

PIPIO



PRIMARY SCHOOL

Annual Report
2023

Piopio Primary School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Mat Sherriff	Presiding Member	Elected	Nov 2023
Sue Coyle	Principal	ex Officio	
Dwayne Cowin	Parent Representative	Elected	Aug 2025
Amanda Jones	Parent Representative	Co-opted	Aug 2025
Yvette Ronaldson	Parent Representative	Elected	Aug 2025
Laree Rauputu	Parent Representative	Elected	Nov 2026
Rebecca Bates	Parent Representative	Elected	Nov 2026
Alan Dudin	Parent Representative	Elected	Nov 2023
Kelsey Karaka	Parent Representative	Elected	Nov 2026
Kim Bailey	Staff Representative	Elected	Aug 2025

Statement of Variance 2023

School Name:	Piopio Primary School	School Number:	1895
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Strategic Aim:	Empower curious learners- Attendance & engagement
Annual Aim:	Explore new ways of learning through inquiry

Target: The average attendance for 2023 will be 90% and students with regular attendance will be 65%

Baseline Data:	<table border="1"> <thead> <tr> <th>Year</th> <th>Term 1</th> <th>Term 2</th> <th>Term 3</th> <th>Term 4</th> <th>overall</th> </tr> </thead> <tbody> <tr> <td>2022 average attendance</td> <td>88.6%</td> <td>81.5%</td> <td>86.7%</td> <td>84.9%</td> <td>85.4%</td> </tr> <tr> <td>2023 average attendance</td> <td>90%</td> <td>83.4%</td> <td>86.7%</td> <td>85.7%</td> <td>86.5%</td> </tr> <tr> <td>Difference</td> <td>1.4%</td> <td>2.1%</td> <td>0%</td> <td>0.8%</td> <td>1.1%</td> </tr> <tr> <td>2022 student with regular attendance</td> <td>55.9%</td> <td>22.5%</td> <td>43.8%</td> <td>43.8%</td> <td>41.5%</td> </tr> <tr> <td>2023 student with regular attendance</td> <td>57.9%</td> <td>35.6%</td> <td>47.8%</td> <td>40.3%</td> <td>45.4%</td> </tr> </tbody> </table>						Year	Term 1	Term 2	Term 3	Term 4	overall	2022 average attendance	88.6%	81.5%	86.7%	84.9%	85.4%	2023 average attendance	90%	83.4%	86.7%	85.7%	86.5%	Difference	1.4%	2.1%	0%	0.8%	1.1%	2022 student with regular attendance	55.9%	22.5%	43.8%	43.8%	41.5%	2023 student with regular attendance	57.9%	35.6%	47.8%	40.3%	45.4%
Year	Term 1	Term 2	Term 3	Term 4	overall																																					
2022 average attendance	88.6%	81.5%	86.7%	84.9%	85.4%																																					
2023 average attendance	90%	83.4%	86.7%	85.7%	86.5%																																					
Difference	1.4%	2.1%	0%	0.8%	1.1%																																					
2022 student with regular attendance	55.9%	22.5%	43.8%	43.8%	41.5%																																					
2023 student with regular attendance	57.9%	35.6%	47.8%	40.3%	45.4%																																					

Difference		2%	13.1%	4%	-3.5%	3.9%
Please note: This data was taken from the Ministry of Education's 'Everyday Matters' report.						
Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>			
<p>Rewards and certificates were given to the top attendees each term. This was acknowledged at school hui and in the newsletter.</p> <p>The principal contacted whānau with critical attendance. Discussed barriers for students attending school. The principal did regular check ins with the student.</p> <p>The board reviewed the attendance policy. The principal reported to the board each month on attendance, focusing on trends and concerns.</p> <p>The school engaged the attendance service to support a whānau who had a child who had severe critical attendance.</p> <p>Regular information on the importance of regular attendance was included in the newsletter.</p> <p>Programmes were planned and delivered to engage students and motivate them to be at school. This was directly related to our local curriculum. The concept for</p>	<p>Although the average term attendance did not change much between 2022 and 2023, the difference of students who are attending regularly had a significant improvement in term 2 of 2023.</p> <p>It is important to note that the regular attendance in term 2 of 2022 was a small percentage of students.</p> <p>Term 1 2023 was the largest number of students who had regular attendance. Over the 2-year period. This was also the situation in 2022.</p> <p>The overall average attendance for 2023 was 86.4%. This is 1.1% greater than 2022. In 2022, 41.5% of students were regularly attending school, and 45.5% in 2023 is a 3.9% increase in the 2-year period.</p> <p>We did not achieve our targets for average attendance (90%) or regular attendance (65%). However, the increases achieved</p>	<p>Among students not attending regularly the most common reason for absence was illness accounting for 43.4% of their absences. Again in 2023, many students were affected by covid, flu, colds, and tummy bugs. Parents have taken onboard the message- if your child is sick keep them at home.</p> <p>Of the unjustified reasons for absence 13.6% were truant (no reason given), 8.6% had holidays during term time and 33% for other unjustified reasons, for example the student's birthday.</p> <p>According to anecdotal parent feedback, the 45.4% of students who had regular attendance at school were motivated to attend school as they wanted the acknowledgement at the end of the term. There was feedback that students refused to attend family events as they wanted 100% attendance.</p> <p>School events like the exhibition, the school wide bus trip and</p>	<p>The classroom teaching and learning programmes will continue to be strengthened by teacher professional learning in Assessment for Learning. The impact on student progress and achievement will be accelerated by the student having greater student agency and understanding their where to next learning step. Through this process a stronger learning focused relationship will have been developed with the student and whānau. It is believed this will lessen students being absent because they are wanting to avoid classroom learning.</p> <p>We will continue to celebrate students who are regularly attending school, through certificates, rewards and profiling them in the newsletter and school Facebook page.</p> <p>The implementation of further whānau aspirations will be put in place, for example- to learn Māori history/stories from the Piopio area. This will be supported by a cultural capabilities facilitator who is a kuia from the iwi.</p>			

	<p>learning for 2023 was- The Past Leads Us Forward. Some learning activities that motivated the students were a whole school bus trip to visit important sites in our area, soup making to share with the whānau to celebrate Matariki, a community exhibition to showcase student learning, STEAM activities including digital technologies that were included in the exhibition and extension classes for mathematics, writing and STEAM.</p> <p>Encouraged our whānau partnership by inviting them to view learning (In the classroom, school exhibit and sports events), holding a whānau hui, facilitating the Read Together programme and the school being visible at community events- Kohanga Reo celebration and ANZAC ceremony.</p>	<p>are pleasing. If we can maintain these increases in 2024, we will be close to achieving 90% overall average attendance and have almost 50% of students with regular attendance.</p>	<p>Matariki soup day there were few or no students absent.</p> <p>Students were also motivated when learning activities involved STEAM activities to be at school.</p> <p>Contacting whānau for students who had critical attendance did make a difference as student's attendance improved, however remained in the critical category.</p> <p>We engaged the attendance service for 1 student. Although regular contact was made, the whānau didn't change their behaviour. We reviewed the barriers that we identified for this student and eliminated as much as possible. There was little impact on attendance.</p> <p>We strengthened the partnership with whānau. This was evident at the whānau hui and the responses they gave on what they wanted for their tamariki. We actioned some of these aspirations and intend to action more in 2024.</p>	<p>Create and conduct a survey, to collect student voice about their learning, and attending school.</p> <p>Classes will continue to develop environments that are positive and reflect a sense of belonging & identity by using te reo Māori and respecting tikanga.</p> <p>Letters will be sent to whānau who children have moderate (attending more than 70% but less than 80%), and chronic attendance (attending less than 70%) to inform them that their child's attendance is very concerning and finding ways to support them to improve their attendance rate.</p>
		Planning for next year:		
	<p>The board will monitor attendance through the principal's monthly board report. Through data provided by teachers and the principal will assess the effectiveness of strategies being used to improve student attendance. This includes progress and achievement for reading, writing and mathematics, the inclusive culture in the classroom and wider school environment, and the use of a variety of learning tools, for example coding robots in the STEAM room.</p>			

PIOPIO



PRIMARY SCHOOL

How have we given effect to Te Tiriti o Waitangi

In 2023 Piopio Primary participated, completed and implemented a range of activities to support the ongoing development to give effect to Te Tiriti o Waitangi. This has been at board, senior leadership and teacher level. The following is how this has been achieved. Please note achievement data is included in the data report for reading, writing and mathematics.

