S.K. Bennett, C.A.
Director

BENNETT & ASSOCIATES
CHARTERED ACCOUNTANTS

29 July 2026

The Board of Trustees
Kaiwaka Primary School

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Dear Board of Trustees

Kaiwaka Primary School - Audit Management Letter

We have completed the audit of your financial statements for the year ended 31 December 2025.

The primary aim of our audit is to form an opinion as to whether your financial statements fairly reflect the results of your organisation's activities for the reporting period and its financial position at balance date. The audit report expresses this opinion.

In forming our audit opinion, we conducted detailed tests of selected transactions and reviewed the key controls in place to ensure the effective operation of your accounting systems and internal controls. To ensure you receive maximum benefit from our audit we provide feedback from our evaluation of your systems and highlight areas of possible weakness or where we believe improvements can be made. That is the major purpose of this letter.

Required Communications

As required by the Auditing Standards we affirm that:

- We have had no disagreements with management during our audit, nor have we had any serious difficulties in dealing with management.
- We have not identified any instances of fraud involving senior management or any other frauds that have caused a material misstatement in the financial statements.
- We have not noted any significant risks or exposures that are required to be separately disclosed in the financial statements.
- We have no disagreement with selection of Accounting Policies and applied accounting principles in the financial statements.
- We have not identified any breaches of legislation during our audit.

We reaffirm we are independent of your organisation, and that we have no relationship with your organisation that impairs our independence.

Specific Matters and Recommendations

There is one matter arising and observations from our audit work which we now bring to your attention.

Deficit Budget

We note that a significant deficit budget has been prepared and approved by the board for 2025. We are concerned that continued deficit budgeting, if achieved, will result in a further deterioration of your school's equity.

Whilst deficit budgeting may appear to be warranted when preparing the budget, we urge caution in the use of this approach. In our view it is vital for the board to remain diligent over ways in which to improve the actual results against the budgeted deficit during the upcoming school year and to ensure that spending does not exceed those amounts approved by the board.

We do acknowledge that the school has adequate resources available to fund the forecast deficit.

Conclusion

This point is not necessarily exhaustive as they arose from our general financial statement audit rather than a specific systems audit. This letter is prepared solely for the use of the Board of Trustees and senior management of Kaiwaka Primary School. It may not be provided to third parties without our prior written permission.

Thank you to your team who assisted us in the completion of our audit work. Please feel free to contact us to discuss your proposed responses to our recommendations or if you have any questions on any issues raised.

Yours faithfully

Steve Bennett
Bennett and Associates