parties. If such a third party were to obtain a copy without our prior written consent, we would not accept any responsibility for any reliance that they may place on it.

We congratulate the Board on its efforts to maintain effective internal controls in the School. We take this opportunity to thank the board members and staff for the co-operation afforded to us during the course of the audit.

If we can be of further assistance, please advise.

Ngā mihi nui,

Silks Audit Chartered Accountants

Camaron Town

Appointed Auditor / Audit Partner

Email: ctown@silks.co.nz

Encl: Board Report

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1. EXECUTIVE SUMMARY

This report details the processes, findings and recommendations from our audit of Stratford Primary School (the "School") in accordance with the Auditor General's Auditing Standards which incorporate International Standards on Auditing (NZ), and the terms of our engagement as set out in our audit engagement letter. In accordance with our normal practice we enclose our comments on certain areas of the internal control and accounting practices which came to our attention during our recent audit. We also offer recommendations for possible courses of action.

Overall, we are satisfied that the School has presented its results for the year ended 31 December 2022 to a good level of compliance with applicable financial reporting standards. Adjustments made during the audit are noted in Appendix 1.

We have received full and frank co-operation. There is nothing we wish to raise solely with the Board.

2. AUDIT SCOPE AND OBJECTIVES

Appointed auditor responsibilities include a requirement to express an opinion on the School's financial statements arising from our audit conducted in accordance with the Auditor-General's Auditing Standards which incorporate International Standards on Auditing (NZ).

Our audit objectives are to:
report on whether the financial statements give a true and fair view, and
report to Management about control environment issues that should be addressed by the School.

A strong control environment would feature adequate segregation of duties over important financial processes, and independent reviews as compensating controls should it not always be practicable for the duties to be separated.

We have documented, tested and assessed the controls supporting the School's key transaction streams, and there are no significant weaknesses to report. Control weaknesses identified during the audit have been included in the Summary Findings section of this report.

Confirmation of audit independence

In conducting our audit, we are required to comply with the independence requirements of the Code of Ethics issued by the Professional Standards Board of Chartered Accountants Australia and New Zealand and 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, we note that the following processes assist in maintaining our independence:
No other work is permitted to be undertaken by Silks Audit Chartered Accountants.

We have not provided any non-audit services to the School. We confirm the independence of the Silks Audit engagement team. We are not aware of any relationships between Silks Audit Chartered Accountants and the School that, in our professional judgement, may reasonably be thought to impair our independence.

3. AUDIT APPROACH

The Board Members is responsible for preparing financial statements in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR). These financial statements must reflect the financial position of the School at 31 December 2022 and the results of its operations for the year ended on that date. This responsibility is specified in the Crown Entities Act 2004 and Education Act 1989.

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

We consider accounting controls at various levels and in overall terms. Obviously, we cannot in practice examine every operating activity or accounting procedure carried out by the School, nor can we substitute for the Board Member's responsibility to maintain adequate controls at all levels of operations.

Our understanding of the internal control environment determines the nature and extent of our substantive tests of detail. Given the level and nature of the activities of the School, our audit approach has been largely substantive in nature.

4. Areas of audit focus

Outlined below are the key risks we have considered for your School. We have identified the potential impact of these risks to your financial statements, and we have tailored our audit approach accordingly.

Risk	Audit Response	Audit findings
Revenue	We have:	Our testing around revenue has identified some issues that management should be aware of. Which have been listed in the Internal Control Finding sections.
Completeness of revenue, particularly from locally raised funds, is a significant risk.	<ul style="list-style-type: none"> Updated our understanding of the processes relevant to the recognition of revenue. Designed our audit procedures to respond to the risk of a material misstatement in Revenue with a particular focus on ensuring that all revenue was properly captured in the reporting period. 	
Risk	Audit Response	Audit findings
Payroll	We have:	Our testing around payroll has identified some issues that management should be aware of. Which have been listed in the Internal Control Finding sections.
The nature of the Edpay payroll system raises an inherent risk of a material misstatement through internal and/or external processing.	<ul style="list-style-type: none"> Assessed the results carried out by Ernst & Young over the central processing of Edpay. Cleared any unusual transactions identified by this testing at the individual school level. 	

- Performed analytical review procedures and employee existence testing at the individual school level.

Risk	Audit Response	Audit findings
Probity and Financial Prudence There is a risk that Crown funds may not be used for school related expenditure.	We have: <ul style="list-style-type: none"> • Considered the value, nature of transactions and the risk of fraud. • Considered the Board Members process for approval and monitoring of expenditure. 	Our testing around probity and financial prudence has identified some issues that management should be aware of.

