26 March 2015

Tin Can Bay State School P & C Association
C/- Tin Can Bay State School
Schnapper Creek Road
TIN CAN BAY QLD 4580

Dear Committee,

We write with reference to your recent letter regarding your financial audit for the year ended 30th June 2014.

In regard to your particular questions we can confirm the following

1. The book fair suffered significant losses in 2014, it would seem that part of this relates to payments for expenses in the 2013 year being made late, and therefore included against income earned in the 2014 year.
2. It would appear that Fundraising expenses were almost equal to income, our review of the accounting records shows that this expenditure and income has been shown as was allocated in the accounting records provided to us.
3. The tuckshop loss is in part to an amount of $14,930.19 expended in relation to replacement equipment, which was expended in the year. Gross profit (sales less direct purchases) of $9,191.05 however, did not cover employment costs of the convenor.

We understand that the committee is justifiably concerned with the operating result, and would like not to repeat mistakes of the past. In light of this we can make the following comments and offer the following recommendations:

- Our audit was completed from records provided in two MYOB data files and our analysis of the bank statements and cheque butts for the year. It would appear that in 2014 there was no single, complete source of financial information from which the committee could base its decision making. Timely and accurate financial data would allow the committee to make informed decisions, and provide feedback on the success or failure of any strategy
- The committee should employ some form of accounting package from which they can obtain reports easily and on a regular basis. In considering which accounting package to utilise, we would recommend that the skill set of current and future committee members is considered. It is our experience that in some instances, a simplified system, used well, is often better than a complicated and powerful system which is not understood or used incorrectly. The Education Department do provide excel based templates which would be a good starting point to consider.
- The tuckshop operating result should be managed carefully, and constantly reviewed. It may be that that committee is willing to fund in some part a small loss from this operation in order to provide the service to its students. Consider whether the markup used to set selling prices is adequate to cover fixed overhead costs, and whether waste could be reduced to increase gross profit (through a reduced but popular menu for example).
- By ensuring no purchases are made with cash, and all takings banked, a true record of the result of the P&C can be ascertained, as if no record is kept of cash purchases, these amounts can be missed.
- Prompt and regular bankings and data entry also ensure that accounting records are up to date, and that decision making is improved with more relevant and timely information.
Should you wish to discuss any of these matters further please feel free to contact the writer.

Yours faithfully

[Signature]

Jonathan Weller

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