

MITIARO SCHOOL

ANNUAL AUDIT REPORT

FOR THE YEAR ENDED 31/12/2010

MITIARO SCHOOL

ANNUAL REPORT FOR THE YEAR ENDED 31/12/2010

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MITIARO SCHOOL

DIRECTORY

Ministry

Education

Name of Principal

Tiratoru Tararo

Business Address

Mitiaro

Cook Islands

Auditor

Ministry of Education

Banker

Bank of the Cook Islands

Solicitor

Crown Law Office

MITIARO SCHOOL

STATEMENT OF RESPONSIBILITY

In terms of Section 30 of the Ministry of Finance and Economic Management Act 1995-96, I am responsible for the preparation of the Mitiaro Schools financial statements and the judgments made in the process of producing those statements.

I have the responsibility of establishing and maintaining internal controls. I have established and maintained a system of internal control procedures that provides reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of the Mitiaro School for the year ended 31st December 2010.

Ms Tiratoru Tararo
Principal – Mitiaro School

18-Aug-11

Date

Mitiaro School
Income & Expenditure Statement for the year ended 31/12/2010

	<u>Current Year</u> 2010
<u>Income</u>	
Donation	\$ 255.00
Trip	\$ 240.00
Eva	\$ 25.00
Lamination	\$ 20.00
Interest	\$ 19.60
Raffle	\$ 1,020.00
Other	\$ 5.00
Total Income	\$ 1,584.60
<u>Expenditure</u>	
Printing & Stationery	\$ 79.10
Gifts	\$ 100.00
Fuel & Transport Cost	\$ 245.50
Electricity	\$ 227.30
Groceries	\$ 508.10
Trip	\$ 200.00
Freight & Postage	\$ 10.00
Expo	\$ 200.00
Picnic	\$ 250.00
Bank Fee	\$ 9.00
Other	\$ 260.80
Total Expenditure	\$ 2,089.80
Net Surplus / (Deficit)	\$ (505.20)

Mitiaro School
Balance Sheet as at 31st December 2010

	Current Year 2010
<u>Current Assets</u>	
BCI Bank Balances	\$ 1,600.66
<i>Total Cash & Equivalents</i>	\$ 1,600.66
<i>Total Current Assets</i>	\$ 1,600.66
<u>Non-Current Assets</u>	
Property, Plant, and Equipment	\$ -
<i>Total Non Current Assets</i>	\$ -
Total Assets	\$ 1,600.66
<u>Liabilities</u>	
Accounts Payables	\$ -
Total Liabilities	\$ -
NET ASSETS	\$ 1,600.66
<u>Taxpayer Funds</u>	
Opening taxpayers funds	\$ 2,105.86
Net surplus (deficit) for the year	\$ (505.20)
Total Taxpayer Funds	\$ 1,600.66
Variance	\$ -

Mitiaro School
Bank Reconciliation Summary as at 31/12/2010

General Ledger

Opening Balance	\$ 2,105.86
Add: Cash Receipts	\$ 1,584.60
Less: Cash Payments	\$ 2,089.80

Ledger Balance as at 31/12/2010

\$ 1,600.66

Bank Reconciliation

Credit Balance as per bank statement	\$ 1,600.66
Add: Lodgements not yet credited	\$ -
Add: Outstanding Debits	\$ -
Less: Unpresented Cheques	\$ -
Less: Outstanding Credit	\$ -
Balance as per GL	<u>\$ 1,600.66</u>

MITIARO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 1: Statement of Accounting Policies

Basis of Preparation

(i) Reporting Entity

These financial statements are for Mitiaro School.

(ii) Measurement Base

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

These financial statements have been prepared using the historical cost method to report results and the financial position. The financial statements have been prepared under the cash basis of accounting and are presented in New Zealand dollars.

Significant Accounting Policies

The following accounting policies, which significantly affect the measurement of financial performance, financial position and cash flows have been applied:

(i) Revenue

Mitiaro School derives revenue from Donation and other Activities to improve the provision of services to the Children in the form of Education. All revenue is recognised when cash is actually received.

(ii) Expenses

Expenses are recognised when paid and are reported in the financial period to which they relate to.

Realised gains or losses arising from sales of assets or the early settlement of a liability are recognised in the Statement of Financial Performance in the period in which the transaction is concluded.

(iii) Plant, Property, and Equipment

Plant, property and equipment are recorded at cost less accumulated depreciation.

The cost of purchased plant, property, and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

When an item of plant, property and equipment is disposed, the gain or loss associated with that item will be recognised in the Statement of Financial Performance.

Depreciation of plant, property, and equipment is provided on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Office & Computer Equipment	3 years
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MITIARO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

(iv) Foreign Currencies

Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Monetary assets and liabilities arising from trading transactions or overseas borrowings are translated at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

(v) Financial Instruments

Financial instruments primarily consist of bank balances, receivables and payables. Gains and losses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited Financial Statements

MITIARO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Note 2:

Cash

Bank Balances

\$ 1,600.66

Total Cash & Cash Equivalent

\$ 1,600.66

MITIARO SCHOOL

Audit Concerns

	<u>Recommendation</u>	<u>Responsibility</u>	<u>Action Taken</u>
1) Bank Reconciliations not done	Bank reconciliation needs to be done on a monthly basis	Treasurer	
2) Savings Account	Need to change account type to cheque account to avoid fraud and to have proper cash controls	Principal	
3) No Receipt Book Used	Receipt book needs to be used to record any money received.	Principal	
4) Payment Vouchers not used	Payment vouchers need to be used for every payment made and should be filed properly with relevant information and supporting documents.	Principal	
5) Invoices not filed away	Invoices should be filed away properly with approved payment voucher attached detailing purpose of payment, supplier, date, Cheque number, invoices paid and amount.	Treasurer/Principal	
6) Bank Statements not filed	Bank statements need to be filed properly with monthly bank reconciliations attached to it.	Treasurer/Principal	
7) No information on Non Current Assets & Inventory on hand.	Effort should be made to gather information on non current asset and inventory so that it can be included in balance sheet.	Treasurer/Principal	