- The board completed Te Tiriti o Waitangi workshop 1.
- 4 staff (principal, team leader and 2 teachers) completed Te Ahu o te Reo Māori (Te Rekamauroa ki Tainui) level 1.
- All teachers had a PGC goal in te reo Māori and tikanga. Most were able to demonstrate growth to achieve their goal.
- All teachers and a board member attended 3 Kahui Ako professional development days. These were facilitated by PLD providers from Te Nehenehenui. The focus was the history of the iwi. There was significant learning by all that attended.
- The principal is a participant of MAC (Māori Achievement Collaborative). She has attended Maniapoto cluster hui, Tainui regional hui and the annual national hui. The MAC advisor meets with the principal 1 to 1 at least once a term to discuss goals and progress. The advisor also facilitates staff meetings to support implementing tikanga in all classrooms.
- A whānau hui was held to collect whānau aspirations for their tamariki.
- A kuia from the iwi facilitated a staff meeting to support staff to strengthen relationships with whānau.
- Regional PLD hours have been secured for cultural capabilities. The PLD provider is from the local iwi.
- The whole school went on an EOTC trip to visit places of significant sites to iwi.
- All classes have karakia in the morning and for eating kai. Class instructions are given in te reo Māori and phrases are displayed around the classrooms.

- 60 students participate in weekly kapa haka sessions. They performed at a local kapa haka festival and combined with a neighbouring school to perform to the whānau. The PTA also donated funds for new kapa haka uniforms.
 - Senior ākonga attended the 40th Kohanga Reo celebration at the marae
 - 30 minutes of waiata and pronunciation of te reo Māori are practised by all students, teachers and support staff at the weekly school hui. This is led by the deputy principal, who supports staff with tikanga and te reo Māori.
 - Board and staff meetings start and end with karakia
 - Powhiri for new students and staff at the beginning of each term.
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2023 End of Year Board Report

This report has been prepared to clearly communicate the progress and achievement levels in the core curriculum areas- mathematics, reading & writing. The data does not include students who have not completed one year at school or students who are ORS funded.

2023 target

In 2023 the school target was attendance. This target was set as it was believed through analysis from the EOY 2022 data attendance was having a significant impact on progress and achievement. At the end of 2023 the attendance was as follows

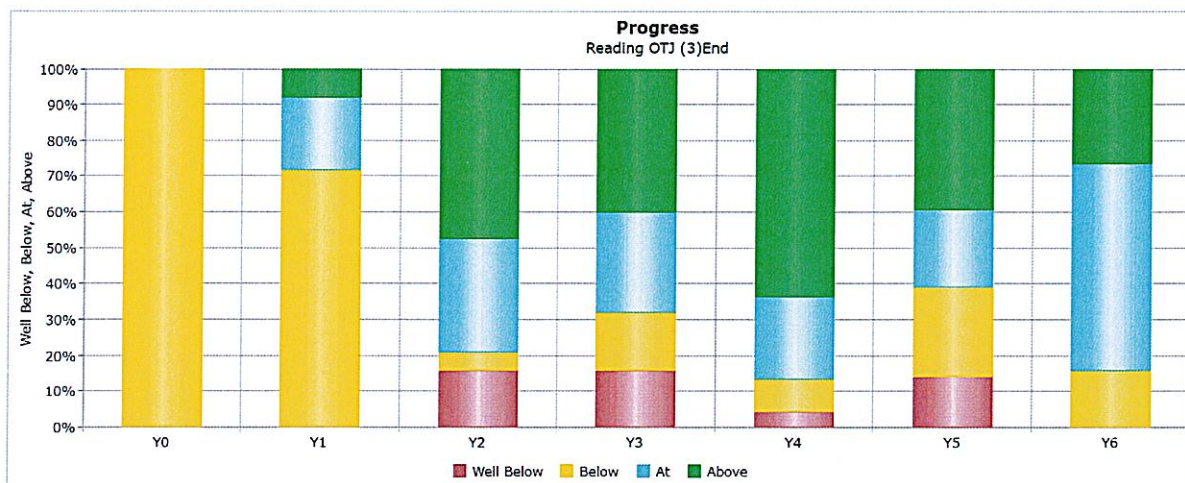
Regularly attending 90+%	Irregular attendance 80-89%	Moderate attendance 79-71%	Chronically absent 70% or less
45.4%	46%	13%	8%
51 students	70 students	19 students	12 students

The overall attendance for 2023 is 86.5% which is similar to 2022 where 85% was the overall attendance. In 2022, 41.5% of students were regularly attending school, so 34% in 2023 is a 6% drop in attendance. A more detailed analysis of attendance will be in the Variance report. Please note this data was taken from the school attendance system.

Core Curriculum Areas

The 2023 board mid-year data report showed an upward trend in reading, writing and mathematics. This report shows this trend continued and a greater number of students are overall achieving at or above their expected curriculum level.

Reading



10847	Below Expectation	Working Towards Expectation	At Expectation	Above Expectation
Y0		100% (2)		
Y1		72% (18)	20% (5)	8% (2)
Y2	16% (3)	5% (1)	32% (6)	47% (9)
Y3	16% (4)	16% (4)	28% (7)	40% (10)
Y4	5% (1)	9% (2)	23% (5)	64% (14)
Y5	14% (4)	25% (7)	21% (6)	39% (11)
Y6		16% (3)	58% (11)	26% (5)
total	10% (11)	15% (17)	31% (35)	44% (49)

Note: this is the totals excluding Year 1 and ORS students

Our data shows that 75% of students in Years 2-6 are achieving at or above their expected curriculum level. At mid year 64% were achieving, so this is an increase of 9% since mid year.

Comparison with previous years

	Below & working towards	At & above
2021 EOY	35.5%	64.5%
2022 mid-year	39.6%	60.4%
2022 EOY	25.2%	74.8%
2023 mid year	35%	65%
2023 EOY	25%	75%
difference	0.2%	0.2%

Although the difference between 2022 and 2023 is very slight, a 10% gain was made from mid 2023 to the end of 2023. It is also pleasing to see the significant gain of 10.5% since 2021. Over the previous 2 years, 3 teachers and 1 teacher aide has participated in the BSLA (Better Start Literacy Approach), purchased new resources, targeted teacher aide time to priority students, and participated in Assessment for Learning which gives teachers strategies and understanding to target instructional teaching to the student's needs.

