



# TRILOGY

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## Accounting

ABN 44 149 860 515

4 October 2016

Mr Kenneth Hill  
President  
The Queensland Hang Gliding Association Inc.  
66 Kidston Street  
Canungra QLD 4275



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Dear Ken,

### ENGAGEMENT AS AUDITORS

You have requested that we audit the financial report of The Queensland Hang Gliding Association Inc for the years ended 30 June 2014, 2015 and 2016 which comprises Statement of income and Expenses and Detailed Balance Sheet and notes to accounts. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to the Australian auditing standards, if applicable, with the objective of expressing an opinion on the financial report.

#### *The responsibilities of the auditor*

We will conduct our audit in accordance with Australian Auditing Standards. Those standards we require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian auditing standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial report 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial report that we have identified during the audit.

#### *Reporting to members*

The work undertaken by us to form an opinion is permeated by judgment, in particular regarding the audit focus and the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include its focus on the higher risk areas, the use of testing, the inherent limitations of any internal control structure, the possibility of collusion to commit fraud, and the fact that most audit evidence is persuasive rather than conclusive. As a result, our audit can only provide reasonable, not absolute, assurance that the financial report is free from material misstatement.

Our audit procedures are designed to gather sufficient appropriate audit evidence to form an opinion on the financial report and its compliance with Australian accounting standards. We assume no responsibility to design and perform audit procedures aimed at the identification of matters that are not material to our primary audit objective.

PO Box 599 Beaudesert QLD 4285

Directors: Samantha Wilson CPA, Noela Lee CPA



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Standards Legislation.

Our audit is not designed to be a complete examination of all aspects of your accounting system. Accordingly any matters that are reported to you verbally or in writing should not be regarded as all-inclusive.

#### ***Other financial information in reports***

We read the financial information contained in the documents or statements that are issued with any of the financial reports, including the members' reports, to identify material inconsistencies with the financial reports. However, we will not verify such other information.

#### ***Responsibilities of those charged with governance***

It is the duty of those charged with governance of the entity to prepare and disclose to us the entity's financial report and accounting records, and the accounting practices, policies and procedures used in such preparation.

It is also the responsibility of those charged with governance to maintain adequate accounting records, to ensure that proper internal controls are in place, to ensure the accuracy of all financial records, and to maintain and safeguard the entity's assets to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. The entity agrees to ensure that all information and documents relating to the entity's financial report, accounting records, policies and procedures including information about the entity's internal controls and assets are disclosed to us, as and when requested and that we have unrestricted access to persons within the association from whom we determine it necessary to obtain audit evidence.

Such internal controls reduce but do not eliminate the risk of misstatements in the financial report from fraud or error. Those charged with governance assume responsibility for such risk. While the conduct of an audit may act as a deterrent against fraud or error we cannot be held responsible for preventing them.

We expect those charged with governance to advise us of any material and/or contentious issues relating to preparation of the financial report.

Those charged with governance are required to disclose to us any known or suspected frauds which have occurred with the association.

Those charged with governance are responsible for adjusting the financial report to correct identified material misstatements. At the conclusion of each financial reporting engagement we provide those charged with governance with a summary of any uncorrected misstatements we identify and request to confirm in writing that the effects of any uncorrected misstatements are immaterial, both individually and in aggregate, to the financial reports taken as a whole.

We look forward to full co-operation with your staff and we trust that they will make available to us whatever records, documentation and other information we request in connection with our audit.

#### ***Representations from those charged with governance***

As part of our audit process, we will request from those charged with governance written confirmation concerning oral representations made to us by of The Queensland Hang Gliding Association Inc in connection with the audit and that of The Queensland Hang Gliding Association Inc acknowledges that such representations would be relied upon by us during the audit.

#### ***Independence***

We have established policies and procedures designed to ensure our independence, including policies on the provision of non-audit work.

