



18 May 2018

The Chairperson  
The Board of Trustees  
Whanganui Girls' College  
Private Bag 3004  
Whanganui 4540

Dear Sir/Madam

We have now completed the audit for Whanganui Girls College for the year ended 31 December 2017.

In accordance with our normal practice we enclose our comments on certain areas of the internal control and accounting practices which came to our attention during our recent audit. We also offer recommendations for possible courses of action. As requested by the Ministry of Education in the annual reporting Circular 2017/12 dated October 2017 Schools are required to e-mail a single PDF file of your board's annual report to your local ministry office by 31 May 2018.

We have prepared this report solely for the use of Whanganui Girls College. It forms part of the continuing dialogue between the organisation and ourselves and contains constructive suggestions to improve some practices which we identified in the course of our normal audit procedures. These audit procedures are not intended to identify all weaknesses large or small and this report should not be relied on to include all such matters as we will expect management to apply continuous improvements in these areas and the Board to continually monitor the level of controls and procedures in place at the school.

We feel that it is timely to include an explanation to the Board of the purpose of the audit and management letter to assist the school in understanding why we have to comment on issues.

#### **Purpose of Audit**

The purpose of the audit is to gain sufficient evidence to support the expression of an audit opinion as to whether the financial statements fairly reflected the financial position and operations of the Board for the year.

#### **Audit Report**

The audit report on the 2017 financial statements is an unmodified audit report and contains no matters or items that the Board needs to consider further.

#### **Purpose of Management Letter**

The management letter is a form in which we can communicate to the Board of Trustees the significant deficiencies in internal control which we have identified.

Matters we raise are not intended as an attack or criticism of school related personnel and are based on our professional experience. Our recommendations are what we consider "sound" practice in the context of your school environment.

The benefits of our recommendations may not always be apparent from an education perspective however we are reporting from a financial view point.

If the Board believe that the current practices are adequate we would welcome the Board to report back to us stating "that the Board are satisfied with the current procedures and are willing to take the responsibility of those perceived risks".

If the School believe that the current practices are adequate we would welcome the Board of Trustees to reply with your viewpoint.

We would encourage schools to phone us to discuss any matters raised.

### **Fraud & the Boards Responsibilities**

As noted in prior years we have been advising our audit clients of the fraud risks and the board's responsibilities in relation to those risks.

### **Prior Years Matters**

We are pleased to note the following matters raised in last years audit management letter have been addressed satisfactorily (per last years paragraph heading).

- Trust Funds
- Novopay Audit Findings
- BoT Minutes

We note the following matters raised do not appear to have been addressed. Because we feel that they are important to effective internal control within your accounting system we repeat them for your due consideration. If you have good reason for not wishing to adopt these matters would you please advise us in writing of the reasons for your decisions. This written response should be tabled at a BOT meeting and minuted.

- Overseas Travel

You would also have received an audit management letter dated 30 November 2017 resulting from our school visit. This should be read in context with this letter.

**In addition, we wish to draw the following matters that arose during the course of the audit to the Board of Trustee's attention.**

### **SPECIFIC COMMENTS**

#### **1. Overseas Travel**

During the year we noted that staff members undertook a marketing trip overseas. From discussions with the school we noted that the Board approved the trip but the budget approval was always not specifically minuted prior to the trip taking place.

We recommend for all overseas travel, whether for marketing or school trips that a business case is presented to the board for such expenditure which is linked to educational outcomes and a budget for the trip accompanying this report. Board approval should also be minuted.

We also recommend a process is put in place for reporting on those outcomes to the Board.

#### **2. Credit Card statements**

On review of the Credit Card Statements we identified at least one instance (September 2017) where the statements had not been signed as authorised.

While we note that this was likely a one off instance, we recommend that all Credit Card statements are initialled as approved. As the credit card is under the principal's name, please also note the points listed under the paragraph below.

**3. Principal Reimbursements**

We noted during review of the Principals reimbursements that the reimbursement sampled had no evidence of approval by a Board of Trustees member (excluding the Staff representative). It is important that a Board of Trustees member authorise Principals expenditure and reimbursements for the following reasons:

- Each person in an organisation should be subject to independent review at a higher level i.e. we recommend that this should be carried out by the BOT Chairperson
- A person with a high profile in the community, such as the Principal, should be protected from any suggestion of impropriety from outside parties with regard to expenditure incurred or reimbursements claimed.