Gender

In years 2-6 there are 64 (57%) tane/males and 48 (43%) wahine/females

	Needs Extra Support (wellbelow)			Needs Support (below)			On Track (at)			Exceeding (above)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Y0				50% (1)	50% (1)	100% (2)						
Y1				32% (8)	40% (10)	72% (18)	8% (2)	12% (3)	20% (5)	4% (1)	4% (1)	8% (2)
Y2	11% (2)	5% (1)	16% (3)	5% (1)		5% (1)	5% (1)	26% (5)	32% (6)	42% (8)	5% (1)	47% (9)
Y3	12% (3)	4% (1)	16% (4)	8% (2)	8% (2)	16% (4)	16% (4)	12% (3)	28% (7)	20% (5)	20% (5)	40% (10)
Y4		5% (1)	5% (1)	9% (2)		9% (2)	18% (4)	5% (1)	23% (5)	32% (7)	32% (7)	64% (14)
Y5	14% (4)		14% (4)	7% (2)	18% (5)	25% (7)	11% (3)	11% (3)	21% (6)	14% (4)	25% (7)	39% (11)
Y6				16% (3)		16% (3)	37% (7)	21% (4)	58% (11)	16% (3)	11% (2)	26% (5)

Gender	Extra support	Needs support	On track	exceeding	total
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Female/wahine	6% (3)	15% (7)	33% (16)	46% (22)	48
Male/tane	12% (8)	16% (10)	30% (19)	42%(27)	64

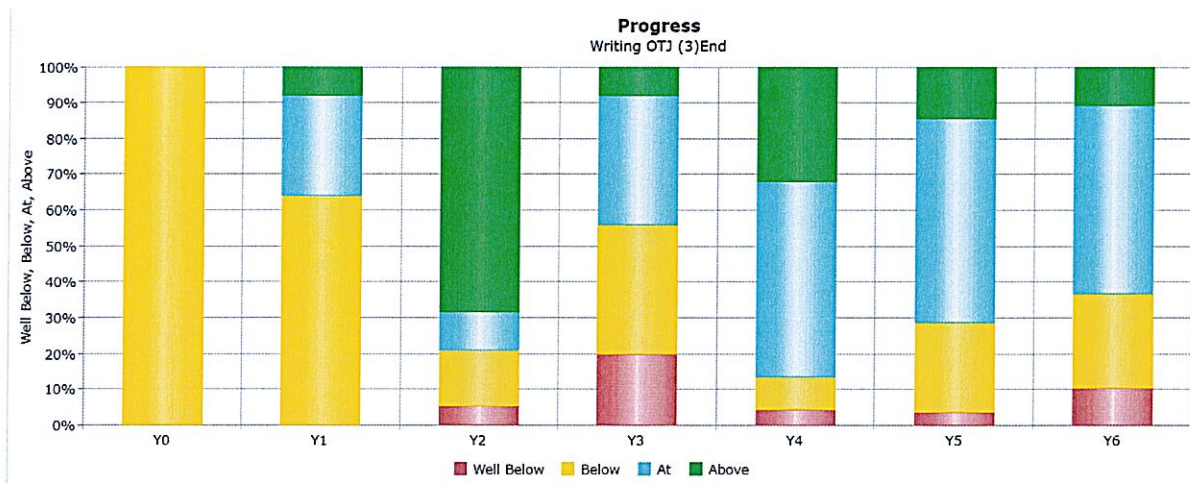
79% of females/wahine and 72% of males/tama are achieving at their expected curriculum levels. 7% more females are where they should be compared to their male peers. Although the total number of students achieving success is pleasing, it is important that the gender gap decreases.

Ethnicity

Ethnicity	Below/working towards		At/Above		total
	number	percentage	number	percentage	
Māori	6	25%	18	75%	24
NZ European	17	24%	55	76%	72
Pacific	2	22%	7	78%	9
Other	3	43%	4	57%	7

It is pleasing to see there is a very small difference between Māori and NZ European. They are within 1% of each other. This implies programmes being taught are meeting the needs of Māori and NZ European in similar numbers. The cohorts of other ethnicities are too small to identify trends, although there is some pleasing data.

Writing



10846	Below Expectation	Working Towards Expectation	At Expectation	Above Expectation
Y0		100% (2)		
Y1		64% (16)	28% (7)	8% (2)
Y2	5% (1)	16% (3)	11% (2)	68% (13)
Y3	20% (5)	36% (9)	36% (9)	8% (2)
Y4	5% (1)	9% (2)	55% (12)	32% (7)
Y5	4% (1)	25% (7)	57% (16)	14% (4)
Y6	11% (2)	26% (5)	53% (10)	11% (2)
total	8% (9)	23% (26)	44% (49)	25% (28)

	Below & working towards	At & above
2021 EOY	48%	52%
2022 mid-year	53%	47%
2022 EOY	37%	63%
2023 mid-year	36%	64%
2023 EOY	31%	69%
difference	6%	6%

69% of tamariki in years 2-6 are achieving at or above their expected curriculum level. This is a shift of 5% since mid-year. In 12 months we have achieved a 6% shift of more students achieving success in writing. It is very pleasing to identify the 17% difference in students achieving at or above their expected curriculum level since 2021. This is a significant shift and in 2 years. There are multiple reasons for this gain; BSLA in the junior school being embedded, professional development in writing being a focus for all staff, Assessment for

Learning facilitated across the school and students having greater motivation to write for real purposes.

Gender

In years 2-6 there are 64 (57%) tane/males and 48 (43%) wahine/females

	Needs Extra Support (wellbelow)			Needs Support (below)			On Track (at)			Exceeding (above)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Y0				50% (1)	50% (1)	100% (2)						
Y1				28% (7)	36% (9)	64% (16)	12% (3)	16% (4)	28% (7)	4% (1)	4% (1)	8% (2)
Y2	5% (1)		5% (1)	11% (2)	5% (1)	16% (3)		11% (2)	11% (2)	47% (9)	21% (4)	68% (13)
Y3	12% (3)	8% (2)	20% (5)	28% (7)	8% (2)	36% (9)	12% (3)	24% (6)	36% (9)	4% (1)	4% (1)	8% (2)
Y4		5% (1)	5% (1)	9% (2)		9% (2)	27% (6)	27% (6)	55% (12)	23% (5)	9% (2)	32% (7)
Y5	4% (1)		4% (1)	21% (6)	4% (1)	25% (7)	18% (5)	39% (11)	57% (16)	4% (1)	11% (3)	14% (4)
Y6	11% (2)		11% (2)	16% (3)	11% (2)	26% (5)	42% (8)	11% (2)	53% (10)		11% (2)	11% (2)

Gender	Extra support	Needs support	On track	exceeding	total
Female/wahine	6% (3)	13% (6)	56% (27)	25% (12)	48
Male/tane	9% (6)	31% (20)	35% (22)	25% (16)	64

It is pleasing to see 81% of females/wahine are achieving at or above their expected curriculum level. Of concern is the 21% difference between females and males. 60% of males/tama are achieving success in writing. As a staff we will review instructional programmes to understand why males are not achieving alongside their female peers. Possible reasons could be contexts that aren't as motivating or tama lack confidence to take risks.