Risk	Audit Response	Audit findings
Segregation of Duties The ability of a key person to override or manipulate receipt or recording of school funds through the exercise of control and opportunity. It is important that no single person has control over, or access to, all aspects of recording and control of school funds. Not only does this provide opportunity for abuse of the school funds, but also puts a great responsibility and burden of trust on the person who has this control.	The separation of key accounting responsibilities is a critical internal control in any system to prevent misappropriation of funds, error or unrecorded transactions. We assessed the extent of the segregation of duties in the financial reporting process and our substantive audit approach was designed to respond to the control findings	All schools will have segregation of duties risk but with careful monitoring and oversight by management and the Board this risk can be mitigated.

Risk	Audit Response	Audit findings
Management Override of Controls The ability of management to override controls over the financial reporting process creates a fraud risk.	<ul style="list-style-type: none"> Our risk assessment process concluded that the risk of fraud from management override of controls was through processing manual journals. Our procedures included a risk-based approach to testing manual journals that included assessment of unusual journals. We assessed the extent of the segregation of duties in the financial reporting process and our substantive audit approach was designed to respond to the control findings. 	Our testing around manual journals has not identified any issues that management should be aware of.

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 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. During our audit we have identified adjustments. All adjusted differences 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 10% or less of our materiality.

Going concern

Management and governance are required to make a formal assessment on going concern. Under Auditing Standards, we are required to review this assessment for appropriateness.

During the course of our audit we have identified no material misstatements. All unadjusted differences (none of which we consider material, either individually or in aggregate) have been detailed in Appendix 1 of this report.

Paragraph 15 of ISA (NZ) 570 states:

15. The auditor shall enquire of those charged with governance as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern.

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

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.

Compliance with laws and regulations

We have made enquiries in relation to 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.

Required communication

We are required by Generally Accepted Auditing Standards (GAAS) to report specific matters to you as follows:

Standard	Our Response
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Auditors responsibility under General Accepted Auditing Standards	We are responsible for the completion of an audit in accordance with the International Standard on Auditing (New Zealand). The detailed terms are included in our letter of engagement signed off by the Board at our previous renewal of contract.
Significant accounting policies	We had read the accounting policies and are satisfied that these comply with the relevant accounting standards and Kiwi Park Model disclosure.
Management judgements and accounting estimates	No management judgement or accounting estimate issues identified.
Significant matters	No significant matters identified.
Disagreements with management	No disagreements were had with school management.
Difficulties encountered during the audit	No difficulties were encountered during the audit.
Independence	There were no independence issues identified between the Silks Audit employees and/or spouses of those employees and the Board.
Independence – other services	We can confirm no other services were provided to the entity during the course of the audit
Laws and Regulations	The School have confirmed that the Board have complied with all necessary laws and regulations. We did not identify any significant breaches.
Fraud or Illegal Acts	From our enquiries with management and our audit testing we have not become aware of any significant fraudulent or illegal acts during the period.
Accumulation of unadjusted errors	We can confirm that all audit adjustments identified have been adjusted for in the financial statements. We can confirm that there is no accumulation of unadjusted errors which would impact on the financial statements
Deficiencies in internal control	As reported in the internal control section above.

5. 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 2022. The audit report contains no matters or items that the Board needs to consider further.

General Comment

Section 87AB of the Education Act 1989 requires School Board to publish or make available to the public their Annual Report on the internet which is normally on the School's website. The annual report contains the Audited Financial Statements including our audit opinion, along with the Analysis of Variance, KiwiSport Report, and a List of the Board Members.

Making your Annual Report accessible to the school community is important for transparency and accountability. The expectation is that your Annual Report is published as soon as possible after your audit is completed and after you have submitted your Annual Report to the Ministry of Education.

Payroll General Comment

School payroll controls

We consider the main risk to the accuracy of payroll payments is transactions being incorrectly processed, because of either fraud or error. The EdPay system relies on schools checking the accuracy of the payroll transactions processed by the school, as this information is not checked centrally.

To ensure the accuracy of payroll payments, our expectation has been that schools had the following key controls:

- effective access controls to EdPay, limiting access to "authorised users";
- changes to Masterfile data – such as bank account changes, new starters, or payments to non-salaried staff (such as relievers) - have appropriate supporting documentation and are appropriately authorised;
- checking of the fortnightly draft payroll (SUE) report; and
- review of the final fortnightly payroll (SUE) report by someone independent of staff who has access to EdPay.

During the year the Novopay Online transaction report was discontinued (in October 2022), and from about mid-2022 had not been a complete record of all transactions.

We do not consider that the review of the SUE report on its own is a strong enough control for schools to rely on to detect fraud or error, because it does not include details of changes to pay, or Masterfile changes. The lack of a complete Masterfile change report could also potentially provide an opportunity for a fraud to go undetected.