**4. GST**

On review of International Student Expenditure we noted that the following sampled payments had GST incorrectly deducted:

<b>Description</b>	<b>Date</b>	<b>Amount</b>
Air Travel to Beijing	26/6/2017	\$3,244.25
WSO Commission	22/5/2017	\$1,760.87

We recommend that care is taken for overseas expenditure that GST is not deducted.

## GENERAL COMMENTS

### 1. Required Communications

Standard	Our Response
Auditors responsibility under General Accepted Auditing Standards	We are responsible for the completion of an audit in accordance with the International Standard on Auditing (New Zealand). The detailed terms are included in our letter of engagement signed off by the Board at our previous renewal of contract.
Significant accounting policies	We had read the accounting policies and are satisfied that these comply with the relevant accounting standards and Kiwi Park Model disclosure.
Management judgements and accounting estimates	No management judgement or accounting estimate issues identified.
Significant matters	No significant matters identified.
Disagreements with management	No disagreements were had with school management.
Difficulties encountered during the audit	No difficulties were encountered during the audit.
Independence	There were no independence issues identified between the Silks Audit employees and/or spouses of those employees and the Board.
Laws and Regulations	The School have confirmed that the Board have complied with all necessary laws and regulations. We did not identify any significant breaches.
Fraud or Illegal Acts	From our enquiries with management and our audit testing we have not become aware of any significant fraudulent or illegal acts during the period.
Deficiencies in internal control	As reported in the internal control section above.

We would be pleased to discuss with you any items mentioned in this report and to assist in the implementation of our recommendations. We take this opportunity to thank your Board and staff for their co-operation during the course of the audit.

Yours faithfully

**Silks Audit Chartered Accountants Limited**



**David Fraser**  
Chartered Accountant  
Certificate of Public Practice

# **WHANGANUI GIRLS' COLLEGE**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address: Jones Street, Wanganui East, Wanganui

School Postal Address: Private Bag 3004, Wanganui Mail Centre, Wanganui, 4540

School Phone: 06 349 0944

School Email: [sdellow@wanganui-girls.school.nz](mailto:sdellow@wanganui-girls.school.nz)

Ministry Number: 188



# WHANGANUI GIRLS' COLLEGE

Financial Statements - For the year ended 31 December 2017

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# Whanganui Girls' College

## Statement of Responsibility

For the year ended 31 December 2017

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.

The School's 2017 financial statements are authorised for issue by the Board.

Annette Faye Cox

Full Name of Board Chairperson



Signature of Board Chairperson

17 May 2018

Date:

Tania Marie King

Full Name of Principal



Signature of Principal

17 May 2018

Date:

# Whanganui Girls' College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	3,918,647	3,576,912	3,786,586
Locally Raised Funds	3	232,671	84,535	389,979
Interest Earned		17,473	15,000	21,857
Gain on Sale of Property, Plant and Equipment		-	-	10,796
International Students	4	86,879	69,173	110,152
		<u>4,255,670</u>	<u>3,745,620</u>	<u>4,319,370</u>
<b>Expenses</b>				
Locally Raised Funds	3	114,976	65,610	193,437
International Students	4	95,740	113,391	76,055
Learning Resources	6	2,930,959	2,722,802	2,850,500
Administration	7	261,557	249,593	239,376
Finance Costs		5,079	4,866	4,854
Property	8	669,645	676,550	702,836
Depreciation	9	213,622	91,000	172,579
Loss on Disposal of Property, Plant and Equipment		2,084	-	1,998
		<u>4,293,662</u>	<u>3,923,812</u>	<u>4,241,635</u>
<b>Net Surplus / (Deficit)</b>		<u>(37,992)</u>	<u>(178,192)</u>	<u>77,735</u>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(37,992)</u>	<u>(178,192)</u>	<u>77,735</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.



