



Goulburn North East

**Women's Health
Goulburn North East**

**EXTERNAL AUDIT
SPECIFICATION**

June 2022

1 Background

Women's Health Goulburn North East (WHGNE) is a feminist organisation, leading change towards women's empowerment, women's health, the prevention of violence against women and ultimately, gender equality, in rural and regional Victoria

Our work addresses the harms of binary gender norms and practices to achieve long-term gender equality. We apply a gendered lens to the factors and environments that shape women's health and wellbeing in rural and regional Victoria. Our expertise is in women's economic empowerment, gender justice and climate change, gender equity, the prevention of violence against women and sexual and reproductive health.

Our experienced staff are local leaders in the field of gender equity and shared learning. We make our expertise accessible to our communities through highly regarded research, resources and toolkits. We are alert to the political environment, and work to uphold and advance women's rights by influencing policy and planning. We work alongside women to listen to and amplify experiences of health to raise awareness, change attitudes, and influence system response.

We also work with community groups, organisations and workplaces to develop and deliver information and practical tools, consultations, coaching, tailored training, workshops and facilitated conversations.

2 Introduction

WHGNE is seeking the services of an auditor that is ASIC registered for a term of 3 years to conduct its annual financial audit according to requirements under the *Associations Incorporation Act*.

The last audit completed (FY21) commended the organisation on its high standard of financial record keeping and office procedures, both of which assisted the audit process in these unprecedented times where face-to-face contact was limited.

The FY21 Statement of Cashflows was exceptionally robust, with positive cash and cash equivalents of \$1,063,245 for FY21. This was an increase of \$223,623 from FY20, which was reported at \$839,622. The organisation remains in a strong position for future capacity building and greatly reduces risk in these uncertain operating conditions.

The FY21 total surplus was \$67,623, which was a \$30,424 uplift on the organisations FY20 result. FY21 revenue totalled \$1,023,207, which was a minor reduction of (\$4,809) from FY20. This minor reduction was more than offset however, by a decrease in expenses of (\$20,625) largely related to staffing costs, bringing total expense for the year to \$1,012,888.

WHGNE was successful in receiving additional funding for the FY23 – FY24 in the recent Victorian State Budget. Whilst the FY23 and FY24 total revenue (grant income) will increase significantly, the key areas of business operations will unlikely change.

The WHGNE Strategic Plan 2021-2025 states the following organisational priorities:

- **Trusted Partner & Recognised Leader** - known and respected for our leadership, expertise and collaborative approach
- **Passionate, Skilled & Inclusive Team** - team is knowledgeable, committed and includes people with diverse skills and experiences.
- **Resilient, Robust + Sustainable Organisational Systems** - With strong governance and effective processes and systems, we are financially secure. Commitments to this priority include:
 - ✓ Ensuring that our funding provides us with the flexibility to drive our thought leadership practice, undertake innovative and disruptive work, including research in emerging issues.
 - ✓ Advocating for our work, and by extension all women's work, to be valued and remunerated appropriately thereby reducing the gender-pay gap.
 - ✓ Developing a plan for environmental sustainability and regeneration, including becoming a carbon-neutral organisation.
 - ✓ Enhancing our approach to learning and professional development, including developing an organisational training strategy and utilising learning management software.
 - ✓ Regularly reviewing and improving our organisational and governance policies, practices and processes.
 - ✓ Providing outcomes-focused, financial and organisational reporting in a user-friendly way that clearly identifies our result compared with our budget.

3 Board of Governance

The WHGNE Board consists of:

Chairperson – Katherine Robertson
Deputy Chairperson – Jacqueline Eckert
Treasurer – Emma Butko
Secretary – Tricia Hazeleger
Board Member - Sara Noori
Board Member - Bek Nash-Webster
Board Member - Michelle Fleming
Board Member – Trish Curtis

The WHGNE Finance & Risk Committee is comprised of:

Chairperson – Emma Butko
Committee Member – Katherine Robertson
Committee Member – Trish Curtis
Committee Member – Sara Noori

4 Management Team

The WHGNE Senior Management team consists of:

Chief Executive Officer – Amanda Kelly

Regional Manager– Renata Lucas

Finance Manager (External) – Will Randall

5 Audit Objectives

The objective of the external audit is to provide an independent audit opinion of the accounts and annual financial reports for each calendar year covered by the term of the audit appointment. The audit must meet all the statutory requirements and Australian audit standards under relevant legislation.

6 Term of Audit Appointment

WHGNE is seeking to make an appointment for a maximum term of three (3) years commencing 2023 through to 2025. Two further one year extensions may be available at the sole discretion of the Board.

The auditor, at the end of a three or five year term, cannot be re-appointed, however if an audit firm is appointed as distinct from an individual, an alternative audit engagement partner is eligible to be appointed as the lead auditor in any future audit appointments.

A person may be reappointed as the external auditor if at least 3 years have passed since he or she last held the office.

