

CLUB AUDIT

SUMMARY

The purpose of Club Audit is to ensure that the club is in good financial health and has been compliant with Australian Accounting Standards and its effective internal reporting procedure and to identify any instances of fraudulent reporting.

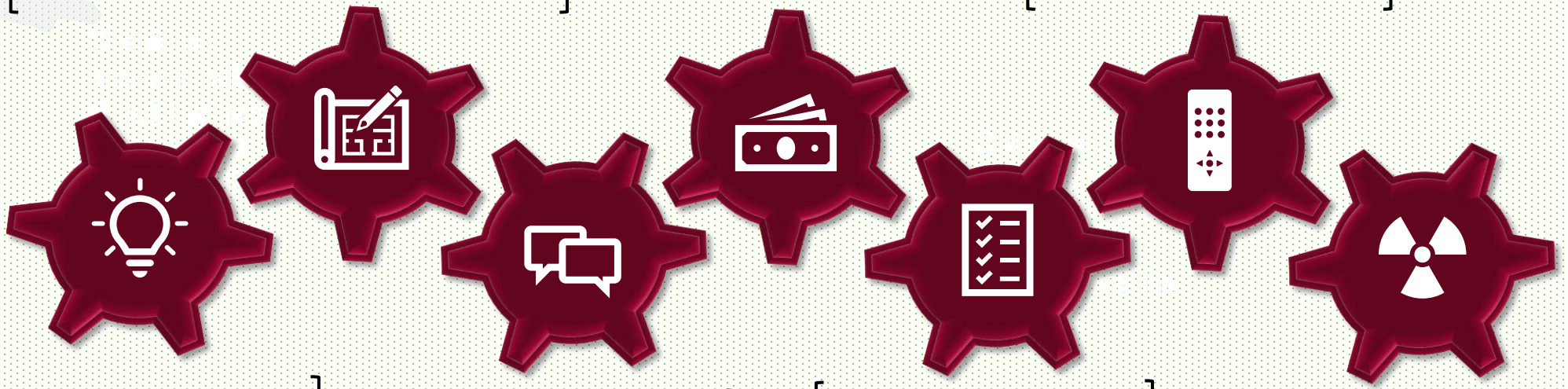


AUDIT PROCEDURES

Develop an Audit plan considering various factors such as the size of a club, the identified level of risk, the availability of required records, and the complexity of issues that arise during the audit.

Review the control Of Cash and Bank.

Determine the effectiveness of any internal control procedures.



Obtain an understanding about the nature, purpose, and the existence of the club.

Discuss items with relevant staff to obtain clarification or further information.

Ensure all incomes and expenses accrued were with respect to the proper cut-off period.

Conduct Risk assessment Procedures and find Audit Materiality.

SPECIFIC AUDIT PROCEDURES

Particulars	Audit Procedures
Revenue – Membership Subscriptions	• Obtain Membership policy agreements. • Compare the annual reconciliation of the number of members of the club with the number of membership subscriptions received. • Verify bank statements.
Revenue – Grant	• Obtain Grant agreement • Verify whether it's a federal grant or State grant or grant from a third party and accounted as per IAS 20 Government Grant. • Assess the club's eligibility for receiving grants as per the agreement. • Assess whether the grant has been properly dealt with as per the agreement.
Other Incomes (e.g. Donations)	• Obtain agreements, bank receipts, donation receipts, etc. • Enquire about the reasons for receiving other income. • Check bank support.

SPECIFIC AUDIT PROCEDURES

Particulars	Audit Procedures
Financial Incomes **(e.g. Interest incomes, Dividends)**	• Obtain Investment supporting, financial agreements. • Enquire about the reasons for maintaining such investments. • Check bank supporting • Ensure financial income is recognized as per IFRS 9 Financial Instruments.
Employee Benefit Expenses	• Obtain Payroll policy, employment agreements, employee payments bank support. • Ensure employee payments were made as per payroll policies. • Recalculate annual leave and long service leave provisions and verify they correspond with ledger balances and enquire if material differences arise. • Enquire about the payroll software, its accessibility by authorized persons, and internal control. • Ensure that the accounting policy is per IAS 19 Employee Benefits.
Other Expenses **(e.g. Admin, stationary, repair expenses etc.)**	• Obtain Bill support. • Make a checklist of material operating expenses. • Verify it with supporting and ensure payments were made.

SPECIFIC AUDIT PROCEDURES

Particulars	Audit Procedures
Finance Costs	• Obtain Financial agreements, and bank supporting. • Verify whether it's a short term or long-term financial liability. • Check interest payments' corresponding conditions as per financial agreements. • Ensure accounting policies are in accordance with IFRS 9 Financial Instruments.
Depreciation	• Obtain Fixed Assets register, depreciation schedule, and asset purchase invoices (If any improvements or additions happened in the current year) • Ensure whether depreciation has been calculated from the date, the asset is available for its usage. • Ensure depreciation calculation is per IAS 16 PPE. • Check whether depreciation has ceased for a particular asset that was sold.
Bad Debts	• Prepare aging analysis for receivables. • Ensure the reasonableness of bad debts provision. • Inquire management about their method of estimating bad debts. • Check for any bad debts recovered.

