

Citizen Advocacy Trust Of Australia  
and trustee Company Citizen Advocacy  
Australia Pty Ltd

Report to the Board of Directors  
for the year ended 31<sup>st</sup> March 2017

29<sup>th</sup> May 2017



*Notice the Difference*

29 May 2017

The Board of Directors  
Citizen Advocacy Trust of Australia  
PO Box 228  
**CLIFTON HILL VIC 3068**

Dear Directors,

**Re: Citizen Advocacy Trust of Australia and the trustee company Citizen Advocacy Australia Pty Ltd  
Report to the Board of Directors for the year ended 31<sup>st</sup> March 2017**

Please find attached our report to the Board for the year ended 31<sup>st</sup> March 2017.

We confirm our audit work is complete and confirm we have issued an unqualified audit opinion.

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

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

Yours faithfully,

**Richard Ferraro CPA**

**APS Tax, Accounting and Business Services Pty Ltd**

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# **1 Executive Summary**

Our audit of the Citizen Advocacy Trust of Australia and the trustee company Citizen Advocacy Australia Pty Ltd is complete for the year ended 31<sup>st</sup> March 2017.

Two material issues has been found, but as they are simple process and recording issues rather than significant breaches we have issued an unqualified audit report.

## **1.1 Scope of Audit**

We have conducted an independent audit of the financial statements to express an opinion on them to the members of the Citizen Advocacy Trust of Australia and the trustee company Citizen Advocacy Australia Pty Ltd. Our audit has been conducted with the objective of obtaining reasonable assurance about whether the financial reports are free from material misstatement.

## **1.2 Materiality**

Materiality is the magnitude of a misstatement or an omission from the financial report or related disclosures that the audit team believes would make it probable that the judgement of a reasonable person relying on the information would have been changed or influenced by the misstatement or omission.

Our audit has been conducted based on a quantitative materiality of \$78. This was determined using the benchmark for total assets and total revenue across both entities. Materiality benchmarks are selected to represent the measure which is most relevant to users (especially investors and creditors) of the financial reports.

## **1.3 Current Year Focus**

Our audit procedures focused on sample testing across various income and expenditure items together with many balance sheet items.

## **1.4 Disclaimer**

This report has been prepared for the Board of Directors and management of the Citizen Advocacy Trust of Australia and the trustee company Citizen Advocacy Australia Pty Ltd only. It should not be quoted or referred to, in whole or in part, without prior written consent. No warranty is given to, an no liability will be accepted from, any party other than the Citizen Advocacy Trust of Australia and the trustee company Citizen Advocacy Australia Pty Ltd.

## 2. Key Findings and Analysis

During our audit planning procedures and risk identification process, we identified a number of focus areas. We request the Board of Directors review the matters below and satisfy themselves that:

- There are no other matters of which you are aware that would impact these issues;
- There are no other significant issues that ought to be considered
- You concur with the resolution of the issues as described below.

### 2.1 Key Findings and Analysis

1. Donations Received – In the 2016 audit \$400 of Donations received from a raffle held by a board member from the Brisbane Women's Forum were deposited into the bank account of Citizen Advocacy Trust of Australia's (CATA) bank account. As this was not a deductible gift recipient donation the deposit should have been made into the Citizen Advocacy Australia (CAA) bank account. To correct this issue we recommended CATA deposit \$400 as a matter of urgency into the CAA as this entity is the correct entity for the receipt of non-deductible gift recipient donations. Unfortunately this issue has not been rectified in the 2017 financial year.

**Recommendation:** As the amount has been banked but simply has been deposited into the wrong bank account and is more of a record keeping/processing issue we are not noting any misstatement within the audit report. ***This transfer of \$400 needs to be made from the CATA bank account to the CAA bank account as soon as possible to rectify this outstanding issue.***

2. Donations Received – Deductible gift recipient (DGR) receipts were issued for \$880.80, however \$2,095 of donations were received.

**Recommendation:** DGR Receipts should be issued for all donations received, as a matter of proper record keeping. *This issue was noted also in the 2015 audit report and has not been attended to again in the 2017 year.* As this is more of a record keeping/processing issue we are not noting any misstatement within the audit report. As a recommendation we suggest that as each donation is received a donation letter is issued and also noting on the donation letter if the donation has been given through the Give Now system so that the 1% fee can be journalised as a DR to Give Now Fees and the CR can be allocated to Donations received. This issuing of proper paper work and recording of transactions in the accounts is critical and deficiencies such as these can lead to your DGR status being revoked should the incorrect practices continue.