Ethnicity

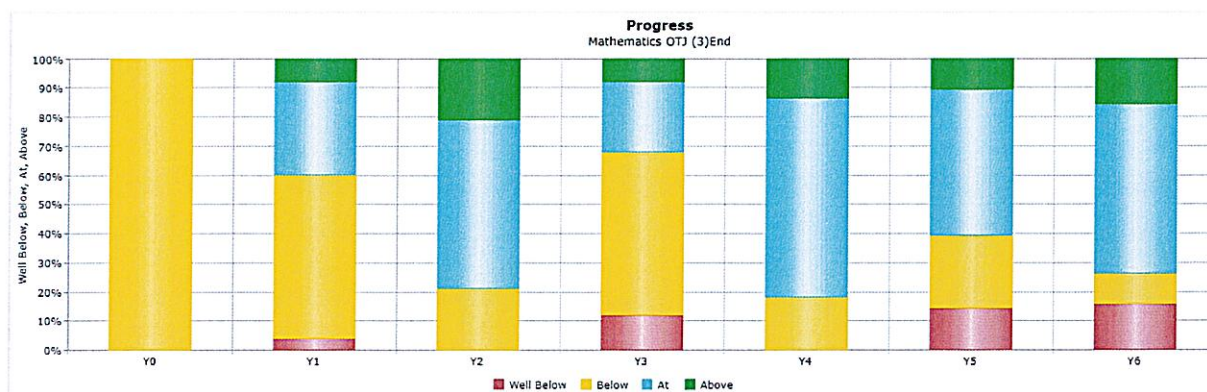
Ethnicity	Below/working towards		At/Above		total
	number	percentage	number	percentage	
Māori	8	33%	16	67%	24

NZ European	20	28%	52	72%	72
Pacific	3	33%	6	67%	9
Other	4	57%	3	43%	7

There is a 5% difference between Māori and NZ European. Although this difference isn't huge the gap needs to be addressed, so it does not widen. Similar to gender contexts and identify specific learning needs.

In 2024, Assessment for Learning will support teachers to focus on specific learning needs. BSLA will be used in the 3 junior classes and Reading Recovery will target priority students.

Mathematics



10845	Below Expectation	Working Towards Expectation	At Expectation	Above Expectation
Y0		100% (2)		
Y1	4% (1)	56% (14)	32% (8)	8% (2)
Y2		21% (4)	58% (11)	21% (4)
Y3	12% (3)	56% (14)	24% (6)	8% (2)
Y4		18% (4)	68% (15)	14% (3)
Y5	14% (4)	25% (7)	50% (14)	11% (3)
Y6	16% (3)	11% (2)	58% (11)	16% (3)

total	8% (9)	28% (31)	51% (57)	13% (15)
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64% of students in years 2-6 are achieving at or above the expected curriculum level. The year group with the largest cohort of tamariki not achieving where they should be is year 3. In 2024 this will be our year 4 group and will be split over 2 classes integrated with year 3.

	Below & working towards	At & above
2021 EOY	50%	50%
2022 mid-year	51%	49%
2022 EOY	41%	59%
2023 mid-year	42%	58%
2023 EOY	36%	64%
difference	5%	5%

5% more tamariki achieved at expected levels compared with 2022. It is very pleasing to identify the 14% gain from 2021, when only 50% of tamariki achieved success in mathematics. Some reasons for the shift in achievement could be due to providing resources to support instructional teaching, Assessment for Learning, in school professional development at staff meetings and providing experienced facilitators for professional learning sessions.

Mathematics has the lowest group achieving success and this needs further investigation.

Gender

In years 2-6 there are 64 (57%) tane/males and 48 (43%) wahine/females

	Needs Extra Support (wellbelow)			Needs Support (below)			On Track (at)			Exceeding (above)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Y0				50% (1)	50% (1)	100% (2)						
Y1	4% (1)		4% (1)	24% (6)	32% (8)	56% (14)	12% (3)	20% (5)	32% (8)	4% (1)	4% (1)	8% (2)
Y2				16% (3)	5% (1)	21% (4)	32% (6)	26% (5)	58% (11)	16% (3)	5% (1)	21% (4)
Y3	8% (2)	4% (1)	12% (3)	28% (7)	28% (7)	56% (14)	12% (3)	12% (3)	24% (6)	8% (2)		8% (2)
Y4				9% (2)	9% (2)	18% (4)	41% (9)	27% (6)	68% (15)	9% (2)	5% (1)	14% (3)
Y5	11% (3)	4% (1)	14% (4)	7% (2)	18% (5)	25% (7)	21% (6)	29% (8)	50% (14)	7% (2)	4% (1)	11% (3)
Y6	5% (1)	11% (2)	16% (3)	11% (2)		11% (2)	42% (8)	16% (3)	58% (11)	11% (2)	5% (1)	16% (3)

Gender	Extra support	Needs support	On track	exceeding	totals
Female/wahine	8% (4)	32% (15)	52% (25)	8% (4)	48
Male/tane	8% (5)	25% (16)	50% (32)	17% (11)	64

Unlike reading and writing 7% more males are achieving where they are expected to. This reversal in success follows a national trend in mathematics where males do better in mathematics than females. As part of our strategic plan is to survey students. Questions regarding learning in mathematics will be included to collect student voice.

Ethnicity

Ethnicity	Below/working towards		At/Above		total
	number	percentage	number	percentage	
Māori	9	37%	15	63%	24
NZ European	23	32%	49	68%	72
Pacific	3	37%	5	63%	8
Other	5	63%	3	37%	8

The same as writing there is a 5% difference between Māori and NZ European. As stated previously the 5% gap needs to be closed as it is expected that all tamariki will be able to achieve success in their learning, including mathematics.

In 2024, 2 teachers will be participating in ALiM (Accelerating Learning in Mathematics). Their learning will be shared with the rest of the staff at planned staff meetings. The professional development plan includes a greater number of mathematics sessions. Also supporting the continued upward trend of achievement is the continued PLD in Assessment for Learning. This supports the teacher to assess specific learning needs of all tamariki.

Conclusion:

There are overall positive trends in core curriculum areas for 2023. In particular the strong gains over the 2 years is exciting- 10%, 17% and 14%. This has not happened by chance. The deliberate focused professional development for teachers has supported their understanding of instructional teaching and learning that supports and motivates students. In reading there is no difference between Māori and NZ European and in writing and mathematics the 5% gap can be closed.

Work needs to continue to close the gender gaps. Mathematics and writing continue to require further support so the students have the opportunity to experience success with their learning.

The support we already have in place is:

- Having a 7th classroom to keep class sizes smaller so students can have more instructional teaching time.
- Assessment for Learning continuing for 2024
- Resources continue to be purchased when required, e.g reading books
- Professional learning at staff meetings targeting identified needs, e.g. mathematics
- 2 staff participating in ALiM (Accelerating Learning in Mathematics)
- Teacher aides targeted for learning needs across the school
- Reading Recovery being provided in the school
- Planning and teacher observations at least once a term to identify support required

As opportunities arise, for example funding from the Ministry of Education we will apply so we can fund learning opportunities for teachers.

I believe the Board should be pleased with the progress and achievements that have been made not only in 2023 but since 2021. The strategic goals and initiatives that have been put in place are showing positive effects. Attendance for tamariki who are not attending school on a regular basis continues to be a concern. If their attendance was higher I believe that further gains would be made, along with other initiatives in place.

PIPIO PRIMARY SCHOOL

How have we given effect to Te Tiriti o Waitangi

In 2023 Piopio Primary participated, completed and implemented a range of activities to support the ongoing development to give effect to Te Tiriti o Waitangi. This has been at board, senior leadership and teacher level. The following is how this has been achieved. Please note achievement data is included in the data report for reading, writing and mathematics.