**Whanganui Girls' College**

**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	4,198,445	4,198,445	4,087,616
Total comprehensive revenue and expense for the year	(37,992)	(178,192)	77,735
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	22,149	-	-
School Network Upgrade - SNUP	-	-	32,895
Add Trust Fund Movement			199
<b>Equity at 31 December</b>	4,182,602	4,020,253	4,198,445
 Retained Earnings	4,182,602	4,020,253	4,198,445
<b>Equity at 31 December</b>	4,182,602	4,020,253	4,198,445

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

**Whanganui Girls' College**  
**Statement of Financial Position**  
As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	10	854,760	554,263	742,999
Accounts Receivable	11	174,892	161,133	161,133
Prepayments		29,844	27,950	27,950
Investments	12	484,306	479,297	479,297
Funds owed for Capital Works Projects	19	-	-	5,501
		1,543,802	1,222,643	1,416,880
<b>Current Liabilities</b>				
GST Payable		2,462	9,462	9,462
Accounts Payable	14	222,238	214,386	214,386
Revenue Received in Advance	15	96,333	96,862	96,862
Provision for Cyclical Maintenance	16	164,036	142,500	142,500
Finance Lease Liability - Current Portion	17	16,302	13,862	13,862
Funds held in Trust	18	404	12,005	9,822
Funds held for Capital Works Projects	19	142,163	-	-
Funds Held for Third Parties		49,326	59,090	59,090
		693,264	548,167	545,984
<b>Working Capital Surplus/(Deficit)</b>		850,538	674,476	870,896
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	3,424,257	3,465,571	3,444,919
Funds held in Trust		40,422	40,422	40,422
		3,464,679	3,505,993	3,485,341
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	117,832	154,665	133,533
Finance Lease Liability	17	14,783	5,551	24,259
		132,615	160,216	157,792
<b>Net Assets</b>		4,182,602	4,020,253	4,198,445
<b>Equity</b>		4,182,602	4,020,253	4,198,445

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Whanganui Girls' College**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,039,557	929,745	1,029,299
Locally Raised Funds		240,369	189,377	435,113
International Students		106,960	69,173	93,487
Goods and Services Tax (net)		(7,000)	-	63,826
Payments to Employees		(481,297)	(455,338)	(537,313)
Payments to Suppliers		(735,409)	(751,808)	(680,694)
Cyclical Maintenance Payments in the year		(7,366)	-	(13,750)
Interest Paid		(5,079)	(4,866)	(4,854)
Interest Received		17,052	15,000	22,548
Net cash from / (to) the Operating Activities		167,787	(8,717)	407,662
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	361
Purchase of PPE (and Intangibles)		(197,135)	(161,311)	(197,321)
Net cash from / (to) the Investing Activities		(197,135)	(161,311)	(196,960)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		22,149	-	12,283
Finance Lease Payments		(19,112)	(18,708)	(13,862)
Painting contract payments		-	-	(19,673)
Funds Administered on Behalf of Third Parties		(9,592)	-	(22,522)
Funds Held for Capital Works Projects		147,664	-	(15,587)
Net cash from Financing Activities		141,109	(18,708)	(59,361)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>111,761</b>	<b>(188,736)</b>	<b>151,341</b>
Cash and cash equivalents at the beginning of the year	10	742,999	742,999	591,658
<b>Cash and cash equivalents at the end of the year</b>	<b>10</b>	<b>854,760</b>	<b>554,263</b>	<b>742,999</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

# Whanganui Girls' College

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### **a) Reporting Entity**

Whanganui Girls' College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

#### **b) Basis of Preparation**

##### ***Reporting Period***

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

##### ***Basis of Preparation***

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

##### ***Financial Reporting Standards Applied***

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

##### ***PBE Accounting Standards Reduced Disclosure Regime***

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

##### ***Measurement Base***

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

##### ***Presentation Currency***

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

##### ***Specific Accounting Policies***

The accounting policies used in the preparation of these financial statements are set out below.

##### ***Critical Accounting Estimates And Assumptions***

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### *Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

#### ***Critical Judgements in applying accounting policies***

Management has exercised the following critical judgements in applying accounting policies:

#### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **c) Revenue Recognition**

#### ***Government Grants***

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

#### ***Other Grants***

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

#### ***Donations, Gifts and Bequests***

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

#### ***Interest Revenue***

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

### **d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

**e) Operating Lease Payments**

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

**f) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

**h) Accounts Receivable**

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

**i) Inventories**

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

**j) Investments**

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

**k) Property, Plant and Equipment**

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

#### **Leased Assets**

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

#### **Depreciation**

Property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building Improvements	4-50 years
Furniture and Equipment	3-10 years
Information and Communication	3-5 years
Motor Vehicles	8 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

#### **l) Intangible Assets**

##### **Software costs**

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

#### **m) Impairment of property, plant, and equipment and intangible assets**

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

##### **Non cash generating assets**

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.