Our audit did not place reliance on payroll controls

Payroll Internal Controls appears to be adequate.

Because the Novopay Online transaction report has not been available throughout the year we have been unable to rely on payroll controls as part of our audit work. This has meant we have had to carry out additional audit work on payroll.

These additional procedures have provided the necessary assurance over the payroll amounts in your financial statements

Updated guidance on payroll controls is now available

Updated guidance on the controls within EdPay that should be operating at schools has recently been published on the EdPay website. The main change is that the Novopay Online transaction report has been replaced by several reports. To review and approve pay changes the following transaction histories should be saved, checked, and signed, ideally after transactions have been processed and prior to payment:

- timesheet history
- leave history
- activity history.

To ensure controls are effective schools also need to ensure that:

- there is segregation of duties between the processing and approval of payroll transactions;

- access to EdPay is controlled;
- payroll transactions are approved in line with delegations; and
- approvals are appropriately documented.

The guidance and resources on payroll controls for schools are available on the [training page](#) of the EdPay website. They consist of:

- A checklist of best practice payroll controls - [School internal processes and controls – payroll](#).
- A video - [How to use EdPay transaction histories \(for checking and approving transactions\)](#).
- A printable 'how to' guide showing the transaction checking process - [Checking transactions using the activity history and timesheet and leave histories](#).

No current report in EdPay to check and approve Masterfile changes

The online activity history for Masterfile changes, such as bank account and other changes to personal details within EdPay is still in development. The updated payroll guidance (referred to above) does suggest some interim procedures, consisting of taking screen shots of changes and having those approved. However, as this will not provide a list of all changes made, the Board needs to consider how it gets comfort that all changes are made with appropriate authorisation. Without a list of all Masterfile changes that can be approved by a second person (as segregation of duties is required for an effective control), this remains an area susceptible to fraud.

Recommendation

We recommend that the Board ask management for assurance that appropriate controls are in place at the school over payroll transactions, consistent with the updated guidance.

6. Internal control findings

Assessment of internal control

Our audit approach requires us to obtain an understanding of an school's internal controls, sufficient to identify and assess the risks of material misstatement of the financial statements whether due to fraud or error.

We remind you that our audit is not designed to express an opinion on the effectiveness of the controls operating within the entity, although we have reported to management any recommendations on controls that we identified during the course of our audit work. The matters being communicated are limited to those deficiencies that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported. Our recommendations for improvement should be assessed by you for their full commercial implications before they are implemented.

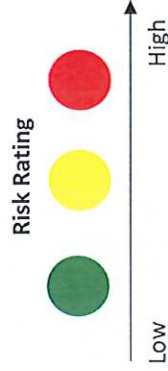
Action Taken on Prior Year Management Letter Suggestions

We always appreciate the efforts made by Boards in implementing the recommendations in our previous year's management letter. We acknowledge and say thanks for the proactive manner in which the matters from the previous year's management letter have been addressed by your school.

We are pleased to note the following matters raised in last year's audit management letter have been addressed.

- Operational grant salaries was greater than 67% of the Operational Grants
- Petrol Card – POS Invoice not attached
- Petrol Card – No Support Documents
- No independent review of the credit card transactions
- Credit card statement is not approved by the presiding member

We note the following matters raised do not appear to have been addressed. Because we feel that they are important to the effective internal controls within your accounting system we repeat them for your due consideration. If you have good reason for not wishing to adopt these matters would you, please advise us in writing of the reasons for your decisions. This written response should be tabled at a BOT meeting and minuted.



To enable management to set priorities on their action plans we have assessed our findings on the following basis, based on our assessment of the importance of each finding.

Summary

Finding

Risk Rating

Reconciliation of Receipting Process



Deposits - infrequent



Observations and recommendations

Matter	Observation	Recommendation	Management/ Governance Response
Deposits - infrequent	We noted on review of the banking process that funds being deposited in excess of this period. It While we note that this was due to the school having a shortage of office staff with the effects of COVID-19. In particular we noted a deposit of \$5,025.40 that comprised receipts dating between 18 October 2021 and 02 February 2022	We recommend that funds should be deposited either immediately or weekly, or the Board of Trustees develop a banking policy which allows for funds to be deposited once a specific amount has been collected. (eg: When funds held in the safe exceeds \$100 then funds must be deposited immediately).	

APPENDIX 1 – ADJUSTED AND UNADJUSTED DIFFERENCES

Adjusted differences

There are no audit adjustments as at 31 December 2022.

Unadjusted differences

There are no unadjusted differences as at 31 December 2022.