



KURRI KURRI
COMMUNITY
SERVICES

ANNUAL REPORT 2021/22



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The Chair and the CEO are pleased to present to you the Kurri Kurri Community Services (KKCS) 2022 Annual Report.

2022 – The Beginning of the “New Normal” for Kurri Kurri Community Services

KKCS was again significantly impacted by the Covid pandemic in FY2022 - including numerous health directives/restrictions requiring KKCS to operate under pandemic and infection control plans for the entire financial year. The Omicron variant had a major impact upon KKCS and the communities we serve with numerous clients, community members, staff and their family members contracting Covid. This resulted in cancellation of services by clients as well as increased cost to deliver existing services by providers such as KKCS.

In parallel, labour shortages in the aged care, disability and allied health sectors as well as increasing inflationary pressures in the second half of the financial year compounded the challenges across the sector.

Nearly all KKCS' services are deemed “essential services” and the KKCS team continued to deliver quality and safe services throughout the year. We continued to evolve our operating and service delivery models throughout FY2022 – ensuring we continued to meet the ever-increasing demand for our services while addressing the challenging market conditions.

We are optimistic that Covid and its inherent impact will diminish over time. KKCS will continue to evolve our service offer and operating models to ensure we deliver against our strategy in a financially sustainable manner.



Mike Coddington - CEO



Andrew Hughes - Chairman

Financial Performance

The Covid pandemic had a material impact upon KKCS' financial performance – in particular the spread of the Omicron variant in the second half of the financial year. Since all relevant government business support programs were withdrawn prior to the Omicron outbreak – organizations like KKCC bore the full financial impact of the Omicron outbreak.

Additionally in late FY2022, iCare (workers compensation insurance provider) identified that they had miscalculated KKCS's premiums for the previous three financial years. This resulted in a once-off charge to KKCS of \$680,000 in June 2022. Given the timing of the charge, the full impact hit the KKCS bottom line for FY2022.

Including the once-off Covid impact and iCare charge, KKCS generated an operating loss of \$829k in FY2022. Total income increased YOY by 28% to \$22.17 million. KKCS' operating fundamentals remain strong despite the one-off impacts in FY2022, and we are confident in KKCS' future financial performance.

During this review it was identified that KKCS strategy and operations is focused on two business streams

- Commercial Services (*Odyssey Builders, Hunter Commercial Services*): Focused on provision of accessible housing as well as employment opportunities for people with disability, Aboriginal and Torres Strait Islander Peoples, people who have experienced incarceration, and Culturally and Linguistically Diverse People (CALD).
- Community Services (*Hunter Community Services, Kawa Disability, Kawa Allied Health, The Center @ Kurri Kurri, Kaimana Youth Services, Kurri Kurri OOSH and Youth Services*): Focused on supporting community members experiencing individual or family disadvantage and/or vulnerability.

KKCS adjusted its management team structure to reflect our two major business streams – and recruited a highly experienced commercial manager to guide the Commercial Services business units.

KKCS rolled out a new client management system (Alayacare) across the entire organization. This was a massive undertaking and a significant investment. Alayacare enables better supports for our clients, provides valuable tools to support front line staff, enables back-office operating efficiencies, and provides a business intelligence platform to guide future service and business decisions.

KKCS's future strategy includes the launch and support of higher-tier clinical services across aged care, disability, and youth services. As such Clinical Governance will become even more important. In response KKCS increased our clinical staff (e.g. Registered Nurses) by 29% in FY2022.

KKCS completed five major audits across the organization with zero occasions of non-compliances. This reflects KKCS ongoing focus and diligence regarding corporate governance.

Corporate Governance and Strategy

Reflecting the ongoing and profound changes in the service sectors KKCS supports, the KKCS Board and Management Team undertook a comprehensive strategic review in FY2022 and developed a refreshed KKCS Strategy that will guide the organisation from 2022 to 2027.

Community Services and Supports

KKCS' Vision and Core Mission remains focused solely on supporting people in our communities that are experiencing vulnerability and/or disadvantage.

The ongoing Covid pandemic had a major impact on the community members we support. Demand for supports and services offered at The Centre @ Kurri Kurri grew rapidly in FY2022 due to job and income loss, homelessness, increasing drug and alcohol dependency, and resulting family crisis. The Centre @ Kurri Kurri directly supported over 2,500 community members and young people in FY2022. This included a number of new programs like our Health Liaison Nursing and Student Behaviour Strategy programs that were established in FY2022.

Hunter Community Services Aged Care Services was particularly impacted in FY2022 as aged care service recipients are particularly vulnerable to Covid. Due to health orders, services such as Centre Based Respite were cancelled for much of FY2022. Despite the Covid challenges Hunter Community continued to deliver quality supports, and proudly achieve a 22% reduction in clients moving to residential aged care! This is “the” goal of the home care supports we provide and we are delighted to have such a positive impact on people’s lives.