#### **n) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **o) Employee Entitlements**

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

##### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

#### **p) Revenue Received in Advance**

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

#### **q) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

#### **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

#### **s) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

#### **t) Financial Assets and Liabilities**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.



The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**u) Borrowings**

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

**v) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

**x) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

## 2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	908,758	879,843	863,257
Teachers' salaries grants	2,494,122	2,271,713	2,367,259
Use of Land and Buildings grants	359,769	375,454	375,454
Resource teachers learning and behaviour grants	7,391	5,217	8,800
Other MoE Grants	84,466	44,685	91,254
Other government grants	64,141	-	80,562
	<u>3,918,647</u>	<u>3,576,912</u>	<u>3,786,586</u>

## 3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
Donations	32,635	14,000	96,874
Fundraising	2,650	2,480	-
Trading	-	-	72,483
Activities	190,503	68,055	206,665
Curriculum Recoveries	6,883	-	13,957
	<u>232,671</u>	<u>84,535</u>	<u>389,979</u>
<b>Expenses</b>			
Activities	114,976	65,610	122,724
Trading	-	-	70,713
	<u>114,976</u>	<u>65,610</u>	<u>193,437</u>
<i>Surplus for the year Locally raised funds</i>	<u>117,695</u>	<u>18,925</u>	<u>196,542</u>

## 4. International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	6	6	11
	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
International student fees	86,879	69,173	110,152
<b>Expenses</b>			
Commissions	9,887	6,430	17,608
Recruitment	30,840	40,250	17,738
International student levy	2,860	2,486	947
Employee Benefit - Salaries	46,337	42,525	25,570
Other Expenses	5,816	21,700	14,192
	<u>95,740</u>	<u>113,391</u>	<u>76,055</u>
<i>Surplus for the year International Students'</i>	<u>(8,861)</u>	<u>(44,218)</u>	<u>34,097</u>

## 6. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	171,362	158,245	217,502
Extra-curricular activities	35,827	21,700	27,456
Employee benefits - salaries	2,710,007	2,524,357	2,594,783
Staff development	13,763	18,500	10,759
	<u>2,930,959</u>	<u>2,722,802</u>	<u>2,850,500</u>

## 7. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,281	5,600	6,188
Board of Trustees Fees	3,845	3,500	3,605
Board of Trustees Expenses	9,202	15,850	7,701
Communication	11,602	12,700	12,326
Consumables	11,167	13,000	11,508
Operating Lease	11,074	3,500	11,822
Other	30,646	32,050	22,811
Employee Benefits - Salaries	145,359	138,593	136,247
Insurance	14,381	7,520	9,168
Service Providers, Contractors and Consultancy	18,000	17,280	18,000
	<u>261,557</u>	<u>249,593</u>	<u>239,376</u>

## 8. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	14,417	12,600	11,095
Cyclical Maintenance Expense	13,201	21,132	31,705
Grounds	13,240	8,800	8,298
Heat, Light and Water	60,233	56,000	54,849
Rates	13,431	16,000	15,793
Repairs and Maintenance	31,622	25,300	22,495
Use of Land and Buildings	359,769	375,454	375,454
Security	5,010	6,000	8,956
Employee Benefits - Salaries	91,514	76,964	90,089
Consultancy & Contrators	67,208	78,300	84,102
	<u>669,645</u>	<u>676,550</u>	<u>702,836</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 9. Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	23,878	22,049	25,445
Furniture and Equipment	30,913	25,600	29,543
Information and Communication Technology	67,299	23,993	27,689
Motor Vehicles	6,370	4,990	5,759
Leased Assets	16,052	12,012	13,862
Library Resources	2,510	2,356	2,719
Hostel Buildings	66,600	-	66,600
Hostel Furniture and Equipment	-	-	962
	<u>213,622</u>	<u>91,000</u>	<u>172,579</u>

## 10. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	1,000	1,000	1,000
WP 0475781-00 Main A/C	252,481	233,273	162,009
WP 0475802-90 Call A/C	591,765	307,379	560,242
WP 0475781-04 Principal A/C	2,371	2,789	2,789
WP 0475781-03	-	1,650	1,650
WP 0475781-05	-	8,172	8,172
Hostel Westpac Cheque Account	846	-	846
Hostel Westpac Ready Access Account	6,297	-	6,291
Cash equivalents and bank overdraft for Cash Flow Statement	854,760	554,263	742,999

The carrying value of short-term deposits with maturity dates of 90 days or less approximates their fair value.

