

REVIEW OF CLOSURE OF DCI/ZA ACCOUNTS IN FY 2005/6

As agreed I have conducted a review of the circumstances which resulted in the closure of the DCI/ZA accounts in 2005/6 and the disposal and transfer of the funds into the current single Northern Metropolitan Zone account during 2005.

Due to the fact that the previous Treasurer Beverly Croke did not pass on the account data for her term of office to the current secretary nor the bank statements for the DCI/ZA account when handing over in August 2006 my review is based on the Annual Report 2004/5 data and the following:

1. Term Deposit Certificate of 10 August 2005
2. Data obtained from DCI/ZA cheque stub data from 01 July 2005 to closure of account on 27 April 2006. Obtained closure certificate from Commonwealth Bank which is attached however as 2 years had elapsed 2005 detail was unavailable.
3. Resurrection of a balance sheet for incomings/outgoings of main (current) Zone Account 3167 10234507 from bank statements and cheque stubs.

DCI/ZA funds – 2004/5 Annual Report

Investment Account - \$2500

Chq Acct 3167 10234523 - \$4710 (\$4975 less unrepresented cheques of \$265)

Investment Account

At June 2005 the Zone had an investment amount of \$13787.39 and the DCI/ZA had an amount of \$2500

The amounts were placed in a single term deposit on 10 August 2005 with an amount of \$16,432.19 which fully accounts for the \$2500 investment amount.

Cheque Account 3167 10234523

While not across the rationale for transferring all Zone funds into single accounts during the 2005/6 FY my review shows that the available \$4710.40 in the cheque account was run down by means of utilizing the account cheque book until the account was overdrawn and closed finally on 27 April 2006 by payment of a \$48.06 credit into the account. Fees for DCI/ZA activities in 2005/6 were placed in the main Zone account and amounts deposited correlate to dates when activities occurred. Cheque rundown detail as follows:

7/7	321	\$575	– Petty Cash
12/7	322	\$1260	– S/J clinic
11/7	323	\$300	– J Smith OTC
11/7	324	\$150	– H Wilson OTC
11/7	325	\$150	– P King OTC
11/7	326	\$164.50	- P Smith OTC expenses
28/7	327	\$230.85	– R.Edwards – C Exams King/ST A

28/7	328	\$94	- G. Gascoigne – C Exam King
17/8	329	Cancelled	
17/8	330	\$ 45.5	- S. Winter Club Visit U/y
22/8	331	\$141.33	- Office Works
12/9	332	\$60.50	- Florist (Ina Moss)
15/9	333	\$458.00	- Zone Books
7/11	334	\$500	- Me
8/11	335	\$59.90	- Florist
21/11	336	\$620	-Cash
6/12	337	\$80	- State Qualifier Printing

Total. \$4889.58

A cheque stub for 338 exists which shows Telstra and no amount – all other cheques were not issued.

The total of \$4889.58 in cheques exceeded the funds available by \$179.58 , however the overdrawn amount in the final bank statement was\$48.06 which would support an additional input to credit of \$130.94 at some stage.

When the decision was made to have one Zone Account for all funds a simple transfer of funds would have been the cleanest method and would have provided a clear audit trail.

The bottom line is that the \$2500 investment was transferred in August 2005 and is currently in the central Zone investment account.

All funds in the DCI/ZA account were run down by the issue of cheques in the period 1 July to December 2005.

**RECONCILIATION OF ZONE ACCOUNTS 2004/5 AND 2005/6 FOLLOWING
CLOSURE OF DCI/ZA INVESTMENT AND CURRENT ACCOUNT IN 2005/6**

2004/2005 – TOTAL ASSETS 2004/5 Annual Financial Report:

Zone Investment Account	13787.39
DCI/ZA Investment Account	2500.00
Zone current Account	1713.55
DCI/ZA current account	4710.40
Total	\$ 23911.34

2005/2006 – TOTAL ASSETS – 30 June 2006

Zone Investment Account	16791 .00
Current Account Balance (bank statement)	7048.88
Total	\$23839.94

Reconciliation of the two years figures reveal an overall loss of \$71.40

The 2005/6 summary of accounts showed an income of \$42315.07.

However, the expenditure for the year 2005/6 from cleared cheque stubs from the Zone and DCI/AZ current accounts actually total \$42503.70 not the \$38,841.07 shown in the Annual Account summary. Therefore the Zone actually posted a loss for the year on all Zone activities of \$188.63 not the claimed \$3474.00 profit in the summary.

The discrepancy between the two loss figures is \$117.23 in our favour which may have been interest etc on the unavailable statements.