



TOURISM ATTRACTION BOARD

REPORT TO THOSE CHARGED WITH GOVERNANCE ON THE 2022 AUDIT

29 MAY 2023

***To help the public service
spend wisely***

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REPORT TO THOSE CHARGED WITH GOVERNANCE

INTRODUCTION

1. We have completed our audit of the December 31, 2022, financial statements of the Tourism Attraction Board (the “Board”). International Standards on Auditing (ISAs) require that we communicate certain matters to those charged with governance of the Board in sufficient time to enable appropriate action. The matters we are required to communicate under ISAs include:
 - Auditors’ responsibilities in relation to the audit
 - The overall scope and approach to the audit, including any expected limitations, or additional requirements
 - Relationships that may bear on our independence, and the integrity and objectivity of our staff
 - Expected modifications to the audit report
 - Significant findings from our audit.
2. This report sets out for the consideration of those charged with governance those matters arising from the audit of the 2022 financial statements that we consider worthy of drawing to your attention.
3. This report has been prepared for the sole use of those charged with governance and we accept no responsibility for its use by a third party. Under the Freedom of Information Act (2020 Revision) it is the policy of the Office of the Auditor General to release all final reports proactively through our website: www.auditorgeneral.gov.ky.

AUDITOR’S RESPONSIBILITIES IN RELATION TO THE AUDIT

AUDITOR’S RESPONSIBILITY UNDER INTERNATIONAL STANDARDS ON AUDITING

4. ISAs require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters and this report includes only those matters of interest which came to our attention as a result of the performance of our audit.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

5. Management's responsibilities are detailed in the engagement letter dated 26 August 2022. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

6. While we have no responsibility to perform any audit work on other information, including forward-looking statements, containing audited financial statements, we have read the other information contained in the Board's annual report and noted that it is materially consistent with information appearing in the financial statements or our knowledge of the operations of the Board. We have not reviewed any other documents containing the Board's audited financial statements.

CONDUCT, APPROACH AND OVERALL SCOPE OF THE AUDIT

7. Information on the integrity and objectivity of the Office of the Auditor General and audit staff, and the nature and scope of the audit, were outlined in the engagement letter presented to the Director and follows the requirements of the ISAs. We are not aware of any impairment to our independence as auditors.

AUDIT REPORT, ADJUSTMENTS AND MANAGEMENT REPRESENTATION

8. We have issued an unmodified audit's report on the 31 December 2022 financial statements.
9. A summary of audit adjustments (\$215,309) made to the financial statements is attached in Appendix 1. There were two (2) uncorrected misstatements identified (\$4,101), attached in Appendix 2.
10. As part of the completion of our audit we obtained written representations from management on aspects of the accounts and judgments and estimates made. These representations were provided to us on April 14, 2023.

SIGNIFICANT FINDINGS FROM THE AUDIT

SIGNIFICANT ACCOUNTING PRACTICES

11. We are responsible for providing our views about qualitative aspects of the Board's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures.

12. Generally accepted accounting principles provide for the Board to make accounting estimates and judgments about accounting policies and financial statement disclosures. We are, however, not aware of any new or controversial accounting practices reflected in the Board's financial statements.

MANAGEMENT'S JUDGMENTS AND ACCOUNTING ESTIMATES

13. There were no matters which required management to make significant judgments or which required significant estimates.

GOING CONCERN DOUBTS

14. As a result of our audit, we did not become aware of any material uncertainties related to events and conditions that may cast significant doubt on the Board's ability to continue as a going concern.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

15. Significant deficiencies identified during our audit are noted in Appendix 3 along with management's response.

FRAUD OR ILLEGAL ACTS

16. Applicable auditing standards recognize that the primary responsibility for the prevention and detection of fraud and compliance with applicable laws and regulations rests with both those charged with governance of the entity and with management. It is important that management, with the oversight of those charged with governance; place a strong emphasis on fraud prevention, and fraud deterrence.
17. They are also responsible for establishing and maintaining controls pertaining to the Board's objective of preparing financial statements that are presented fairly, in all material respects, in accordance with the applicable financial reporting framework and managing risks that may give rise to material misstatements in those financial statements. In exercising oversight responsibility, those charged with governance should consider the potential for management override of controls or other inappropriate influence over the financial reporting process.
18. As auditors, in planning and performing the audit, we are required to reduce audit risk to an acceptably low level, including the risk of undetected misstatements in the financial statements due to fraud.