- The board completed Te Tiriti o Waitangi workshop 1.
- 4 staff (principal, team leader and 2 teachers) completed Te Ahu o te Reo Māori (Te Rekamauroa ki Tainui) level 1.
- All teachers had a PGC goal in te reo Māori and tikanga. Most were able to demonstrate growth to achieve their goal.
- All teachers and a board member attended 3 Kahui Ako professional development days. These were facilitated by PLD providers from Te Nehenehenui. The focus was the history of the iwi. There was significant learning by all that attended.
- The principal is a participant of MAC (Māori Achievement Collaborative). She has attended Maniapoto cluster hui, Tainui regional hui and the annual national hui. The MAC advisor meets with the principal 1 to 1 at least once a term to discuss goals and progress. The advisor also facilitates staff meetings to support implementing tikanga in all classrooms.
- A whānau hui was held to collect whānau aspirations for their tamariki.
- A kuia from the iwi facilitated a staff meeting to support staff to strengthen relationships with whānau.
- Regional PLD hours have been secured for cultural capabilities. The PLD provider is from the local iwi.
- The whole school went on an EOTC trip to visit places of significant sites to iwi.
- All classes have karakia in the morning and for eating kai. Class instructions are given in te reo Māori and phrases are displayed around the classrooms.

- 60 students participate in weekly kapa haka sessions. They performed at a local kapa haka festival and combined with a neighbouring school to perform to the whānau. The PTA also donated funds for new kapa haka uniforms.
- Senior ākonga attended the 40th Kohanga Reo celebration at the marae
- 30 minutes of waiata and pronunciation of te reo Māori are practised by all students, teachers and support staff at the weekly school hui. This is led by the deputy principal, who supports staff with tikanga and te reo Māori.
- Board and staff meetings start and end with karakia
- Powhiri for new students and staff at the beginning of each term.

PIOPIO PRIMARY SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number:	1895
Principal:	Sue Coyle
School Address:	14 Aria Road
School Postal Address:	14 Aria Road, Piopio, 3912
School Phone:	07 877 8103
School Email:	office@ppp.school.nz

Accountant / Service Provider:

Education  *Services.*
Dedicated to your school

PIOPIO PRIMARY SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

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Piopio Primary School

Statement of Responsibility

For the year ended 31 December 2023

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others, as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2023 fairly reflects the financial position and operations of the school.

The School's 2023 financial statements are authorised for issue by the Board.

Yvette Marie Ronaldson
Full Name of Presiding Member

Susan Dicky Coyle
Full Name of Principal

[Signature]
Signature of Presiding Member

[Signature]
Signature of Principal

06/05/2024
Date:

6/5/2024
Date:

Piopio Primary School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	1,521,630	1,234,463	1,388,727
Locally Raised Funds	3	70,216	36,850	51,345
Interest		5,359	500	1,413
Gain on Sale of Property, Plant and Equipment		2,299	-	-
Other Revenue		-	-	2,381
Total Revenue		1,599,504	1,271,813	1,443,866
Expense				
Locally Raised Funds	3	42,844	25,500	28,830
Learning Resources	4	979,363	858,589	912,437
Administration	5	220,292	89,010	212,132
Interest		1,004	-	987
Property	6	338,707	272,884	290,661
Other Expenses	7	3,192	14,500	10,109
Total Expense		1,585,402	1,260,483	1,455,156
Net Surplus / (Deficit) for the year		14,102	11,330	(11,290)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		14,102	11,330	(11,290)

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



Piopio Primary School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		285,393	289,900	289,898
Total comprehensive revenue and expense for the year		14,102	11,330	(11,290)
Contribution - Furniture and Equipment Grant		2,122	-	6,785
Equity at 31 December		301,617	301,230	285,393
Accumulated comprehensive revenue and expense		301,617	301,230	285,393
Equity at 31 December		301,617	301,230	285,393

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



Piopio Primary School Statement of Financial Position

As at 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	135,043	159,126	167,153
Accounts Receivable	9	64,556	58,237	54,530
GST Receivable		5,026	36,920	830
Prepayments		31,957	-	-
Inventories	10	2,510	3,501	2,717
Funds Receivable for Capital Works Projects	16	-	-	1,000
		239,092	257,784	226,230
Current Liabilities				
Accounts Payable	12	104,480	91,905	84,456
Revenue Received in Advance	13	3,495	-	-
Provision for Cyclical Maintenance	14	52,301	-	-
Finance Lease Liability	15	6,442	8,290	7,328
		166,718	100,195	91,784
Working Capital Surplus/(Deficit)		72,374	157,589	134,446
Non-current Assets				
Property, Plant and Equipment	11	248,593	209,641	222,028
		248,593	209,641	222,028
Non-current Liabilities				
Provision for Cyclical Maintenance	14	-	66,000	64,000
Finance Lease Liability	15	19,350	-	7,081
		19,350	66,000	71,081
Net Assets		301,617	301,230	285,393
Equity		301,617	301,230	285,393

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these financial statements.



Piopio Primary School
Statement of Cash Flows
For the year ended 31 December 2023

		2023	2023	2022
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		434,384	375,590	405,864
Locally Raised Funds		71,027	36,850	53,943
Goods and Services Tax (net)		(4,196)	-	36,090
Payments to Employees		(268,318)	(188,000)	(256,855)
Payments to Suppliers		(228,175)	(285,578)	(178,553)
Interest Paid		(1,004)	-	(987)
Interest Received		5,359	500	1,413
Net cash from/(to) Operating Activities		9,077	(60,638)	60,915
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(38,617)	(1,000)	(38,893)
Net cash from/(to) Investing Activities		(38,617)	(1,000)	(38,893)
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,122	-	6,785
Finance Lease Payments		(5,692)	(5,370)	(6,237)
Funds Administered on Behalf of Other Parties		1,000	-	(81,551)
Net cash from/(to) Financing Activities		(2,570)	(5,370)	(81,003)
Net increase/(decrease) in cash and cash equivalents		(32,110)	(67,008)	(58,981)
Cash and cash equivalents at the beginning of the year	8	167,153	226,134	226,134
Cash and cash equivalents at the end of the year	8	135,043	159,126	167,153

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, and the use of land and buildings grant and expense and other notional items have been excluded.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes which form part of these financial statements.



Piopio Primary School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Piopio Primary School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.



Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives:

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met, funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.



Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

e) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) Inventories

Inventories are consumable items held for sale and comprised of Hats and Stationery. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

j) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.



Depreciation

Property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Leased assets held under a Finance Lease

Term of Lease

k) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

l) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

In determining fair value less costs to sell, the School engages an independent valuer to assess market value based on the best available information. The valuation is based on a comparison to recent market transactions.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

m) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.



n) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to students, should the School be unable to provide the services to which they relate.

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Funds held for Capital works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose. As such, these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.



s) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The Schools carries out painting maintenance of the whole school over a 7 to 10 year period. The economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

t) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

u) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

v) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

x) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.



2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	562,956	374,590	516,197
Teachers' Salaries Grants	710,995	686,039	660,809
Use of Land and Buildings Grants	246,973	173,834	205,803
Other Government Grants	706	-	5,918
	<u>1,521,630</u>	<u>1,234,463</u>	<u>1,388,727</u>

The school has opted in to the donations scheme for this year. Total amount received was \$20,960.