SPECIFIC AUDIT PROCEDURES

Particulars	Audit Procedures
Cash and Cash Equivalents	• Obtain documents such as bank statements for current and subsequent periods, reconciliation statements, bank confirmations, petty cash register, etc. • Ensure cash flow is prepared in accordance with the IAS 7 Statement of Cash Flows. • Match Reconciliation ending balance with statement ending balance and General Ledger balance. • Please confirm whether there are any outstanding cheques or deposits in transit that are there in the bank reconciliation.
Financial Assets	• Obtain Financial agreements, bank support, etc. • Identify its nature, whether current or non-current. • Enquire management about the existence of financial assets. • Verify whether it is an interest-bearing financial asset. • Check whether it is a normal Trade and other receivable or equity investment or debt investment and accounted as per amortized cost or FVTOCI or FVTP&L by IFRS 9 Financial Statements.

SPECIFIC AUDIT PROCEDURES

Particulars	Audit Procedures
Fixed Assets	• Obtain Depreciation schedule, bank support, and asset purchase invoices (If any improvements or additions happened in the current year). • Recalculate the entity's given depreciation schedule. • Verify the recalculated amount to the general ledger. • In case of any material change need to confirm with the entity • Ensure depreciation calculated is as per IAS 16 PPE • Ensure revaluation is accounted for properly and impairment tests were conducted at the time of indication of impairment. • Verify for any sale of fixed assets and if that sale is properly accounted for. If that sale results in the deletion of operating assets, validate for going concern assumption.
Borrowing Costs	• Obtain source documents such as loan agreements. • Identify whether the asset is a qualifying asset as per IAS 23 Borrowing costs and accounting policies were followed correctly.

SPECIFIC AUDIT PROCEDURES

Particulars	Audit Procedures
Stock Control	• Ensure proper records were maintained of stock movement within the club. • If external stock takers are used, their monthly reports should be reviewed by the auditor and reconciled with the bar trading accounts at least on an annual basis and be properly categorized. The reports must, as a minimum, show any variation of actual turnover to expected turnover for each category and explanations for any excessive deficiencies.
Prepayments	• Obtain prepayment reconciliations, supporting invoices, etc. • As per the supporting invoices provided calculate the prepaid period from the year end. Calculate the per day amount by dividing it by the total number of days accordingly. • Then multiply the prepaid number of days by the per day amount and match it with the General Ledger balance. If any material variance is noted find the reason for it and update the client about the variance. • Ensure its presentation as per IAS 1 Presentation of Financial Statements.
Income received in Advances	Check whether any amounts were received from members (as per club policy agreement) in advance and if they are properly presented in financials as per IAS 1 Presentation of Financial Statements.

SPECIFIC AUDIT PROCEDURES

Particulars	Audit Procedures
Financial Liabilities	• Obtain Source documents. • Identify its nature, whether current or non-current. • Enquire management about the existence of financial liability. • Verify whether it is an interest-bearing financial liability. • Check whether it is a normal Trade and other payable or debt and accounted as per amortized cost or FVTP&L in accordance with IFRS 9 Financial Instruments.
Cheques	• Ensure pre-signing of cheques was prohibited and all blank cheques were kept in a secure place. • Compare the annual reconciliation of the number of members of the club with the number of membership subscriptions received.
Petty cash	• Ensure petty cash vouchers have supporting documentation attached and are properly authorized. • Petty cash accounts should be reconciled on at least a monthly basis.

SPECIFIC AUDIT PROCEDURES

Particulars	Audit Procedures
Accruals	• Recalculate material accruals based on source reports/documents. Investigate any material variances. • Identify expense accounts that give risk to accruals (i.e., invoiced after the service has been provided) and assess if an accrual is required. Process adjustments where necessary. • Compare prior year accruals with current year accruals and assess if any accruals are unrecorded as of the balance date. • Ensure its presentation as per IAS 1 Presentation of Financial Statements.

- Ensure that prices charged to the club for the supply of goods and services are consistent with quotes obtained from other suppliers for the same goods and services.
- Records should be kept of all loans to the club, including the name of the creditor, the amount of the loan, the amounts repaid, the balance outstanding, and the interest rate, if applicable. A review should be undertaken to ensure that repayments are made in accordance with the loan conditions (if applicable) and that the interest rates being charged are not greater than commercial rates. Recommendations should be made accordingly.
- All cash-generating areas of the club, particularly gaming areas, should be reviewed so that duties are divided amongst staff and, if appropriate, directors to provide adequate internal controls. Staff and directors should be rotated in their duties so that the same staff and directors are not continuously working together, particularly on cash clearances of gaming machines.
- Ensure any cash shortfalls are reported to the club's management and, where appropriate, to the relevant authorities.
- Check to ensure that the appropriate registers are in place for assets, secretaries, and directors.

Thank You!