Of the \$854,760 Cash and Cash Equivalents, \$150,238 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

## 11. Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	-	10,071	9,938
Receivables from the Ministry of Education	9,047	-	-
Interest Receivable	7,152	6,731	6,731
Teacher Salaries Grant Receivable	158,560	144,331	144,331
Hostel Debtors	133	-	133
	174,892	161,133	161,133
Receivables from Exchange Transactions	16,199	16,802	16,802
Receivables from Non-Exchange Transactions	158,560	144,331	144,331
	174,759	161,133	161,133

## 12. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	484,306	479,297	479,297
Non-current Asset			
Long-term Bank Deposits	-	-	-

### 13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	240,694	2,500	(2,084)	-	(23,878)	217,232
Furniture and Equipment	86,343	46,906	-	-	(30,913)	102,336
Information and Communication Tech	100,568	116,995	-	-	(67,299)	150,264
Motor Vehicles	38,947	11,217	-	-	(6,370)	43,794
Leased Assets	39,118	16,024	-	-	(16,052)	39,090
Library Resources	8,849	1,402	-	-	(2,510)	7,741
Hostel Buildings	2,930,400	-	-	-	(66,600)	2,863,800
<b>Balance at 31 December 2017</b>	<b>3,444,919</b>	<b>195,044</b>	<b>(2,084)</b>	<b>-</b>	<b>(213,622)</b>	<b>3,424,257</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	358,095	(140,863)	217,232
Furniture and Equipment	973,910	(871,574)	102,336
Information and Communication	479,001	(328,737)	150,264
Motor Vehicles	57,290	(13,496)	43,794
Leased Assets	85,335	(46,245)	39,090
Library Resources	221,974	(214,233)	7,741
Hostel Buildings	3,330,000	(466,200)	2,863,800
<b>Balance at 31 December 2017</b>	<b>5,505,605</b>	<b>(2,081,348)</b>	<b>3,424,257</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Building Improvements	128,221	137,918	-	-	(25,445)	240,694
Furniture and Equipment	87,065	28,820	-	-	(29,543)	86,343
Information and Communication Tech	56,631	71,626	-	-	(27,689)	100,568
Motor Vehicles	34,271	10,435	-	-	(5,759)	38,947
Leased Assets	52,980	-	-	-	(13,862)	39,118
Library Resources	9,599	1,969	-	-	(2,719)	8,849
Hostel Buildings	2,997,000	-	-	-	(66,600)	2,930,400
Hostel Furniture and Equipment	2,960	-	(1,998)	-	(962)	-
<b>Balance at 31 December 2016</b>	<b>3,368,727</b>	<b>250,768</b>	<b>(1,998)</b>	<b>-</b>	<b>(172,579)</b>	<b>3,444,919</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Building Improvements	368,097	(127,403)	240,694
Furniture and Equipment	936,453	(850,110)	86,343
Information and Communication	367,254	(266,686)	100,568
Motor Vehicles	46,073	(7,126)	38,947
Leased Assets	69,311	(30,193)	39,118
Library Resources	220,573	(211,724)	8,849
Hostel Buildings	3,330,000	(399,600)	2,930,400
<b>Balance at 31 December 2016</b>	<b>5,337,761</b>	<b>(1,892,842)</b>	<b>3,444,919</b>

#### 14. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	43,462	41,479	29,821
Accruals	5,339	6,188	6,188
Capital accruals for PPE items	-	-	11,658
Banking staffing overuse	-	12,863	12,863
Employee Entitlements - salaries	158,560	144,331	144,331
Employee Entitlements - leave accrual	14,877	9,525	9,525
	<u>222,238</u>	<u>214,386</u>	<u>214,386</u>
Payables for Exchange Transactions	222,238	201,523	201,523
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	12,863	12,863
	<u>222,238</u>	<u>214,386</u>	<u>214,386</u>

The carrying value of payables approximates their fair value.