3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	28,034	12,500	17,191
Fees for Extra Curricular Activities	11,195	7,550	5,082
Trading	5,415	14,000	15,572
Fundraising & Community Grants	24,782	2,500	13,387
Other Revenue	790	300	113
	<u>70,216</u>	<u>36,850</u>	<u>51,345</u>
Expense			
Extra Curricular Activities Costs	16,240	11,500	9,424
Trading	6,028	14,000	19,146
Fundraising & Community Grant Costs	20,402	-	260
Other Locally Raised Funds Expenditure	174	-	-
	<u>42,844</u>	<u>25,500</u>	<u>28,830</u>
<i>Surplus for the year Locally raised funds</i>	<u>27,372</u>	<u>11,350</u>	<u>22,515</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	22,252	48,350	26,938
Library Resources	-	200	465
Employee Benefits - Salaries	904,805	800,539	847,757
Staff Development	19,417	2,500	444
Depreciation	32,849	-	35,920
Ict	40	7,000	913
	<u>979,363</u>	<u>858,589</u>	<u>912,437</u>



5. Administration

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fees	4,442	5,500	4,314
Board Fees	3,475	2,000	2,540
Board Expenses	3,033	3,500	4,082
Communication	2,205	3,500	2,607
Consumables	14,176	13,700	15,975
Other	14,746	10,160	8,824
Employee Benefits - Salaries	52,428	42,500	48,474
Insurance	1,395	1,400	2,682
Service Providers, Contractors and Consultancy	4,498	6,750	5,345
Healthy School Lunch Programme	119,894	-	117,289
	<u>220,292</u>	<u>89,010</u>	<u>212,132</u>

6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	5,846	4,750	4,358
Cyclical Maintenance Provision	(11,699)	10,000	8,000
Grounds	13,383	18,000	13,860
Heat, Light and Water	37,186	14,500	21,003
Rates	1,793	11,000	1,698
Repairs and Maintenance	19,279	10,550	12,574
Use of Land and Buildings	246,973	173,834	205,803
Security	196	250	168
Employee Benefits - Salaries	25,750	30,000	23,197
	<u>338,707</u>	<u>272,884</u>	<u>290,661</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

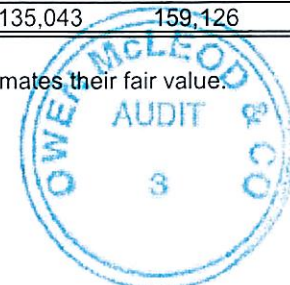
7. Other Expenses

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Transport	3,192	14,500	10,109
	<u>3,192</u>	<u>14,500</u>	<u>10,109</u>

8. Cash and Cash Equivalents

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	135,043	159,126	167,153
Cash and cash equivalents for Statement of Cash Flows	<u>135,043</u>	<u>159,126</u>	<u>167,153</u>

The carrying value of short-term deposits with original maturity dates of 90 days or less approximates their fair value.



9. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	-	5,836	138
Receivables from the Ministry of Education	6,443	-	-
Teacher Salaries Grant Receivable	58,113	52,401	54,392
	<u>64,556</u>	<u>58,237</u>	<u>54,530</u>
Receivables from Exchange Transactions	-	5,836	138
Receivables from Non-Exchange Transactions	64,556	52,401	54,392
	<u>64,556</u>	<u>58,237</u>	<u>54,530</u>

10. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Stationery	1,565	-	1,647
Hats	945	3,501	1,070
	<u>2,510</u>	<u>3,501</u>	<u>2,717</u>



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Buildings	158,136	-	-	-	(8,409)	149,727
Furniture and Equipment	38,370	28,405	(78)	-	(12,739)	53,958
Information and Communication Technology	11,720	10,030	-	-	(7,142)	14,608
Leased Assets	7,835	20,875	-	-	(3,791)	24,919
Library Resources	5,967	182	-	-	(768)	5,381
Balance at 31 December 2023	222,028	59,492	(78)	-	(32,849)	248,593

The net carrying value of equipment held under a finance lease is \$24,919 (2022: \$7,835)

Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, there are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	253,831	(104,104)	149,727	253,831	(95,695)	158,136
Furniture and Equipment	337,976	(284,018)	53,958	310,069	(271,699)	38,370
Information and Communication Technology	124,005	(109,397)	14,608	113,975	(102,255)	11,720
Leased Assets	48,982	(24,063)	24,919	50,011	(42,176)	7,835
Library Resources	84,581	(79,200)	5,381	84,399	(78,432)	5,967
Balance at 31 December	849,375	(600,782)	248,593	812,285	(590,257)	222,028



12. Accounts Payable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	21,723	17,298	3,496
Accruals	4,442	4,815	4,313
Employee Entitlements - Salaries	74,017	65,884	73,868
Employee Entitlements - Leave Accrual	4,298	3,908	2,779
	<u>104,480</u>	<u>91,905</u>	<u>84,456</u>
Payables for Exchange Transactions	104,480	91,905	84,456
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>104,480</u>	<u>91,905</u>	<u>84,456</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Grants in Advance MOE	2,684	-	-
Other Revenue In Advance	811	-	-
	<u>3,495</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	64,000	56,000	56,000
Increase to the Provision During the Year	5,810	10,000	8,000
Other Adjustments	(17,509)	-	-
Provision at the End of the Year	<u>52,301</u>	<u>66,000</u>	<u>64,000</u>
Cyclical Maintenance - Current	52,301	-	-
Cyclical Maintenance - Non current	-	66,000	64,000
	<u>52,301</u>	<u>66,000</u>	<u>64,000</u>

Per the cyclical maintenance schedule, the school is next expected to undertake painting works during 2024. This plan is based on painting invoices, adjusted for inflation.



15. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	8,481	8,290	7,328
Later than One Year and no Later than Five Years	22,322	-	7,081
Future Finance Charges	(5,011)	-	-
	25,792	8,290	14,409
Represented by			
Finance lease liability - Current	6,442	8,290	7,328
Finance lease liability - Non current	19,350	-	7,081
	25,792	8,290	14,409

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works projects is included under cash and cash equivalents in note 8.

	2023	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Receipts - C Block Roof		237305	(1,000)	1,000	-	-	-
Totals			(1,000)	1,000	-	-	-

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	-

	2022	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Receipts - C Block Roof		237305	-	9,000	(37,855)	27,855	(1,000)
Receipts - D Block Upgrade		217150	80,551	142,914	(223,465)	-	-
Totals			80,551	151,914	(261,320)	27,855	(1,000)

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	(1,000)



17. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

18. Remuneration

Key management personnel compensation

Key management personnel of the School include all Board members, Principal, Deputy Principals and Heads of Departments.

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	3,475	2,540
<i>Leadership Team</i>		
Remuneration	347,918	226,870
Full-time equivalent members	3.00	2.00
Total key management personnel remuneration	351,393	229,410

There are 7 members of the Board excluding the Principal. The Board has held 8 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (1 members) committees that met 1 and 1 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120-130
Benefits and Other Emoluments	3 - 4	3-4
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	1.00	1.00
110 - 120	1.00	-
	2.00	1.00

The disclosure for 'Other Employees' does not include remuneration of the Principal.



19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2023 Actual	2022 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: the same).

In 2023 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The school is yet to receive a final wash-up that adjusts the estimated quarterly instalments for the actual eligible staff members employed in 2023.

The Ministry is in the process of determining wash-up payments or receipts for the year ended 31 December 2023. However, as at the reporting date, this amount had not been calculated and therefore is not recorded in these financial statements.

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider Education Payroll Limited.

The Ministry continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2023 (Capital commitments at 31 December 2022: \$-677,072).

(b) Operating Commitments

There are no operating commitments as at 31 December 2023 (Operating commitments at 31 December 2022: nil).



22. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Financial assets measured at amortised cost

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	135,043	159,126	167,153
Receivables	64,556	58,237	54,530
Investments - Term Deposits	-	-	-
Total financial assets measured at amortised cost	<u>199,599</u>	<u>217,363</u>	<u>221,683</u>

Financial liabilities measured at amortised cost

Payables	104,480	91,905	84,456
Finance Leases	25,792	8,290	14,409
Total financial liabilities measured at amortised cost	<u>130,272</u>	<u>100,195</u>	<u>98,865</u>

23. Events After Balance Date

There were no significant events after the balance date that impact these financial statements.

24. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.



