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309 Dana Street
(Cnr Dana & Doveton Streets)
Ballarat VIC 3350

T 03 5333 3390
F 03 5333 3392

accounting@ffau.com.au

23 October, 2019

Mr Anthony Ohlsen
Anthony.Ohlsen@rotary9780.org

Dear Mr Ohlsen,

We have conducted our review process for the Rotary International District 9780 Inc. The staff were helpful and professional and readily located records we requested.

While we assume no responsibility to design review procedures to identify matters to report to you, we communicate any matters encountered during the course of our review which we believe should be brought to the Board members' attention.

This does not mean that there are no other matters of which the Board Members should be aware in meeting its responsibilities, nor does this report absolve the Board Members from taking appropriate action to meet these responsibilities.

Our review findings and recommendations are found on the follow page.

If you have any queries in relation to these matters, please do not hesitate to contact me,

Kind Regards

Valmai Darveniza CPA
Freedom Finance Accounting

Rotary International District 9780 Inc – Review Findings 2019

1. Bank Reconciliations

It was noted that some bank accounts did not match the bank statements, but the Treasurer has now updated all the accounts where needed. The main issue was that interest had not been brought to account, and some transfers between the bank accounts had not been processed correctly. These errors have now been rectified. It is recognised that now bank feeds are in place, this will reduce the possibility for errors and processing should be more accurate in the future. Bank balances are now all correct within the Xero file.

2. GST Reconciliations

BAS processing throughout the year has been on a manual basis. This has resulted in errors when lodging the quarterly BAS returns. An adjustment has been needed to bring the GST in line with the BAS and the ATO remittances at Year end. In the future, BAS returns should be more accurate due to the electronic production of the reports from the Xero file.

Care should be taken when processing entries, to identify whether entries include GST or not. The following entries were identified as being incorrectly posted with GST, when they were GST free :

a. Marian College $400 donation 13/5/2019 posted with GST, donations do not include GST.
b. Spectrum Disco 30/5/2019 $150 posted with GST, invoice showing as GST free.
c. Consumer Affairs 19/2/2019 $57.80 - there is no GST included in this fee

The above errors have now been corrected on the Xero file. Invoices should be carefully examined to establish what the GST component on the invoice is.