

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MAUNU SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Maunu School (the School). The Auditor-General has appointed me, Sungesh Singh using the staff and resources of UHY Haines Norton (Auckland) Limited, 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 21, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, 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 2020; 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 Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 22/6/21. 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 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.

Auckland CBD Office
4th Floor, Smith & Caughey Building
253 Queen Street | Auckland 1010
t: +64 9 303 5844

Kumeu Office
329A Main Road | Kumeu 0810
t: +64 9 412 9853

Helensville Office
34 Commercial Road | Helensville 0800
t: +64 9 420 7972

Responsibilities of the Board for the financial statements

The Board 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 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from Section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 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 arise from the Public Audit Act 2001.

Other information

The Board are responsible for the other information. The other information comprises of the Statement of Responsibility, the Kiwisport Report, Analysis of Variance and the Members of the Board, 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.



.....

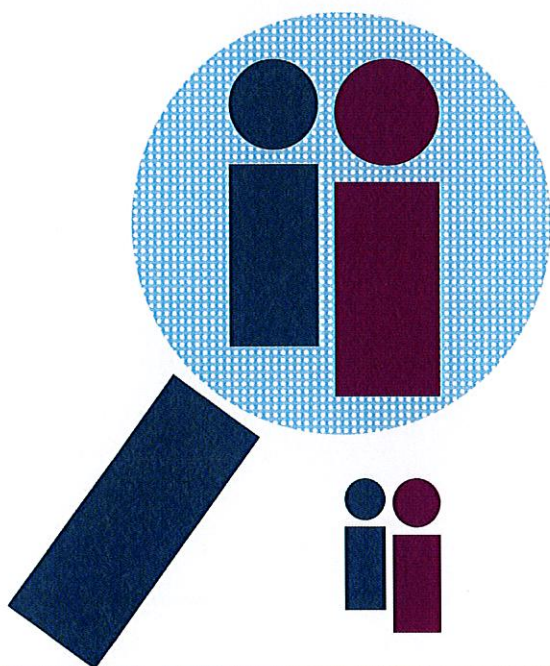
Sungesh Singh

UHY Haines Norton (Auckland) Limited
On behalf of the Auditor-General
Auckland, New Zealand

MAUNU SCHOOL

MANAGEMENT LETTER TO THE BOARD FOR THE YEAR ENDED 31 DECEMBER 2020

DATED: 6 JUNE 2021



LIAISON

Sungesh Singh

UHY Haines Norton (Auckland) Limited

Chartered Accountants

22 Catherine Street

Henderson

Auckland 0612

New Zealand

Telephone +64 9 839 0087

Facsimile +64 9 839 0244

Email sungeshs@uhyhn.co.nz

CONTENTS

Contents	2
1. Purpose Of This Report And Audit Scope	3
2. Overview Of The Audit Engagement	4
3. Matters Arising From The Audit	5
4. Specific Reporting To The Board	6
5. Independence	7
Appendix A – Audit Observations & Internal Control Deficiencies	8

1. PURPOSE OF THIS REPORT AND AUDIT SCOPE

1.1 Overview

This report has been prepared for discussion with the board and the management of Maunu School ("the School") and includes:

- Audit focus areas;
- A summary of audit differences identified; and
- Areas to bring to the attention of the board.

1.2 Acknowledgement

We can confirm that we were not restricted, in any way from being able to perform our audit and we were provided access to all information when requested.

We would like to express our thanks to your Principal, Paul Shepherd and the staff for their co-operation and assistance provided to us during the course of the audit.

1.3 Disclaimer

This report has been prepared for the board and the management of the School only. It should not be quoted or referred to, in whole or in part, without our prior written consent. No warranty is given to, and no liability will be accepted from, any party other than the School.

1.4 Scope of the Audit

We have conducted an independent audit of the financial statements for the year ended 31 December 2020 in order to express an opinion on it to the readers of the School.

Our audit has been conducted in accordance with the Auditing Standards (<http://oag.govt.nz/2011/auditing-standards/index.htm>) published by the Auditor-General, which incorporates the International Standards on Auditing (New Zealand).

