

**AUSTRALIAN BLUE GRASS AND OLD TIME MUSIC ASSOCIATION
2016 ACCOUNTS AUDIT
MANAGEMENT REPRESENTATION LETTER**

To: Board of Management, Australian Blue Grass and Old Time Music Association (ABOTMA)

Overview

The audit process consisted of the following activities:

- a. All bank statement transactions have been reconciled to relevant invoices/paperwork and the financial statements; and
- b. Cash payments were, as much as is possible, reconciled to relevant invoices or payment authorities.

Once the steps above were completed, the financial statements themselves were then checked for compliance with the relevant abbreviated accounting standards and Victorian incorporated body requirements.

After carrying out this work, there was an imbalance between the net movement in the bank accounts and the calculated net profit/(Loss). As this imbalance actual favours ABOTMA (ie the increase in the cash at bank is greater than the net Profit/Loss, it is of a lesser concern than if it had been the opposite situation. In my view, this imbalance has come about due to the significant level of cash transactions and would mainly relate to on-day gate takings, the raffle ticket sales and/or the sales of merchandise.

Issues of Concern

Major

NIL

Moderate

A significant level of cash payments are made direct to individuals and other suppliers. Cash payments are a major risk to an organisation and should be kept to a minimum number and amount.

Minor

NIL

Recommendations

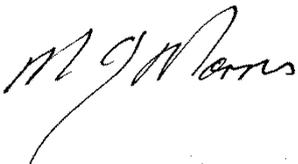
I recommend that the Board review the level of cash payments with a view to reducing the number and size of these payments. In addition, the Board should consider setting a maximum amount for any one cash payment (eg \$50.00, \$100.00, etc).

With gate takings, using a numbered ticket system would assist you to track the cash takings. This can be done simply using basic word processing tools or by paying a professional printer to do the print numbered tickets. In addition, the takings should be reconciled to the actual tickets sold at least once a day. If done more than once a day, you can use two or more sets “cash float tins” with a set amount of change in each. At the time of change over, the responsible person takes the outgoing cash tin and the count of tickets sold at that point in time. This person sets up the new cash float and then reconciles the residual cash against the number of tickets sold. The new cash float is then ready for the next change and reconciliation.

With the cash payments made, the paperwork should clearly show the amount being paid, the date and the nature of the payment. There should be signature blocks for the responsible ABOTMA person making the cash payment and for the recipient of the cash payment.

Summary

The ABOMTA accounts and records are complete and accurate and the Financial Statements correctly reports these transactions in accordance with the relevant accounting standards and other related authorities.



Michael John Morris
Auditor
ALMI Consulting Pty Ltd

Dated: 31st October 2016

INDEPENDENT AUDITOR'S REPORT
AUSTRALIAN BLUE GRASS AND OLD TIME MUSIC ASSOCIATION
2016 FINANCIAL STATEMENTS

Scope

I have audited the accompanying special purpose financial statements of Australian Blue Grass and Old Time Music Association (ABOTMA) for the financial year ended 30 April 2016. These financial statements are an abbreviated Profit and Loss Statement brief accompanying Notes. In conducting this audit, I have reviewed the transactions underpinning the financial statements as well as the actual presentation of the financial statements.

Director's Responsibility for the Financial Statements

The Directors of the Board of Management of ABOTMA are responsible for the preparation and fair presentation of the financial statements and the information contained therein. This includes the determination that the basis of accounting used is appropriate to meet the Board's reporting requirements and the needs of the members of the Association. The Board is also responsible for designing, implementing and maintaining appropriate internal control systems.

Auditor's Responsibility

I have conducted an independent audit of the financial statements in order to express an opinion on them to the members. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Board or the members of the Association. The audit has been conducted in accordance with the Australian Auditing Standards.

My procedures included the examination of the evidence supporting the transactions and the amounts involved. These procedures have been undertaken to enable me to form an opinion as to whether, in all material aspects, the financial statements are presented fairly.

These special purpose financial statements have been prepared for distribution to the members of the Association and for the purpose of fulfilling the Board's reporting and accountability requirements. I disclaim any assumption of responsibility for any reliance on these statements to any persons other than the members of the Association or of any purpose other than that for which it was prepared.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of ABOTMA fairly represents receipts and expenditures of the Association for the financial year ended 30th June 2016.

A handwritten signature in black ink, appearing to read 'M J Morris', written in a cursive style.

Michael John Morris
Auditor
ALMI Consulting Pty Ltd

Dated: 31st October 2016