#### 15. Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Fees in Advance	5,103	4,600	4,600
Charitable Trust Grants in Advance	-	21,113	21,113
Fees in Advance - International	91,230	71,149	71,149
	<u>96,333</u>	<u>96,862</u>	<u>96,862</u>

#### 16. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	276,033	326,033	266,462
Increase to the Provision During the Year	13,201	21,132	23,321
Use of the Provision During the Year	(7,366)	(50,000)	(13,750)
Provision at the End of the Year	<u>281,868</u>	<u>297,165</u>	<u>276,033</u>
Cyclical Maintenance - Current	164,036	142,500	142,500
Cyclical Maintenance - Term	117,832	154,665	133,533
	<u>281,868</u>	<u>297,165</u>	<u>276,033</u>

#### 17. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	21,148	13,862	18,708
Later than One Year and no Later than Five Years	18,417	5,551	32,739
Future finance charges	(8,480)	-	(13,326)
	<u>31,085</u>	<u>19,413</u>	<u>38,121</u>

## 18. Funds held in Trust

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	404	12,005	9,822
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>404</u>	<u>12,005</u>	<u>9,822</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

## 19. Funds Held (Owed) for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Gym Ablution Refurbishment	<i>in progress</i>	(4,680)	162,000	9,480	-	147,840
Electrical Upgrade	<i>completed</i>	660	687	1,347	-	-
Office Ablution Refurb	<i>in progress</i>	(1,481)	3,879	-	-	2,398
Rationalisation	<i>in progress</i>	-	-	8,075	-	(8,075)
Totals		<u>(5,501)</u>	<u>166,566</u>	<u>18,902</u>	<u>-</u>	<u>142,163</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education	150,238
Funds Due from the Ministry of Education	(8,075)
	<u>142,163</u>

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Boiler Replacement	<i>completed</i>	(1,749)	9,198	7,449	-	-
Block C Corridor Strengthening	<i>completed</i>	(2,103)	3,047	944	-	-
Replace Pool Carpet	<i>completed</i>	(194)	194	-	-	-
Replace Library Carpet	<i>completed</i>	12,667	173	12,840	-	-
Gym Ablution Refurbishment	<i>in progress</i>	-	-	4,680	-	(4,680)
Electrical Upgrade	<i>in progress</i>	-	34,501	33,841	-	660
Office Ablution Refurb	<i>in progress</i>	-	53,416	54,897	-	(1,481)
Totals		<u>8,621</u>	<u>100,529</u>	<u>114,651</u>	<u>-</u>	<u>(5,501)</u>

## 19. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Grant Harrison is a trustee of the Board and is a Director of HArrisons Hire Centre. During the year the School hired equipment from Harrisons Hire Centre. The total value of all transactions for the year was \$1,783 (2016: Nil) and no amount is outstanding as at balance date (2016: nil). Because this amount is less than \$25,000 for the year the contract does not require Ministry approval under section 103 of the Education Act 1989.

## 20. Remuneration

### *Key management personnel compensation*

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,845	3,605
Full-time equivalent members	0.17	0.12
<i>Leadership Team</i>		
Remuneration	964,613	837,438
Full-time equivalent members	9.85	9.00
Total key management personnel remuneration	968,458	841,043
Total full-time equivalent personnel	10.02	9.12

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

### *Principal*

The total value of remuneration paid or payable to the Principal was in the following bands:

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

### *Other Employees*

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	1.00	1.00
	1.00	1.00

The disclosure for 'Other Employees' does not include remuneration of the Principal.

## 21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2017 Actual	2016 Actual
Total	-	\$37,585
Number of People	-	1

## 22. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: nil).



## 23. Commitments

### (a) Capital Commitments

As at 31 December 2017 the Board has entered into contract agreements for capital works as follows:

(a) \$148,708 contract to upgrade the gym abultions as agent for the Ministry of Education. The project is fully funded by the Ministry and \$162,000 has been received of which \$14,160 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2016: \$94,744).