Demand continues to grow in FY2022 for provision of the specialised supports and services to young people and their families by Kaimana Youth Services. Kaimana has developed an excellent reputation in the community and now supports 12 NSW Department of Communities and Justice Centres. Kaimana also launched 9 new innovative services to increase the young people we can support. Kaimana was also accredited to provide Voluntary Out of Home Care (VOOHC) in FY2022 and our first residential home will open in FY2023.

Kawa Allied Health and Wellness and Kawa Disability Services continues to grow to meet community demand. Kawa opened a new clinical location in Broadmeadow to support Newcastle based clients. Kawa also saw significant growth in private business (e.g. not aged care or disability service funded) across our four major allied health service offerings. Kawa Disability Services also continued to grow in FY2022 – both Coordination of Supports (COS) and provision of Direct Supports.

Commercial Services

KKCS’ Commercial Services businesses continued to grow and diversify in FY2022 as Odyssey Builders and Hunter Commercial Services partnered to offer a much more comprehensive facility management service offering – under either brand. This resulting in both business units being offered additional work by our existing clients. More so, this resulted in the acquisition of several major new clients including Snowy Hydro, NSW Department of Planning and Environment, and NSW Primary Health Network.

Odyssey Builders completed over \$2.8m in accessible home modifications in FY2022 – enabling hundreds of aging Australians and people with disability to continue to live safely and comfortably in their own homes. Hunter Commercial provided ongoing employment and professional development for over 130 crew members in 2022 – with a number of crew members moving on to open employment opportunities.

FY2022 was also a year of preparation for future growth for Odyssey and Hunter Commercial. Through KKCS’ Business Development team, relationships have been established with a number of major Government and NGO potential clients. Several significant tenders have been submitted for facility management services, which we are cautiously optimistic that will deliver further growth opportunities in FY2023.

Looking Ahead

KKCS’ focus in 2023 will be on four major areas:

Aged Care Reforms: The Federal Government has announced the planned merger of the Commonwealth Home Support Program (CHSP) and Home Care Package Program (HCP) into the new Support at Home Program will be delayed until July 2024. KKCS will take this opportunity to actively consult with all related parties to ensure the Support at Home program meets the needs of our local community. KKCS will also continue to prepare to migrate to the new program to ensure a seamless transition for our clients.

Well Controlled Growth and Diversification: KKCS will remain focused on our core Vision and Mission – supporting our communities with accessible and quality supports and services. Our growth initiatives will be solely focused on increasing the positive impact we have upon people experiencing disadvantage and/or vulnerability in the communities we serve. This will include a controlled geographic expansion to support other communities in New South Wales that lack the quality supports and services they deserve.

Refreshed Operating Model(s): The Covid pandemic, global geo-political events, local economic challenges, and funding limitations have created a very challenging environment for not-for-profit, charitable organisations like KKCS. In FY2023 we will be focusing on optimising our operating models across all KKCS businesses to ensure we can direct more resources to front line service delivery while ensuring a sustainable business model that can weather the current and well as any new economic challenges.

Governance & Risk Management: We envision that KKCS will continue to roll out additional services to support our community – many of which will be more clinical in nature and inherently include higher levels of risk. The Board and Management Team will be focused on enhancing our corporate governance and risk management processes – including but not limited to clinical governance and work health and safety.

We look forward to a rewarding 2023.



Andrew Hughes - Chairman



Mike Coddinaton - CFO



KAWA
Disability
Services

A year in Review...

Home and individual support programs were impacted due to the Covid Pandemic and Public Health Order restrictions in place. However, our teams continued to deliver services to minimise direct impact to individuals. With our service modifications, our participants continued to receive their core direct supports.

Aligned with our ICT Strategy, we have implemented a new CRM platform, Allaycare which proves to meet our operating standards as well as NDIS standards with live data accessible.

What's planned for the next 12 months?

Partnering with Kaimana Youth Services, SIL NDIS registrations have been submitted by Kawa Disability Services and expecting confirmation to implement new services by commencement of FY 22, adding to our current portfolio of NDIS registrations.

With ongoing continual improvement initiatives and supporting our recruitment strategy, we will have participants on our Recruitment Panel supporting choice and control, as stronger voice whilst also creating stronger partnerships directly with our participants.

Interesting Facts & Figures for 2021/22



92

DIRECT SUPPORT SERVICES WEEKLY



iPads

DISTRIBUTED TO FRONTLINE STAFF



9% INCREASE IN... FUNDING



4,000 HOURS OF SERVICES



A year in Review...

Based on our Facility Management Services framework, Hunter Commercial Services has continued to provide our clients with specialised services such as Forensic, Routine and Enhanced COVID cleaning along with Commercial Grounds Maintenance, Test and Tag Services. Due to new contract acquisitions throughout the year, we have increased our team to over 140 crew across Hunter, Central Coast, Mid North Coast and Central West regions.

