Audit Handover

Bruce Potgieter welcomes Martin Thompson back to WHK Day Neilson.

The Audit and Assurance services division of WHK Day Neilson welcomes the appointment of Martin Thompson as a Principal, based in the Geelong office. Martin takes over from Bruce Potgieter who is moving to Moscow to take up a position with Deloitte.

Farewell Bruce.

Bruce has been an employee with WHK Day Neilson since 1983. Prior to working with WHK Day Neilson, Bruce worked for KPMG in London, Johannesburg and Wellington. Bruce has specialised in public sector auditing, particularly internal audit and risk management in the local government and health sectors.

Welcome Martin.

Martin initially worked with the Australian National Audit Office in Canberra, where he rose from Graduate to Audit Manager. Martin relocated to Geelong in 1999 and commenced with WHK Day Neilson as an Audit Manager.

In 2003, Martin was appointed Director, Financial Audit with the Victorian Auditor-General's Office. Martin's responsibilities were largely in the local government and water portfolios. Martin also completed a redevelopment of the Victorian Auditor-General's financial audit methodology.

Martin has re-joined WHK Day Neilson as a Principal, with responsibilities for internal and external audit activities in both the public and private sectors. Martin is looking forward to taking on some unusual projects similar to those Bruce has worked on over the years, such as:

- Review of the Human Resources systems of 11 hospitals, operating in a group. The review revealed a range of systems being used, from a time intensive manual system to fully automated. The efficiencies and inefficiencies of each system were analysed, and recommendations made, to move all hospitals to the fully automated system, resulting in savings of both time and money.

- Risk assessments performed to identify and evaluate business and operating risks, leading to the development of action plans to address and monitor the risks.

- Reviews of Local Government Authorities to determine compliance and obligations of various acts affecting communities, e.g. Food Act, Health Act.

- Fraud reviews to identify if organisations have the appropriate frameworks in place to manage fraud through awareness and risk identification.

Please contact WHK Day Neilson if you would like more information on the varying Audit and Assurance services available.

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Is it necessary?

...there is nothing so useless as doing efficiently that which should not be done at all. Peter Drucker.

Why are you doing that?
I've always done it.

We are all guilty of doing something only because we've always done it, and done it in the same way, without asking – **Why?**

Does it really need to be done?
Is there a better way?

We asked a business owner why one of his book-keeping staff checked calculations and additions on all suppliers' invoices, even though they were prepared by computer.

"We've always done it" was the response.
"Do you ever find any mistakes on computer prepared invoices?" we asked.
"Probably not" was the sheepish reply.
"Then save yourself some money and stop doing it" we advised.

We should all review what we and our staff do and ask why. Also, is there a better way?

Significant cost savings may result from simply asking these questions.

Why not begin doing it now?

Speak to us about how we can assist with an independent review of your practices and processes.

Briefings

- Taxpayers affected by bushfires and seeking tax relief should consult WHK Day Neilson, or call the Tax Office at 13 11 42 during business hours. "Exceptional Circumstances Assistance" can be extended to small business owners employing up to 20 staff who are affected by the drought.

- The Federal Court recently decided that a taxpayer's property could be treated for tax as trading stock even though the dominant purpose of holding it was as a long term investment. This decision may have interesting ramifications.

- The NSW Supreme Court recently approved an extension to the vesting date for a trust. Whether this may trigger a capital gains tax problem is not clear-cut.

- A "special disability trust" can offer a tax and social security efficient means of providing care and accommodation for a severely disabled relative.

- Treasury has confirmed that transfers of overseas superannuation fund benefits to an Australian superannuation fund will be subject to the proposed limits on undeducted contributions.

- Farmers may now have up to $65,000 non-primary production income and still make tax-deductible investments in farm management deposits. The maximum holding in these deposits has been raised from $300,000 to $400,000.

- A recent Tax Ruling states that no capital gains tax event happens if holders of a life interest or a remainder interest in a deceased estate disclaim their interest "as they are taken never to have acquired it". This has surprised some advisers.

- From 1 January 2007, the government has eased the conditions relating to tax deductions for amounts paid at fundraising charity dinners and events.

- The "minor benefits" threshold for fringe benefits tax has been increased to $300.

The above summaries of information should not be relied upon without reference to our firm as the context in which the item appears often needs to be understood. If you would like more information, please contact us.

WHK Day Neilson

WHK Day Neilson Financial Planning

Geelong - First Floor 200 Malop Street, Geelong, Victoria 3220
Tel: 03 5224 7700 Fax: 03 5224 7799
Melbourne - 675 Victoria Street, Abbotsford, Victoria 3067
Tel: 03 9420 7420 Fax: 03 9420 7422
Ocean Grove - First Floor, 72 The Terrace, Ocean Grove, Victoria 3226
Tel: 03 5255 5077 Fax: 03 5255 2193
Stawell - 3-5 St George Street, Stawell, Victoria 3380
Tel: 03 5358 1733 Fax: 03 5358 3709
Ballarat - 9 Creswick Road, Ballarat, Victoria 3353
Tel: 03 5331 4044 Fax: 03 5333 2750
Ararat - 93 Barkly Street, Ararat, Victoria 3377
Tel: 03 5352 3636 Fax: 03 5352 3691

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