### (b) Operating Commitments

As at 31 December 2017 the Board has entered into the following contracts:

(a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	1,541	3,239
Later than One Year and No Later than Five Years	-	1,540
Later than Five Years	-	-
	<u>1,541</u>	<u>4,779</u>

## 24. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

## 25. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

### Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	854,760	554,263	742,999
Receivables	174,892	161,133	161,133
Investments - Term Deposits	484,306	479,297	479,297
Total Loans and Receivables	<u>1,513,958</u>	<u>1,194,693</u>	<u>1,383,429</u>

### Financial liabilities measured at amortised cost

Payables	222,238	214,386	214,386
Finance Leases	31,085	19,413	38,121
Total Financial Liabilities Measured at Amortised Cost	<u>253,323</u>	<u>233,799</u>	<u>252,507</u>

## 26. Events After Balance Date

There were no significant events after the balance date that impact these financial statements.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF WHANGANUI GIRLS' COLLEGE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Auditor-General is the auditor of Whanganui Girls' College (the School). The Auditor-General has appointed me, David Fraser, using the staff and resources of Silks Audit Chartered Accountants Ltd, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expenses, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2017; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Tier 2 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime

Our audit was completed on 17<sup>th</sup> May 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

### **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the Board of Trustee schedule, Analysis of Variance, Kiwisport statement included as an appendices, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



**David Fraser**  
**Silks Audit Chartered Accountants Ltd**  
**On behalf of the Auditor-General**  
**Whanganui, New Zealand**



**Wanganui Girls' College**  
Board of Trustees Membership as at November 2017

	Name	Position Held	Responsibilities	Election/appointment History E = Elected C = Co-opted	Occupation	Position Term	Ethnicity
	Marieke Whitwell	Parent Representative	Chairperson	E October 2011 E October 2014	Teacher	October 2014 October 2017	NZE
1	Grant Harrison	Parent Representative	Chairperson	E October 2014 E November 2017	Hire Business Owner	October 2017 November 2020	NZE
2	Renee Cox	Staff Representative	Staff Representative	E June 2016	Teacher	June 2019	NZE
3	Helena Hazelhurst Rebecca Harrison Jasmine Anthony	Student Representative	Student Representative	E September 2015 E September 2016 E September 2017	Student	July 2016 (resigned) September 2017 September 2018	NZE
4	Annette Cox	Parent Representative	Legislation/ Deputy Chair	E May 2013 E June 2016	Administration	May 2016 June 2019	NZE
	Tracy Phillips	Parent Representative	Health & Safety/International	E May 2013 E June 2016	Administration	May 2016 Oct 2017 (Stood down)	NZE
5	Caroline Fawcett	Parent Representative		E June 2016	Administration	June 2019	NZE
6	Kate McDougall	Parent Representative		E June 2016	Business Owner	Nov 2017 (resigned)	NZE
7	Rachel Pedley	Parent Representative		E November 2017		November 2020	NZE
8	Tania King	Principal	Curriculum	26 July 2014	Principal		NZE
9	Jane Towers	Secretary	Board Secretary		Secretary		NZE
10							

Mr Grant Harrison – Chairperson



## Analysis of Variance of Targets for 2017

### Target One:

<b>Strategic goal:</b>	Achievement for all - Achieve		
<b>Annual goal:</b>	Encourage students to be motivated and ready to learn		
<b>Target:</b>	To achieve 85% at Level 1, 2 and 3 NCEA		
<b>Baseline data:</b> Using Year 10, NCEA Level 1 and 2 achievement data, including the number of literacy and numeracy credits gained, we have identified the need to concentrate on improving overall NCEA achievement			
<b>What we know:</b> <ul style="list-style-type: none"><li>72.7% of students gained Level 1 NCEA in 2016 compared with 85.5% in 2015 (decrease of 12.8%)</li><li>92.5% of students gained Level 2 NCEA in 2016 compared with 83% in 2015 (increase of 9.5%)</li><li>69.8% of students gained Level 3 NCEA in 2016 compared with 79.2% in 2015 (decrease of 9.4%)</li></ul>			
<b>Target students:</b> All current Maori students studying at Level 2 which equals 18			
<b>When:</b>	<b>What: (examples)</b>	<b>Who:</b>	<b>Indicators of progress:</b>
<b>Term 1</b>	Develop Astra plans with students and whānau Have a hui for every year level Identify Focus groups at each level	Astra Teachers Assistant Principal Academic Dean Teachers Deans	Astra plans created Hui attended Focus groups established
<b>Term 1</b>	Meet with schools who are similar in nature to ours but have had better results in 2016 to establish how they have achieved the results and what courses they offer	Principal Academic Dean Principals Nominee	A review of what we offer, how we offer it, the reporting of marks to NZQA means we have cleaner data being submitted
<b>Terms 1-4</b>	Academic mentoring interviews (twice yearly) and informal meetings with whānau, student and ASTRA teachers to check they are on target to achieving their respective level	ASTRA teacher or Academic Dean Dean	Student, whānau and staff are engaged in regular conversations about learning and the support required to raise achievement.
<b>Weekly</b>	Students meet with their ASTRA teacher who keeps a close eye on progress both formally and informally Teachers closely track students in their classes and contact home when necessary	ASTRA Teacher Teachers	ASTRA teacher, teachers and student are aware of what they have achieve, what deadlines are looming and how many credits

			are still in progress
<b>As needed</b>	Improved communication with whānau and families through hui's, phone calls, emails as and when needed	All teachers	Whānau and school have formed closer links with more open communication lines

