

Telephone: 0421191800

26 Queen Street
STOCKTON NSW 2295

31st August 2017

Mr Mark Owen
Merewether Surf Lifesaving Club Inc.
Email: mark@funda.net.au

You have requested that I audit the financial statements of Merewether Surf Lifesaving Club Inc. for the year ended 30th June 2017 which comprises the financial statements and any notes presented which are subject to audit – for example statement of financial position as at 30th June 2017 statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors declaration. I am pleased to confirm my acceptance and my understanding of this agreement by means of this letter.

My audit will be conducted with the objective of expressing an opinion on the financial statements.

The responsibilities of the auditor

I will conduct in accordance with Australian Auditing Standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of account policies used and the reasonableness of account estimates made by management, as well as evaluating the overall presentation of the financial statements. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making my risk assessments, I consider internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. However, I will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that I have identified during the audit.

My audit is not designed to be a complete examination of all aspects of your accounting system. Accordingly any matters that are reported to you verbally or in writing should not be regarded as all inclusive.

Responsibilities of those charged with governance

My audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:-

- a) For the preparation of the financial statements that present fairly the results of the Association for the reporting period and the financial position of the Association as at the end of the reporting period.
- b) To provide me with:
 1. Access to all information of which the directors and management are aware that is relevant to the presentation of the financial report such as records, documentation and other matters.
 2. Additional information that I may request from the directors and management for the purpose of the audit; and
 3. Unrestricted access to persons within the entity from whom I determine it necessary to obtain audit evidence.
- c) To advise me of any material and/or contentious issues relating to the preparation of the financial statements and any known or suspected frauds which have occurred with the Association.
- d) To maintain adequate accounting records, to ensure that proper internal controls are in place, to ensure the accuracy of all financial records, and to maintain and safeguard the entity's assets to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Such internal controls reduce but do not eliminate the risk of misstatements in the financial statements from fraud or error. Those charged with governance assume responsibility for such risk. While the conduct of an audit may act as a deterrent against fraud or error I cannot be held responsible for preventing them.

Those charged with governance are responsible for adjusting the financial statements to correct identified material misstatements. At the conclusion of each financial reporting engagement I provide those charged with governance with a summary of any uncorrected misstatements I identify and request to confirm in writing that the effects of any uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements taken as a whole.

Representations from those charged with governance

As part of my audit process, I will request from those charged with governance written confirmation concerning oral representations made to us by Merewether Surf Lifesaving Club Inc. in connection with the audit and that Merewether Surf Lifesaving Club Inc. acknowledges that such representations would be relied upon by me during the audit.

Reporting

I anticipate the issues of an unqualified audit report in accordance with Australia Auditing Standards; however the form and content of my report may need to be amended in light of my audit findings.

Independence

I have established policies and procedures designed to ensure my independence, including policies on the provision of non-audit work.

Fees

My fee for the audit of the financial report of Merewether Surf Lifesaving Club Inc. for the year ending 30th June 2017 will be based on time expended in the process of the audit and out-of-pocket expenses.

This fee assumes that all accounting transactions will have been processed and I will be presented with a final trial balance/set of financial statements at commencement of the audit.

If I incur additional costs as a result of factors such as:

- Information not being provided to me within time limits
- Significant errors in the information that is provided
- The scale of the business significantly changing
- A material issue arising which was not reasonably contemplated at the time of the fee quote then this additional time will also be billed.

My fees will be billed at the completion of the audit.

Presentation of auditing Financial Statements on the internet

If Merewether Surf Lifesaving Club Inc. presents financial statements and auditors' report electronically on a web site, the security and controls over the information on the web site should be addressed by the Association to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the Association web site is beyond the scope of the audit of the financial statements. Responsibility for the electronic presentation of the financial statements on the Associations web site is that of the governing body of the entity.

Other financial information in reports

I read the financial information contained in the documents or statement that is issued with any financial statements, including Committee reports, to identify material inconsistencies with the financial reports. However I will not verify such other information.

General matters

The terms of this letter apply to all work carried out by me in connection with this engagement prior to the date of signing this letter.

This letter will be effective for this year. I will advise you of its amendment or replacement or the engagement is terminated.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement to the financial statements, including my respective responsibilities.

Yours sincerely



Robert John Allan
Registered Company Auditor # 4181



MARK OWEN

1-9-2017