

9 July 2023

Mrs Lisa Chapman
Queensland Masters Athletics Association Inc
PO Box 474
Sunnybank QLD 4109

Dear Lisa

Re: Audit of Queensland Masters Athletics Association Inc for the year ended 31 March 2023

I advise that I have completed my audit procedures for Queensland Masters Athletics Association Inc (the Association) for the year ended 31 March 2023. My audit report is qualified, with a standard audit qualification paragraph, for the reason documented below. Apart from this standard qualification, which is consistent with recent prior years' qualifications, I found the association's records in good order and well presented.

It should be appreciated that my audit procedures are designed primarily to enable me to form an opinion on the financial statements as a whole, and therefore may not uncover all errors or weaknesses which may exist in terms of internal controls, procedures and systems. It is the Committee's responsibility to maintain an adequate system of internal control as the principal safeguard against irregularities which an audit examination may not uncover or disclose.

QUALIFICATION IN AUDIT REPORT

Accounting controls over income

Observation

As with most associations of this type, and the prior year audit report, it is impracticable to establish total control over the collection of revenue, other than interest income, prior to entry into its financial records. Accordingly, as the evidence available to me regarding revenue was limited, audit procedures with respect to revenue had to be restricted to the amounts recorded in the financial records. I am therefore unable to express an opinion about whether recorded revenue of the Association, other than interest income, is complete.

Recommendation

This is an ongoing difficult issue to resolve due to the nature of the activities of the Association. The Committee should continue to operate cost effective internal control procedures wherever possible to maintain and improve controls over income. The increasing take-up by members in recent years in registering for competition meets online has assisted in reducing the amount of cash/on the day entries, which assists in improving the control environment. Anything the Committee can do to further promote online entries would be recommended – as this process also provides other operational and planning benefits. I do however note that the year-end financial report and supporting schedules were of a high standard, and easily enabled testing to underlying transactions.

OTHER MATTERS

I also take the opportunity to bring the following administrative matter to your attention:

Bank Accounts

Observation

Consistent with comments in my prior year's letter, I note that overall cash balances – now all with Bank of Queensland – have steadily increased in recent years, in part due to increases in membership and competition income, and also assisted by various grants, receipts for the 2022 AMA National Championships, and effective cash management, with the Association recording four successive years of profit from ordinary activities .

From 2017-2019, overall cash balance at each year-end was in the vicinity of \$70,000-\$90,000. However since 2020, year-end balances have been at or over \$110,000, rising to \$181,000 at 31 March 2022 with the receipt of amounts relating to the 2022 National Championships held in April 2022, and now at \$158,000 in March 2023.

Recommendation

In the current environment of increasing interest rates (especially over the past 6-12 months), I recommend that the Association consider the benefits available to it from investing a portion of its cash balance in either Bank Term Deposits, as it did in earlier financial years, or At-call interest earning savings accounts. This would entail analysing and forecasting available cash after payment of all accrued costs as at 31 March 2023 and any other identified purchases of equipment or other large expenses.

I thank you for engaging my audit services. If you have any queries, please do not hesitate to contact me.

Yours sincerely



Daniel Mellish

CA, Member no: 47066

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