7 Scope of Audit Work Required

The auditor is to:

7.1 carry out such work as is necessary to form an opinion as to whether:

- a) the accounts are properly kept; and
- b) the annual financial statements are prepared in accordance with the financial records; and
- c) represent fairly the results of the operations and the financial position of WHGNE in accordance with the Australian Accounting Standards, relevant legislation and other mandatory professional reporting requirements.

7.2 give an opinion in an audit report on:

- a) the financial position of WHGNE; and

b) the results of the operation of WHGNE.

7.3 include in the audit report:

a) Any material matters that indicate significant adverse trends in the financial position or the financial management practices of WHGNE;

b) Any irregularities in WHGNE's accounting practices or in the management of the organisations financial affairs identified during the course of the audit;

c) in respect of depreciation expenditure, a view on the adequacy of the depreciation charge for the year.

d) In addition, and separately to the audit report, the auditor is required to furnish their view in writing on the adequacy of the internal controls in operation, in particular those in the critical areas listed below. This report should be addressed to the Board of Directors.

8 Audit methodology and approach

8.1 The auditor is required to comply with legislative requirements.

8.2 An audit is to be carried out in accordance with 'Auditing Standards' and 'Auditing Guidance Statements' adopted from time to time by the Australian Society of Certified Practising Accountants and the Institute of Chartered Accountants in Australia.

8.3 The auditor is to provide WHGNE with a general outline of the proposed methodology. This may include the proposed analysis and review of internal controls and the extent to which these controls lead to reliance on the organisation's administration systems to produce accurate reports.

8.4 The auditor is to provide WHGNE with a plan for the audit including:

- a) final audit visit. The final audit is to be concluded no later than **31st August annually**, including a presentation being made to the Board of Directors on the audit completed,
- b) the methods used to communicate with, and provide advice and information to WHGNE.

9 Critical matters to be audited

The auditor is to include in their proposal the extent to which the critical matters outlined below will be audited so as to form an opinion on the manner in which they have been maintained.

Revenue

- Government grants
- Other income

Expenditure

- Salary and wages costs
- Depreciation
- Materials and contract expenditure
- Insurances
- Other expenditure

Current Assets

- Bank and short term investments
- Receivables and prepayments
- Inventory

Non-Current Assets

- Property, plant, furniture and equipment

Liabilities (current and non-current)

- Creditors and accruals
- Loan borrowings including new loans
- Provisions for employee entitlements

Other

- Statement of changes in equity
- Accounting policies and notes to the financial statements
- Statement of cash flow

10 Hours, fees and expenditure

The auditor is to provide the following detail:

- a) an estimate of the number of hours to be spent on the audit;
- b) the total fees ,including all sundries for completing the audit in accordance with this specification;
- c) the nominated principal auditor and registered company audit number;
- d) the nominated audit staff proposed to be used on the audits and the estimated number of hours each nominated person is proposed to be used.
- e) the experience of the nominated auditors in completing NFP sector audits.

The auditor may be asked to provide a fee basis for any additional audits requested by WHGNE, however this will be limited to matters incidental to the conduct of the audit.

11 Terms and Conditions

The following conditions should be noted by auditors:

- a) The auditor shall not sub contract to a third party.
- b) The auditor shall not, and has no right, to assign the audit contract to third parties.
- c) The auditor shall not be engaged by WHGNE to undertake any financial consultancy with WHGNE that requires the preparation of financial information that will be the subject of the annual audit.
- d) The auditor shall confirm that they have, and will maintain during the duration of the audit term, professional indemnity insurance covering the legal liability arising out of any neglect, default, error, or omission of at least \$10 million, plus public liability insurance to a minimum of \$10 million. Copies of such current policies are to be provided annually to WHGNE.

12 Financial Details

WHGNE has an annual operating budget for FY22 of approximately \$1.16 million which is adopted by the Board of Directors in June each year.

WHGNE was successful in receiving additional funding for the FY23 – FY24 in the recent Victorian State Budget. Whilst the FY23 and FY24 total revenue (grant income) will increase significantly, the key areas of business operations will unlikely change.

WHGNE uses Xero software for their accounting and bookkeeping.

WHGNE 2 transaction accounts (both with Bendigo), 6 term deposits (2 with Bendigo, 2 with CBA and 2 with Hume) and 1 credit card (Bendigo).

A full copy of the FY21 Financial Statements and schedules is available by contacting Will Randall on 0418 249 787 or from our website: [Our Annual Reports - Women's Health Goulburn North East \(whealth.com.au\)](https://www.whealth.com.au).

13 Shortlisted Submissions

Shortlisted auditors will be contacted and advised of the next steps required. It is expected that any shortlisted auditors will be required to be interviewed to discuss their expression of interest.

All Expressions of Interest are to be submitted by the 5pm on 24 June 2022.

All documents and queries are to be directed to Will Randall at finance@whealth.com.au or 0418 249 787.