

CERTIFICATE OF AUDIT OF MEMBER FINANCIAL STATEMENTS/SYSTEMS
AUDIT REPORT

Part 1 – Auditor’s Declaration

1.	The Financial Statements referred to in this Audit Report relate to the Accounts of the AWEX Member or prospective Member as detailed below.
2.	I/we have conducted an independent audit/review of said financial statements.
3.	The audit/review has been conducted in accordance with the provisions of the Statement of Auditing Standards to provide reasonable assurance that the financial statements are free of material misstatements.
4.	The audit has been conducted based on appropriate examination and sampling techniques and the evaluation of accounting policies. The procedures have been undertaken to form an opinion whether, in all material respects the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia.
5.	<u>In my/our opinion</u> the financial statements of the Member give a true and fair view of the organisations financial position as at the date below and of its performance for the year ended on that date and comply with Accounting Standards, Corporations Regulations and other mandatory professional reporting requirements.
6.	<u>In my/our opinion</u> there are reasonable grounds to believe that there are no factors which may impact on the member’s ability to comply with AWEX’s Constitution and Rules (including Code of Conduct).
Note: Where the member has not appointed an auditor, this statement may be completed by the Members’ internal or external accountant.	

Dated this day of in the year

Auditors Name:

ABN:

Postal Address:

Telephone No:

I have completed the financial statement audit/review for:

AWEX Member Name:

ABN:

For Audit year: to:

Signature of Reporting Auditor/Accountant:

**To be returned to: The Company Secretary
Australian Wool Exchange Ltd
PO Box 649
LANE COVE NSW 1595**

Part 2 – Audit/Review Report Checklist

Background

1. This checklist has been prepared as a guide for auditors/accountants in their examination of the financial statements of AWEX Members so that AWEX may assess the Members ability to comply with AWEX’s Constitution and Rules (including Code of Conduct).
2. The checklist should not be used as an exhaustive list nor should it replace standard audit testing or procedures.
3. The existence or absence of any one of these indicators will not of itself suggest a Members inability to comply with AWEX’s Constitution and Rules (including Code of Conduct).

	Yes	No	N/A
CASH			
1. Are appropriate procedures in place to ensure correct handling of client monies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are separate bank accounts operated for client monies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Have regular bank reconciliation’s been performed and sighted for these accounts?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
WOOL – PHYSICAL SECURITY			
4. Is the wool appropriately safeguarded and contained in a recognised dump/storage facility?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are adequate insurance polices in place to cover transport and disasters such as drought, flood, fire, fraud or sabotage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GOING CONCERN INDICATORS			
Operating/Management issues:			
6. Does the organisation have a strategic direction, including appropriately documented policies, plans and forecasts such as forward budgets and cash flow projections?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Does the organisation demonstrate an adherence to said policies and plans in its day-to-day operations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Does the organisation have an appropriate governance structure with adequate consultation and/or involvement in key decisions, appropriate documentation and communication of decisions, balance and expertise amongst Board and or Management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Does the organisation have appropriate management expertise and key management personnel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the organisation have appropriate supplies and/or appropriate relationships with principal suppliers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Does the organisation have appropriate management information systems with effective information flows and evidence of appropriate management action in response to information received?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the organisation have appropriate insurance to cover disasters such as drought, flood, fire, fraud or sabotage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	N/A
Financial indications			
13. Does the organisation have an appropriate gearing or net liability position?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Does the organisation have sufficient resources and/or appropriate structures in place to ensure any fixed-term borrowings approaching maturity have realistic prospects of renewal or repayment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Does the organisation rely on short-term borrowings to finance long-term assets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Does the organisation have favourable key financial ratios, including but not limited to: working capital ratio, gross profit ratio, times interest earned, return on equity, inventory turnover?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Are operating profits and cash flows from core business activities sustainable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Does the organisation pay its creditors on or before their due dates?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Does the organisation comply with the terms of loan agreements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Has the organisation restructured debt during the period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Has the organisation experienced difficulty in obtaining finance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Has the organisation undertaken new financing methods or disposed of substantial assets?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other indications			
23. Does the organisation appear to be affected by undue influence of a dominant market competitor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Does the organisation have any pending legal proceedings against the entity that may result in judgements that could not be met or in restrictions on trading opportunities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Have technical developments or major industry initiatives occurred which render a key product or functions obsolete?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Does the organisation have adequate back-up and recovery capabilities for key financial or other information systems in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>