### 2017 outcome:

We succeeded well and truly! We achieved 94.4% at Level 1, 94.4% at Level 2 and 90% at Level 3. Level 1 increased by 21.7% and Level 2 increased by 20.2%. The 2017 NCEA Level 1 and 3 Māori student results significantly improved by 26.5% and 22.9% respectively from the 2016 results. Level 2 Māori student results improved by 1%

### Target Two:

<b>Strategic goal:</b>	Achievement for all - Achieve		
<b>Annual goal:</b>	Encourage students to be motivated and ready to learn		
<b>Target:</b>	To increase Māori achievement by 5% at Level 1, 2 and 3 NCEA		
<b>Baseline data:</b> Using NCEA Level 1, 2 and 3 achievement data from previous year			
<b>What we know:</b> <ul style="list-style-type: none"><li>• 63% Of Māori students gained Level 1 NCEA in 2016 compared with 81.8% in 2015 (decrease of 18.8%)</li><li>• 93.3%% Of Māori students gained Level 2 NCEA in 2016 compared with 72.2% in 2015 (increase of 21.1%)</li><li>• 57.1% Of Māori students gained Level 3 NCEA in 2016 compared with 70.6% in 2015 (decrease of 13.5%)</li></ul>			
<b>Target Students:</b> Students who have identified as wanting to study at university once leaving school			
<b>When:</b>	<b>What: (examples)</b>	<b>Who:</b>	<b>Indicators of progress:</b>
<b>Term 1</b>	Develop Astra plans with students and whānau Have a hui for every year level	Astra Teachers Assistant Principal Academic Dean Teachers Deans	Astra plans created Hui attended
<b>Term 1</b>	Using Edge and keeping the tracking sheet up-to-date, regularly monitor the progress and attendance of Māori students	Academic Dean Form teachers ASTRA teachers	Edge is being used effectively to track achievement and attendance

<b>Terms 1-4</b>	Academic mentoring interviews (twice yearly) and informal meetings with whānau, student and ASTRA teachers to check they are on target to achieving their respective level	ASTRA teacher or Academic Dean Dean	Student, whānau and staff are engaged in regular conversations about learning and the support required to raise achievement.
<b>Terms 1-4</b>	Engagement in Co Constructed PLD to further develop culturally responsive pedagogy	All teachers	Student, whānau and staff are engaged in regular conversations and PLD about learning and the support required to raise achievement.
<b>Term 3</b>	Review the number of credits Māori students are on track to achieving and ensure that there are additional courses that could assist them achieve in	Academic Dean Principals Nominee	Additional course such as Barista or literacy/Number courses are offered during holidays or as identified
<b>Weekly</b>	Students meet with their ASTRA teacher who keeps a close eye on progress both formally and informally Teachers closely track students in their classes and contact home when necessary	ASTRA Teacher Teachers	ASTRA teacher, teachers and student are aware of what they have achieve, what deadlines are looming and how many credits are still in progress

### 2017 outcome:

We succeeded at levels one and three. The 2017 NCEA Level 1 and 3 Māori student results significantly improved by 26.5% and 22.9% respectively from the 2016 results. Level 2 Māori student results improved by 1%. The overall results were Level 1 = 89.5%, Level 2 = 94.4% and Level 3 = 80%. In order to meet this goal at Level 2 we would have to have had to reach 98.3% which was quite a bold goal. Level 2 is still higher than the other two levels.





## Whanganui Girls' College

22 February 2018

To whom it may concern.

We confirm that funds received in 2017 from Kiwi Sport have been used for our Sports Co-Ordinator to support the coaching and participation of sports in the school.

Yours sincerely

Tania King  
Principal  
M.Ed.Admin., B.Ed., Dip.Bus