19. However, we cannot obtain absolute assurance that material misstatements in the financial statements will be detected because of such factors as the use of judgment, the use of testing, the inherent limitations of internal control and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature.

20. No fraud or illegal acts came to our attention as a result of the 2022 audit.

SIGNIFICANT DIFFICULTIES ENCOUNTERED DURING THE COURSE OF OUR AUDIT

21. No difficulties were encountered in the performance of our audit.

DISAGREEMENTS WITH MANAGEMENT

22. We have had no disagreements with management resulting from our audit.

ANY OTHER SIGNIFICANT MATTERS

23. There were no other significant matters noted during the audit.

ACKNOWLEDGEMENTS

24. We would like to express our thanks to the staff of the Tourism Attraction Board for their help and assistance during the audit of this year's financial statements. This enabled us to provide an audit report within the agreed timetable.

Yours Sincerely,



Angela Cullen
Acting Auditor General

APPENDIX 1 – SUMMARY OF ADJUSTED MISSTATEMENTS

Account	DR	Cr
1531 Buildings - cost		(87,607)
1532 Buildings - Depreciation	87,607	
1567 - External works - cost		(103,238)
1568 - External works - Depreciation	103,238	
<i>Reclassification adjustment (FAR to TB)</i>		
1541 Furniture and fixtures - Cost		(1,028)
1554 Computer Equipment - Cost	1,028	
<i>Reclassification of furniture to computer Equipment</i>		
1501 Gardens		(23,436)
2000 Accounts payable	23,436	
<i>Adjustment to creditors</i>		
	215,309	(215,309)

APPENDIX 2 – SUMMARY OF UNADJUSTED MISSTATEMENTS

Account	DR	Cr
100 Accounts receivable - other		(1,854)
2000 Accounts payable	1,854	
<i>Credit balances in debtors</i>		
1568 External works - Depreciation	2,247	
6214 External works - Accumulated depreciation		(2,247)
<i>Overstatement of Depreciation</i>		
	4,101	(4,101)

APPENDIX 3 – INTERNAL CONTROL MATTERS AND SIGNIFICANT FINDINGS

Observation	Risk/Implication and Recommendation	Management Response
<p>Notice of interest forms not provided.</p> <p>The audit team noted five (5) instances where Notice of Interest forms were not provided by Board members. The Tourism Attraction Board used these forms to identify related parties and consequently related party transactions as for disclosure as required by <i>IPSAS 20 – Related Party Disclosures</i>.</p> <p>In addition, for three (3) Board members, the Notice of Interest forms that were provided were applicable to the 31 December 2021 financial year.</p>	<p>Risk/Implication:</p> <p>The non-completion of Notice of Interest/Declaration of Interest forms could lead to the entity not being able to identify and manage conflict of interest risks when conducting business operations. It also, as a resulting impact prevents the Board from being able to identify and disclose all the applicable related parties as per the requirements of <i>IPSAS 20 – Related Party Disclosures</i>.</p> <p>Recommendation:</p> <p>The Board should ensure that all members declare and disclose their financial interests, and a record of these declarations is kept for use when managing business risks and identifying related parties to ensure compliance with <i>IPSAS 20 – Related Parties</i>.</p>	<p>Management acknowledges the audit team's comment and will ensure that going forward for the upcoming financial year end audit, NOI's will be requested from all key management and senior personnel for the year under review. Management will actively review these to identify any related parties as per <i>IPSAS 20</i></p>