They require that we comply with ethical requirements, and plan and perform the audit to give reasonable assurance about whether the board's financial statements are free from material misstatement. The Auditing Standards also require us to be alert for issues of effectiveness and efficiency, waste and a lack of probity or financial prudence.

The scope of our audit was in accordance with the terms of our engagement letter dated 25 March 2021.

2. OVERVIEW OF THE AUDIT ENGAGEMENT

2.1 Status of the Audit

The audit work is complete except for the following list of matters which are required prior to completion of the audit:

- Completion of our subsequent events review to the date of signing of the audit opinion;
- Receipt of signed management representation letter; and
- Formal adoption of the financial statements by the board.

We expect to sign an unqualified audit report after the above matters are completed

2.2 UHY Haines Norton (Auckland) Limited Audit Deliverables

We will provide the following deliverables on completion of our audit:

- Independent audit opinion; and
- The School's audited financial statements.

2.3 Focus Areas for the Audit

During our planning procedures and risk identification process, we identified a number of focus areas for the audit and accordingly, we designed appropriate audit procedures to identify any errors and reduce the level of material misstatement to an acceptably low level.

Our risk areas on which we performed work were as follows:

- Management override of controls;
- Provision for cyclical maintenance;
- Locally raised funds;
- Payroll; and
- Waste and probity matters

3. MATTERS ARISING FROM THE AUDIT

3.1 Introduction

During our audit procedures, we placed particular focus on the areas listed in section 2.3. No significant matters arose in relation to these areas. Other findings are detailed in **Appendix A**.

3.2 Summary of Unadjusted Audit Differences

Management will represent to us in writing that all unadjusted audit differences are immaterial to the financial statements either individually or in aggregate. We concur with this view.

4. SPECIFIC REPORTING TO THE BOARD

4.1 Responsibility for the Prevention and Detection of Fraud

The primary responsibility for the prevention and detection of fraud rests with both the board of the School and the management. It is important that the management, with the oversight of the board, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behaviour which can be reinforced by an active oversight by the board. Oversight by the board includes considering the potential for override of controls or other inappropriate influence over the financial reporting process, maintaining adequate accounting records, proper application of accounting policies and the safe guarding of the assets of the School.

4.2 Errors, Irregularities, and Illegal acts

We have noted no errors or irregularities that would cause the financial report to contain a material misstatement. As part of our normal statutory audit, no apparent illegal acts have come to our attention.

4.3 Going Concern

As part of our audit, we have assessed the conclusions reached by management concerning the application of the going concern assumption.

It was concluded that the governance team and the management correctly applied the going concern assumption to the financial statements for the year ended 31 December 2020.

4.4 Appropriateness of Accounting Policies

We consider the board has fulfilled their responsibilities for preparing and presenting the financial statements as required by Education and Training Act 2020 and, in particular, that the financial statements comply with generally accepted accounting practice and fairly reflect the financial position of the School as at 31 December 2020.

4.5 Disagreements with Management

There have been no significant disagreements with management during the course of the audit.

4.6 Financial Statement Disclosure

We conclude that the financial statements of the School have been prepared in accordance with with Public Benefit Entity Standards Reduced Disclosure Regime. We have not noted any significant risks or exposures that are required to be separately disclosed in the financial statements.

5. INDEPENDENCE

5.1 Overview

Our audit services are subject to UHY Haines Norton (Auckland) Limited's and the profession's strict rules and policies regarding auditor independence.

We enforce these rules and policies in order to maintain objectivity and to be free of conflicts of interest when discharging our professional responsibilities.

5.2 Declaration

We confirm that, to the best of our knowledge and belief, that the engagement team, and others in the firm as appropriate, the firm, and when applicable, network firms are independent having regard to UHY Haines Norton (Auckland) Limited's policies, professional rules and relevant statutory requirements regarding auditor independence. We, therefore, confirm that there have been no contraventions of the independence requirements of either the Financial Reporting Act or professional standards.