**Both of these issues raised need to be attended to as soon as possible as both issues have gone unresolved for some years now. In relation to the issuing of DGR receipts this process needs to be changed from the current process to the new one to ensure this deficiency is rectified for the future.**

### **3. Unadjusted and Adjusted Audit Differences**

The above findings are considered material, however, they are both more of a processing issue rather than something more serious such as stealing or fraud and as such item 1. listed above has been corrected with the inclusion of a loan account in the respective entities accounts and will be corrected once the money is transferred from one bank account to the other.

#### **3.1 Disclosure Deficiencies**

No disclosure deficiencies that would result in a qualified audit opinion were noted in our review of the financial statements.

#### **3.2 Materiality**

Management has determined and will represent to us in writing that these unadjusted audit differences are material to the financial statements either individually or in aggregate. We concur with this view. Further, management will represent to us in writing that all uncorrected misstatements that they are aware of have been brought to our attention.



## *Notice the Difference*

### **Independent Auditor's Report**

### **To the Members of the Citizen Advocacy Trust of Australia and the trustee company Citizen Advocacy Australia Pty Ltd.**

We have audited the accompanying financial report of the Citizen Advocacy Trust of Australia and the trustee company Citizen Advocacy Australia Pty Ltd (the "Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March 2017 and Profit and Loss Statement for the year ended 31<sup>st</sup> March 2017.

#### **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control. An audit also includes the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

#### **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

#### **Auditor's opinion**

In our opinion, the financial report of the Citizen Advocacy Trust of Australia and the trustee company Citizen Advocacy Australia Pty Ltd is:

- a. In accordance with the Corporations Act 2001, including giving a true and fair view of the Company's financial position as at the 31<sup>st</sup> March 2017 and of its performance for the year ended on that date; and
- b. Complying Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

**APS Tax, Accounting and Business Services Pty Ltd**

Richard Ferraro CPA

Melbourne, 29<sup>th</sup> May 2017.

**Citizen Advocacy Trust of Australia**

**Annual Report  
for the Year Ended 31 March 2017**

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**Citizen Advocacy Trust of Australia**  
**Balance Sheet**  
**As at 31 March 2017**

	2017	2016
	\$	\$
<b>Trust Funds</b>		
Settlement sum	100	100
Accumulated Profits (Losses) Brought Forward	12,142	17,256
Profit Earned This Year	920	(5,114)
<b>Total Trust Funds</b>	<u><u>13,162</u></u>	<u><u>12,242</u></u>
Represented by:		
<b>Current Assets</b>		
St George - 4770	6	12,318
St George - 8771	42	324
Bendigo Bank - 2002	<u>13,514</u>	<u>-</u>
	13,562	12,642
<b>Total Assets</b>	<u><u>13,562</u></u>	<u><u>12,642</u></u>
<b>Current Liabilities</b>		
Sundry Creditors	<u>400</u>	<u>400</u>
	400	400
<b>Total Liabilities</b>	<u><u>400</u></u>	<u><u>400</u></u>
<b>Net Assets</b>	<u><u>13,162</u></u>	<u><u>12,242</u></u>

**Citizen Advocacy Trust of Australia**  
**Profit and Loss Statement**  
**For the Year ended 31 March 2017**

	2017	2016
	\$	\$
<b>Income</b>		
Donations Received	2,095	1,830
Fundraising Sales	495	-
Refunds from Grants	1,815	-
Interest Received	29	184
	4,434	2,014
<b>Expenditure</b>		
Accountancy Fees	1,485	-
Bank Charges	9	7
Catering Expenses	480	-
Grants	1,540	7,000
Postage	-	121
	3,514	7,128
<b>Profit before Income Tax</b>	920	(5,114)

**Citizen Advocacy Australia**  
**Annual Report**  
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**Citizen Advocacy Australia**  
**Balance Sheet**  
**As at 31 March 2017**

	2017	2016
	\$	\$
<b>Equity</b>		
Unappropriated Profit	23,940	21,903
<b>Total Equity</b>	<u>23,940</u>	<u>21,903</u>
 Represented by:		
<b>Current Assets</b>		
St George - 8319	111	78
St George - 8069	11	21,425
Bendigo Bank - 1814	23,418	-
Sundry Debtors	400	400
	<u>23,940</u>	<u>21,903</u>
<b>Total Assets</b>	<u>23,940</u>	<u>21,903</u>
<b>Net Assets</b>	<u>23,940</u>	<u>21,903</u>

**Citizen Advocacy Australia**  
**Profit and Loss Statement**  
**For the Year ended 31 March 2017**

	2017	2016
	\$	\$
<b>Income</b>		
Donations Received	-	400
Fundraising Sales	1,987	-
Interest Received	<u>50</u>	<u>257</u>
	2,037	657
<b>Expenditure</b>		
Auditing Fees	<u>-</u>	<u>1,650</u>
	-	1,650
<b>Profit before Income Tax</b>	<u><u>2,037</u></u>	<u><u>(993)</u></u>