Piopio Primary School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2023, the school received total Kiwisport funding of \$1,978 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2023 the Piopio Primary School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.

applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Edpay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on page 1 Statement of Responsibility, Members of the Board schedule, Kiwisport note, statement of Compliance with Employment Policy, Statement of variance, Report on how the school has given effect to Te Tiriti o Waitangi, cover page and index page, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



M K Castillo
Owen McLeod & Co Limited
On behalf of the Auditor-General
Hamilton, New Zealand

7 May 2024

The Board Members
Piopio Primary School
14 Aria Road
Piopio 3912

Dear Board Members,

Audit Management Letter For The Year Ended 31 December 2023

1. Introduction

We have completed the audit of Piopio Primary School's (the School) financial statements for the year ended 31 December 2023.

The purpose of this letter is to bring to the attention of those charged with governance the significant matters that arose during the course of our audit and matters of interest as required by *ISA (NZ) 260 Communication with Those Charged with Governance* and other ISA (NZ) standards.

You will appreciate that while our audit is carried out in accordance with the Auditor-General's auditing standards, it cannot, and should not, be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency.

The responsibility for public accountability and the implementation and monitoring of internal and management controls rests with management and the Board Members.

This letter has been prepared for the Board Members and is intended only for use by you. We accept no responsibility to any other party in relation to whole or part of its contents.

2. Responsibilities and Scope in Relation to the Audit

The Board Members are responsible for preparing the financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR) and for implementing appropriate internal controls with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

We are responsible for conducting the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) (ISA (NZ)) issued by the New Zealand Auditing and Assurance Standards Board, and forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

3. Timing of the Audit

The audit was completed and dated 7 May 2024.

4. Audit Opinion

We have issued our unmodified audit opinion on the financial statements for the year ended 31 December 2023.

5. Going Concern Assumption

The financial statements were prepared on the basis that the school is a going concern. As required by the Office of the Auditor-General, we reviewed this assumption in terms of the criteria set out in the Auditing Standard ISA (NZ) 570. Based on the supporting evidence we concluded that the use of the going concern assumption was appropriate given the School's funding sources and its operating budget for the following financial period.

6. Management Judgements and Estimates

Under International Standards on Auditing (NZ) we have a responsibility to communicate with management and the governing body the process used by the School in forming particularly sensitive accounting estimates, assumptions or valuation judgements. Overall, we note that the judgements and estimates by management in preparing the results for the year ended 31 December 2023 appear reasonable.

The most significant areas of judgement, assumptions and estimates by management relate to:

- Provision for cyclical maintenance and cyclical maintenance expense
- Depreciation rates to ensure that fixed assets are written off over their estimated useful lives

We are not aware of any other sensitive accounting estimates, assumptions or valuation judgements made by the School.

7. Materiality

In the context of an audit, materiality means, if financial information is omitted, misstated or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the level of work to be performed, which items and balances require work and for the evaluation of the financial report. Materiality is initially calculated at the planning stage and has an influence on the level of work we do. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.

Auditing Standards do not require us to communicate misstatements that are considered "clearly trivial" and as such, if we identify such misstatements, we will not communicate these to you. We consider "clearly trivial" to be 5% or less of our planned materiality.

8. Probity, Waste and Performance

We are required to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We have tested a sample of expenses for the year, and we did not identify any such items to report. However, we remind you of the importance to remain vigilant in your oversight of school expenditure.

9. Findings Arising from the Audit

School payroll controls

School payroll controls

We consider the main risk to the accuracy of payroll payments is transactions being incorrectly processed, because of either fraud or error. The EdPay system relies on schools checking the accuracy of the payroll transactions processed by the school, as this information is not checked centrally.

Guidance on the controls within EdPay that should be operating at schools is available on the EdPay website ([School internal processes and controls – payroll](#)). To review and approve pay changes the following transaction histories should be saved, checked, and signed, ideally after transactions have been processed and prior to payment:

- timesheet history
- leave history
- activity history.

The final fortnightly payroll (SUE) report should also be reviewed to ensure the amounts paid are as expected. We would expect this review to include consideration of whether all those paid in the period were employed by the school, whether the amounts paid are as expected, and where amounts have changed since the previous period, whether those changes are expected and have been authorised.

To ensure controls are effective schools also need to ensure that:

- there is segregation of duties between the processing and approval of payroll transactions;
- access to EdPay is controlled;
- payroll transactions are approved in line with delegations; and
- approvals are appropriately documented.

This means that, while an initial review of the transaction history reports and the fortnightly draft payroll (SUE) report might be carried out by the payroll administrator, to check the accuracy of data entry, the final fortnightly payroll (SUE) report and **activity history reports** should be reviewed by someone independent of the staff who have access to EdPay.

Refresh of EdPay's guidance on controls

The current guidance to schools on controls (referred to above) notes that the online activity history for Masterfile changes, such as bank account and other changes to personal details within EdPay, is still in development. The guidance does suggest some interim procedures, consisting of taking screen shots of changes and having those approved. However, as this does not provide a list of all changes made, we do not consider this to be an effective control.

We understand from the Ministry that the activity history report now provides details of all Masterfile changes (expect changes to employees' addresses). However, this change has not been communicated to schools. EPL and the Ministry are currently refreshing the guidance to schools on payroll controls, and we have been told that this will be available soon.

During the 2023 year, Edpay has reports i.e. Activities report available to schools for checking the Masterfile changes, we are satisfied that the school has implemented the controls in place to address this issue.

Recommendation

We recommend that the Board ask management for assurance that appropriate controls are in place at the school over payroll transactions, and that these controls are considered against the updated payroll guidance once it is published by EdPay.

Board Minutes

Board meeting minutes demonstrate to stakeholders that the school/kura and its' board act appropriately and in accordance with legal and contractual requirements. They also document that principles of good governance and informed decision-making are being followed. The minutes should record the following matters:

- Review and approval of the annual audited financial statements;
- Review and approval of the annual cyclical maintenance plan (painting);
- Review and approval of the School Annual Accrual Report (end of year payroll report);
- Review and approval of the budget (including an income statement, balance sheet, and cash flow), budget should include teachers' salary and notional lease;
- Review and approval of monthly financial statements;
- Approval of payments.

We are satisfied that the School has documented the approvals in the minutes.

Sensitive expenditure

The Auditor-General's auditing standards require us to test a sample of sensitive expenditure, and also be alerted to matters that may indicate waste, or show a lack of probity or financial prudence. Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to staff additional to the business benefit to the organisation.

The OAG has also identified the following focus areas for auditors to be aware of when carrying out this testing.

Use of Credit Cards

The OAG has observed that many schools have poor controls over credit cards, with many monthly statements not being approved by an independent person. Poor controls increase the risk of misuse of credit cards, including for personal use. This also includes the use of debit cards, fuel cards and overseas currency cards (which are essentially cash).

Expenses incurred by the Chairperson and the Principal

The OAG has also observed that many schools have poor controls over expenses incurred by the Principal and Chairperson, with many invoices not being approved by an independent person. Poor controls increase the risk of misuse of school funds, including for personal use.

We would expect to see 'one-up' approval, meaning review and approval by someone more senior. This means the Board Chairperson must authorise payments on the Principal's credit card and Principal's expenses, and staff credit cards should be approved by the Principal.

What we did

We have tested a sample of expenses for the year, including reimbursements of expenses credit card expenditure.

What we found

On review of your credit card statements we noted there was no evidence of independent review. we recommend using the "one up" principle and the principals credit card be signed off by a board member. We remind you of the importance to remain vigilant in your oversight of expenditure of the school.

