

Your ref:
Our ref: 2019-4232
Lisa Fraser - 3149 6132

7 November 2019

Mr G Chemello
Director
Ipswich City Developments Pty Ltd
PO Box 191
IPSWICH QLD 4305

Dear Mr Chemello

Final Management Report for Ipswich City Developments Pty Ltd (ICD)

We have completed our 2019 financial audit for Ipswich City Developments Pty Ltd (ICD). We have audited the trial balance and reviewed the financial statements but have not issued an audit opinion on your financial statements as ICD was deregistered on 20 June 2019.

The purpose of this letter is to provide you with details on audit matters and other important information related to the 2019 financial audit.

Reporting on issues

We have not raised any new internal control deficiencies or other matters in the current financial year. Issues raised in previous financial years are considered to be resolved given ICD's is now deregistered. For information purposes, details of prior year issues are included as Appendix A. Our rating definitions for internal control deficiencies is shown in Appendix B.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

Consistent with previous years, we intend to include the results of our audit of ICD in a report to parliament. This report is prepared in accordance with the *Auditor-General Act 2009*.

Audit fee

The final audit fee for this year is \$3,500, exclusive of GST, which is in line with the original estimate in our external audit plan (2018: \$14,500).

We would like to thank you and your staff for their engagement in the audit.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6041 or Lisa Fraser on 3149 6132.

Yours sincerely



Patrick Flemming
Sector Director

Appendix A

Previously reported internal control deficiencies

Significant Deficiencies

Reference	Issue	Status
FY17-FML	Sale of Redbank Plains – Retail and Residential – not offered to market	Resolved

Deficiencies

Reference	Issue	Status
Re-raised in FY18-FML	Bank reconciliations not reviewed	Resolved
FY17-FML	Debit card expenditure not independently approved	Resolved

Other Matters

Reference	Issue	Status
FY18-FML	KMP declarations not completed	Resolved

Financial reporting issues

Reference	Issue	Status
FY17-FML	Administration Costs (Accrual – methodology)	Resolved

Appendix B

Our rating definitions for internal control deficiencies

We assess internal control deficiencies on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
Significant deficiency	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none">• the risk of material misstatement in the financial statements• the risk to reputation• the significance of non-compliance with policies and applicable laws and regulations• the potential to cause financial loss including fraud, or• where management has not taken appropriate timely action to resolve the deficiency.	<p>This requires immediate management action to resolve.</p>
Deficiency	<p>A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.</p>	<p>We expect management action will be taken in a timely manner to resolve deficiencies.</p>
Other matter	<p>An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.</p>	<p>Our recommendation may be implemented at management's discretion.</p>

Our risk rating definitions for financial reporting issues

We assess financial reporting issues on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
High	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements	We expect management action will be taken in a timely manner to resolve deficiencies.
Low	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	Our recommendation may be implemented at management's discretion.