**Other services**

We are pleased to provide any additional services that may be required from time to time, provided such services do not impair our independence. We note that this engagement letter applies only to the work described in this letter. Should further work be required over and above such work, separate terms of engagement will need to be agreed. In particular, this letter does not deal with accounting advice or assistance with accounts preparation.

**Fees**

Our fee for the audit of the financial report of of The Queensland Hang Gliding Association Inc for the years ending 2014, 2015, and 2016 is \$660, inclusive of GST. This fee assumes that all accounting transactions will have been processed and we will be presented with a final trial balance at commencement of the audit.

If we incur additional costs as a result of factors such as:

- information not being provided to us within agreed time limits
- significant errors in the information that is provided
- the scale of the business significantly changing
- a material issue arising which was not reasonably contemplated at the time of the fee quote

then this additional time will also be billed.

**Publishing of the auditor's report**

If the association intends to publish, present or reproduce, in printed form or electronically, our audit report together with the financial statements, or otherwise make reference to our firm in a document that contains other information, the members agree to provide us with a draft of such document to read and obtain our written approval for inclusion of our report before the document is finalised and distributed. Where our report is reproduced in any medium the complete financial statements, including notes, must also be presented.

**General matters**

The terms of this letter apply to all work carried out by us in connection with this engagement prior to the date of the members signing this letter.

This letter will be effective for future years unless we advise you of its amendment or replacement or the engagement is terminated.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial report, including our respective responsibilities.

Yours sincerely

  
.....  
Noela Lee

Certified Practising Accountant

ABN 44 149 860 515

  
.....  
Committee Member – Chair/Treasurer



The Committee  
The Queensland Hang Gliding Association Inc.  
66 Kidston Street  
Canungra QLD 4275

Samantha Wilson & Noela Lee  
Certified Practising Accountant  
Trilogy Accounting Group  
PO Box 599  
Beaudesert QLD 4285

Dear Samantha & Noela,

This representation letter is provided in connection with your audit of the financial report of The Queensland Hang Gliding Association Inc. for the years ended 30 June 2014, 2015, and 2016 for the purpose of expressing an opinion as to whether the financial report is presented fairly, in all material respects, in accordance with the relevant Australian accounting standards.

We confirm, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations made to you during your audit:

*Financial report*

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 4 October 2016 for the preparation of the financial report in accordance with Australian accounting standards and the Constitution; in particular the financial report is fairly presented in accordance therewith.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

*Information provided*

We have provided you with:

- a. access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters.
- b. all requested information, explanations and assistance for the purposes of the audit.
- c. unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- d. minutes of all meetings of directors, and committees of directors.

**General**

- There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- We confirm that there have been no changes to the accounting policies applied in the previous annual financial report or the methods used in applying them.
- We have no plans or intentions that may materially affect the carrying values or classification of assets and liabilities.
- The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor have any assets been pledged as collateral that have not been disclosed in the financial report.

- We confirm the reasonableness of significant assumptions, including whether they appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the fair value measurement or disclosures.

#### **Laws and regulations**

- Other than as disclosed to you, there have been no:
  - a. communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements or
  - b. known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered in preparing the financial report.
- We have complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

#### **Fraud**

- We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and error and confirm we have disclosed to you:
  - a. the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud
  - b. all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
    - i. management
    - ii. others where the fraud could have a material effect in the financial report and

#### **Internal control**

- We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

#### **Going concern**

- Nothing has come to our attention that would indicate that The Queensland Hang Gliding Association Inc will not be able to continue as a going concern

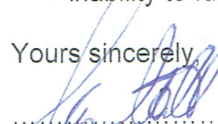
#### **Contingencies**

- We are not aware of any pending litigation involving this association, other than the matters disclosed in the financial report.
- All contingent liabilities have been provided for or noted in the financial report.

#### **Receivables**

- Adequate allowance has been made for adjustments and losses in relation to receivables.
- Provision has been made for any material loss to be sustained in the fulfilment of, or from inability to fulfil, any sale commitments.

Yours sincerely

  
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Committee of Management Representatives — Chair/Treasurer