Conflicts of interest – Good practice resources available

The risk of conflicts of interest in small communities, which many schools operate in, is inherently high, because the Board, Principal, and other employees are often living in the same communities their school services. There is a particular risk of conflict in the decision-making processes used to appoint new employees and contractors, as well as the purchase of goods and services. However, having a conflict of interest does not necessarily mean you have done anything wrong, what is important is how the conflict is managed.

The Office of the Auditor-General have a good practice guide on [managing conflicts of interest](#) as well as other resources, available on its website. We encourage you to make use of these resources.

Segregation of duties

Effective controls require good segregation of duties, i.e. needing more than one person to complete a task.

We note that significant portions of the day-to-day accounting functions are solely under control of one person. We wish to point out that nothing in our review of your systems has led us in any way to question the integrity of this or any other employee.

We appreciate that it may be difficult to achieve appropriate segregation of duties because of the small number of administration staff at the school. Where this is the case, management needs to provide careful monitoring and oversight to mitigate against the risk of fraud or error.

The Ministry of Education has recently published an internal control checklist and a segregation of duties matrix on its [website \(https://www.education.govt.nz/school/funding-and-financials/school-finances/#internal-control-resources\)](https://www.education.govt.nz/school/funding-and-financials/school-finances/#internal-control-resources) which the school may find useful when assessing the adequacy of its internal controls. Further guidance on internal controls can be found in the Ministry's [Financial Information for Schools Handbook](#).

Conflict of Interest Register

We noted during the audit that you are not maintaining a conflict-of-interest register. We acknowledge that disclosure of conflict of interests are required during your Board Meeting, and it is documented in the Minutes.

However, it is best practice to maintain a conflict of interest register to keep track the personal and professional interests, so you can act in the best interest of the School.

Banking Intact

We noted that cash was being taken from locally raised funds received from parents to make petty cash payments before the funds were deposited in the bank.

Although we noted there was a tracking system and no errors were found, there should be a clear distinction between cash received and payments made. The school should consider either starting up a debit card, or withdrawing cash directly after banking cash to top up cash float if they wish to continuing making urgent cash payments.

Internet Banking

We recognise the efficiencies of this system with its key benefits of allowing an easier and prompt method of payment of accounts.

However, there have been a number of cases reported in the media recently, involving internet fraud which highlight the need for close monitoring of this system.

Schools which have, or are considering implementing an internet banking system, should ensure that appropriate payment control procedures are put in place.

Key controls for internet banking include:

- Senior management sets up the supplier accounts and all payments are approved by two signatories.
- Passwords must be kept secure and never shared – they represent the key to your funds.
- Senior management occasionally perform spot checks to verify the bank account numbers of suppliers to ensure that payments have been made to the correct parties.
- Payments are only made on original invoices that have been processed through the creditors system.
- Once a payment is made, the invoice should be cancelled. That is, all paid invoices should be marked as paid and preferably have noted the payment method and date.
- Audit trails of processing should be retained.

Following control systems such as these will help safeguard against fraud or the same invoice being paid twice.

10. Adjusted and Unadjusted misstatements

Please find attached Appendix 1 lists adjusted misstatements found during the course of our work.

There were no unadjusted misstatements.

11. Key Financial Statement Audit Risks and Issues to be Communicated

<i>Key Matters</i>	<i>Responses</i>
Revenue Recognition	We documented the revenue systems, carried out appropriate controls testing and substantive audit procedures to address the risk of fraud in revenue recognition. We did not identify any material errors in relation to revenue recognition, whether due to fraud. However, we have made some recommendations in this letter.
Locally Raised Funds	We documented the system on Locally Raised Funds, assessed the control environment and completed analytical audit procedures to address the risk of material misstatements around the completeness of locally raised funds due to its nature-often being cash. We have not identified any material misstatements, due to fraud. However, we have made some recommendations in this letter.
Payroll	Payroll is processed by EdPay. The reliability of payroll processing is dependent on appropriate approval of payroll changes, checking of the fortnightly SUE report and review of School Annual Accrual Report (SAAR). We have discussed with management and documented controls on payroll, carried out control testing, analytical procedures and substantive audit procedures to address the risk identified on payroll. We have not identified any material misstatements in payroll, whether due to fraud or error. However, we have made some recommendations in this letter.
Cyclical Maintenance Provision	Cyclical Maintenance is an area of judgement and could lead to material misstatement in the financial statements. For schools to be able to calculate the appropriate provision a painting plan needs to be prepared and/or reviewed by a suitably qualified person. We have obtained and reviewed the School's Plan and assessed that the provision at balance date is reasonably correct.
Management override	We have discussed with management controls on expenditure authorisation, tested manual journals, reviewed accounting estimates and significant transactions that are outside the normal course of business to address the presumed significant risk on management override. We have not identified any instances of management override.
Qualitative Aspects of Accounting Practices	The accounting policies used by the entity are consistent with the previous year. We reviewed the accounting policies, accounting estimates and financial disclosures, we believe that these are appropriate.
Significant difficulties	During the audit, we encountered no significant difficulties.
Disagreements with Management	We have had no disagreements with management during our audit nor have we had any serious difficulties in dealing with management.

Written management representations	We received the standard signed representation letter for the year ended 31 December 2023. No other specific representations were requested.
Other information	No material inconsistencies or misstatements were identified relating to the other information in the financial statements.
Other Significant matters	No other significant matters were raised from the audit.
Auditor Independence	We reaffirm we are independent of your organisation, and that we have no relationship with your organisation that impairs our independence.
Going Concern	No material uncertainties related to going concern were noted.
Non-compliance with Law or regulation	We have not identified any instances of noncompliance with Law or regulation.
Significant deficiencies in internal control	No significant deficiencies in internal control were noted, however we have made some recommendations in this letter.
Fraud	We have not identified any instances of fraud involving senior management or any other frauds that have caused material misstatement in the financial statements.
Significant Risks	We have not noted any significant risks or exposures that are required to be separately disclosed in the financial statements.

12. Conclusion

We remind the school to submit a single PDF file of your annual report, including audited financial statements and required signatures to the Ministry of Education via the Ministry's [School Data Portal \(external link\)](#). These audited accounts must be minuted at your next Board Members' meeting.

Please advise us in due course of the actions you propose to take in relation to the matters raised in this letter.

We wish to acknowledge the friendly assistance provided by your staff during the audit. If there is any further information you require, please do not hesitate to contact us.

Yours faithfully
Owen McLeod & Co Ltd


Marilyn Castillo

Piopio Primary School

Year ending 31 December 2023

Appendix 1

Adjusted Errors:

1. To base cyclical maintenance provision on cost to paint and update to reflect painting timeframes

Code	Name	Group	Debit	Credit
	Cyclical maintenance provision	expenses	-	35,222.00
	Cyclical maintenance provision - current	liabilities/ equity	35,222.00	-
			35,222.00	35,222.00

2. To correct classify Oversea trip expenses as prepayment

Code	Name	Group	Debit	Credit
	Other	expenses	-	5,799.00
	Prepayments	assets	5,799.00	-
			5,799.00	5,799.00

3. To bring in PSPA backpay amount as per MOE confirmation

Code	Name	Group	Debit	Credit
	Government Grants - MOE	income	-	5,602.00
	Receivables from MOE	assets	6,443.00	-
	Employee benefits salaries - LR	expenses	2,935.00	-
	Operating creditors	liabilities/ equity	-	4,455.00
	Employee benefits salaries - admin	expenses	1,520.00	-
	GST Receivable	liabilities/ equity	-	841.00
			10,898.00	10,898.00