

**Addendum Report**

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**REPORTS THROUGH THE EXECUTIVE MANAGER OF THE TRUST**

**REPORTS FROM THE EXECUTIVE MANAGER OF THE TRUST**

- 3 [EM-TCHP] Audit of Tweed Coast Holiday Parks Reserve Trust for the Year Ended 30 June 2014**

**SUBMITTED BY: Executive Manager of the Trust**

**FILE REFERENCE: GC3/8/2**

**SUMMARY OF REPORT:**

This report recommends the acceptance of the financial report of the Tweed Coast Holiday Parks Reserve Trust for the year ending 30 June 2014 which has recently commenced.

The correspondence contained within this report outlines the requirements that need to be communicated in line with Australian Auditing Standards.

**RECOMMENDATION:**

**That the Tweed Coast Holiday Parks Reserve Trust receives and notes the advice from Thomas Noble & Russell in relation to their audit as per the requirements of the Australian Auditing Standard A260.**

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### REPORT:

As per summary.



**Thomas Noble & Russell**  
Accountants | Auditors | Business Advisers

11 August 2014

Mr Richard Adams  
Executive Manager  
Tweed Coast Holiday Parks Reserve Trust  
PO Box 816  
MURWILLUMBAH NSW 2484

Dear Richard

#### **AUDIT OF THE FINANCIAL REPORT OF TWEED COAST HOLIDAY PARKS RESERVE TRUST FOR THE YEAR ENDING 30 JUNE 2014**

We have commenced our audit of the financial statements of Tweed Coast Holiday Parks Reserve Trust for the year ending 30 June 2014.

Australian Auditing Standards issued by the Auditing and Assurance Standards Board require us to communicate with "those charged with governance" of Tweed Coast Holiday Parks Reserve Trust in relation to some aspects of our audit.

Auditing Standard ASA 260 defines "Those charged with governance" as "... the person(s) or organisation(s) ... with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process".

Those charged with governance may involve management personnel.

ASA 260 defines "management" as those with "executive responsibility for the conduct of the entity's operations".

We advise that we will communicate matters of governance interest arising from our audit with:

- (i) the Trustees; and/or
- (ii) management

as we consider appropriate in relation to each matter to be communicated.

Ordinarily, we will initially discuss audit matters of governance interest with management.

In particular, any management letter we issue will be addressed to the Trustees after it has been discussed with management.

Some of these matters will be communicated orally and some in writing. All matters will be communicated on a timely basis.

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### Auditor's Responsibilities

We are responsible for forming and expressing an opinion on the financial. Our audit of the financial report does not relieve management or those charged with governance of their responsibilities.

### Scope and Timing of our Audit

The purpose of providing you with details of the planned scope of the audit is to assist you in better understanding the consequences of our work and to help identify any areas that you may request us to undertake additional procedures.

Should there be any matters outlined in this letter that are not consistent with your understanding of the engagement, please contact us.

We will conduct our audit for the year ending 30 June 2014 for the Tweed Coast Holiday Parks Reserve Trust in accordance with the terms of our engagement letter dated 12 May 2014 and with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free from material misstatement.

Our procedures will include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

Our procedures will be undertaken to form an opinion whether, in all material respects, the financial report of the Tweed Coast Holiday Parks Reserve Trust is in accordance with the Trust Deed, including giving a true and fair view of the financial position of the Tweed Coast Holiday Parks Reserve Trust at 30 June 2014 and of the performance for the year ended on that date, and complies with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements.

We propose to address the significant risks of material misstatement as follows. Please note that the items noted below do not cover all risks subject to audit.

Significant Risks	Plan to Address
Revenue Recognition	Select a sample of occupied sites and ensure booking has been recognised in the revenue system and general ledger Ensure site fees are being charged in accordance with approved fee schedules.
Management Override of Controls	Review the appropriateness of journals entries. Review accounting estimates for bias. Review minutes of Trust meetings. Determine whether there is a need to perform other audit procedures where there are specific additional risks of management override that are not covered by the above procedures.

Please advise us if there are any areas where you consider we should conduct additional audit procedures.

We will conduct all audit tests at head office and at the individual parks.

We do not plan to use evidence from previous audits.

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We have agreed with management the information required to be available for our audit.

The timing of the audit has been agreed with management and is similar to the prior year.

### Independence and Ethics

The Partner and all staff assigned to the Tweed Coast Holiday Parks Reserve Trust audit engagement team for the year ending 30 June 2014 have confirmed that they are independent in accordance with the ethical requirements of Professional Standards APES 110 Code of Ethics for Professional Accountants. We also consider that the firm and our network firms are independent of the Tweed Coast Holiday Parks Reserve Trust.

During the financial year to 30 June 2014 we have provided the following non-audit services to the Tweed Coast Holiday Parks Reserve Trust:

- Assistance with financial report disclosures and preparation; and
- Assistance with the accounting for asset revaluations.

We consider that the provision of these services has not impaired our independence. Any adjustments identified during the audit process will be discussed with you for your approval prior to finalisation of the financial report.

### Significant Accounting Policies

We have been advised by management that there have been no changes in, and no new significant accounting policies and practices that have, or could have, a material effect on the financial report.

### Materiality

Our engagement letter discusses the concept of materiality. Materiality is used to ensure that we perform audit procedures that address the risks of material misstatement of the Trust's financial report.

### Fraud

We have discussed with management their knowledge of any actual, suspected or alleged fraud affecting the entity within the period being audited and they have advised us that they are not aware of any such material matters.

They have also advised us that you have no knowledge of any such material matters. If that is not the case, please let us know as soon as possible as this will affect the scope of our audit work.

Management has also advised us that they have identified the following as areas where the most significant risk of fraud lies within your organisation:

Potential Fraud Risk	Procedures to Mitigate Risk
Cash and Cash Equivalents	Perform surprise cash counts at parks. Review controls around daily cash handling procedures and updating to the general ledger. Review bank reconciliations.

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Potential Fraud Risk	Procedures to Mitigate Risk
Revenue	Select a sample of occupied sites and ensure booking has been recognised in the revenue system and general ledger Ensure site fees are being charged in accordance with approved fee schedules.

Please let us know if you consider that there are other areas of significant risk of fraud.

### Audit Adjustments

Prior to the conclusion of our audit, we will advise of:

- (i) All adjustments to the financial statements made as a result of our audit; and
- (ii) All uncorrected misstatements identified during the audit which management determined were not material.

### Additional Audit Work

Should you wish us to extend the scope of our audit work, please let us know.

### Breaches of Laws & Regulations

Management has advised that they are not aware of any material breaches of laws or regulations that may have a material effect on the financial report. If this is the case please let us know as soon as possible as this will affect the scope of our audit work.

### Disclaimer

An audit of a financial report is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, our audit does not ordinarily identify all such matters.

Our communication of matters of governance interest include only those audit matters of governance interest that come to our attention as a result of the performance of our audit.

Should you wish to discuss any of the abovementioned matters or any aspect of our audit, please do not hesitate to contact me on (02) 6626 3000.

Yours faithfully

**THOMAS NOBLE & RUSSELL**

Per:

  
A J BRADFIELD (Partner)

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**OPTIONS:**

Nil.

**CONCLUSION:**

As per the recommendation.

**IMPLICATIONS:**

**a. Budget:**

Implications as contained within the report.

**UNDER SEPARATE COVER/FURTHER INFORMATION:**

Nil.

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