



29 September 2021

Mr Des Donnelly
President
Ludlow Tuart Forest Restoration Group Inc.
PO Box 650
CAPEL WA 6271

Dear Des

30 JUNE 2021 MANAGEMENT REPORT

Following completion of our 30 June 2021 audit, we provide our management report and audit recommendations.

1.0 Our Audit Approach

The Australian Auditing Standards are the professional Standards applicable to all audit engagements. Accordingly, our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of Ludlow Tuart Forest Restoration Group Inc. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

To assist those responsible for governance in understanding our role as external auditor, we have previously detailed our audit responsibilities and scope of work to be performed to meet those responsibilities in our audit engagement letter.

Australian Auditing Standards require us to document and evaluate Ludlow Tuart Forest Restoration Group Inc.'s system of internal control to establish the level of reliance on the internal control system in determining the nature, timing and extent of other auditing procedures necessary to enable us to complete our audit. We have carried out audit procedures necessary to comply with the requirements of the auditing standards; however, we have not tested and therefore do not have an opinion on the current operating effectiveness of the internal controls.

2.0 Segregation of Duties

Inevitably in the environment of an organisation with a limited number of volunteers available to undertake accounting and administration roles, it is impracticable to have good division of duties and internal checks in place in relation to invoicing and receipting, processing and preparation of payments and recording of transactions. As a result, there is inherently an increased risk that errors or omissions may go undetected.

3.0 Assessment of Fraud and Error

The primary responsibility for the prevention and detection of fraud is that of the Committee. As a result, it is important that the Committee 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 resulting consequences.

In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error. While our procedures are designed to identify material weaknesses and misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have confirmed that nothing has come to the Committee's attention that may constitute an incident of fraud. In addition our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.

4.0 Qualification

As is common for organisations of this type, it is not practicable for the Ludlow Tuart Forest Restoration Group Inc. to maintain an effective system of internal control over memberships, registration fees, donations, fundraising activities and other income until their initial entry in the accounting records. Accordingly, our audit in relation to cash received was limited to amounts recorded.

Comment

As in the prior year, this qualification is standard for any organisation Ludlow Tuart Forest Restoration Group Inc.'s size and nature.

5.0 Other Matters

We are pleased to report the financial records have been maintained to high standards throughout the audit period for an organisation of Ludlow Tuart Forest Restoration Group Inc.'s size and nature. As a result, we have no specific comments and recommendations arising from our audit procedures.

We would like to take this opportunity to thank you for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line underneath.

MARIA CAVALLO FCA
Director