Partnering with our Clients and their meeting their ongoing needs of Facility Management Services we have developed job rotation programmes moving through different service deliverables, as given crew members more professional skills development opportunities and for some promotion to Team Leaders or Supervisors.

Aligned with the ICT Strategy, with the implementation of Alaycare, the new CRM system, it has provided strong operational efficiencies in online rostering, client scheduling, payroll and invoicing support.

What's planned for the next 12 months?

Continual professional development strategies will have all Supervisors gain Certificate 3 and 4 in Disability Support qualifications.

Strategic expansion with new contract acquisitions will support more employment for staff with disabilities, increase professional development opportunities and a greater geographic reach of services delivered.

Interesting Facts & Figures for 2021/22



7% INCREASE IN NEW DELIVERED FACILITY MANAGEMENT SERVICES



20% GROWTH IN TRAINING



5% GROWTH IN CONTRACT ACQUISITION



6% GROWTH IN EQUIPMENT ACQUISITION



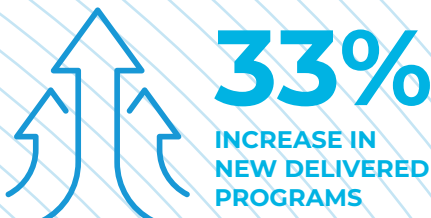
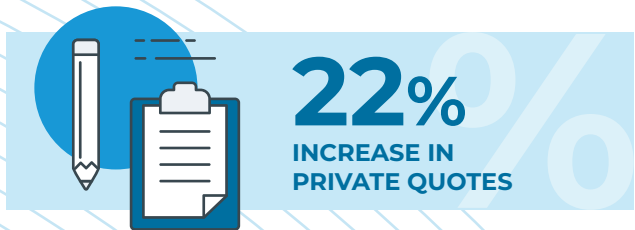
ODYSSEY BUILDERS

A year in Review...

Odyssey Builders saw minimal impacts to home modification services due to Covid Pandemic with our funding partners of CHSP, HCP, NDIS, SASH, Veterans Affairs throughout NSW within the aged and disability sectors - safety in consumers' homes is essential and paramount. Additionally, Odyssey Builders completed commercial facility management services for Government Agencies thus expanding its operations from fully funded home modifications.

Odyssey Builders has restructured its management framework including the recruitment of specialist Project Managers, Estimators, and experienced licenced tradesmen to strengthen the commercial and client service and building excellence.

Interesting Facts & Figures for 2021/22



What's planned for next 12 months?

As an approved NSW State approved funder, 2022/23 will see a continuation of the current strategy of providing home modification works to clients funded by CHSP, NDIS, SASH, Veterans Affairs within the aged and disability sectors.

The current CHSP funding arrangements will transition to the new Federal Government Support at Home package from July 2024 as the Government continues to consult with clients, providers and health specialists over the remainder of 2022. Odyssey Builders will continue to work with the Government on the proposed changes and will continue to focus on its current strategy of providing excellence and span of support for home modification works during 2022/23 supplemented by private and commercial client construction and facilities management works

Odyssey Builders will also continue to complete private and commercial construction, home modification and facilities management works in the forthcoming new financial Year.



HUNTER COMMUNITY SERVICES

A year in Review...

The Covid pandemic had a significant impact upon home care services delivered by Hunter Community Services with large increase of both staff and consumers impacted by the effects of the Covid virus.

However responsive service reviews enabled a solid continuation of services to support our aged consumers resulting in increased consumer confidence, as we identified with vulnerable people, they were generally more anxious and not leaving their homes for external services nor receive services within their homes.

Whilst some face-to-face services were marginally impacted initially such as Centre Respite programs within the first half of year, wellbeing checks were conducted, and welfare packs of essential goods delivered to their homes during various lockdowns or when consumers had contracted the Covid virus. This gained significant positive feedback from consumers as identifiable measures resulted in our consumers feeling less lonely but safe, demonstrating this modest task reaped great benefits to the wellbeing of our consumers.

With the new Covid world we support our communities, it also has resulted in industry wide ongoing staff shortages creating challenging results due to the Pandemic. Hunter Community services has developed innovative initiatives as part of our recruitment strategies resulting in increased staff acquisition to the team including our Registered Nurses being Clinical Educators to our front line staff thus strengthening our clinical quality standards. Forming part of our ICT strategy we have implemented the transition to our CRM system with Allyacare and rolled out iPads for all staff, resulting in greater service productivity.

Interesting Facts & Figures for 2021/22



800,000
KILOMETRES
TRAVELLED TO
DELIVER
HOME SUPPORT
PROGRAMS



29%
INCREASE IN
REGISTERED
NURSES



TWENTY TWO%
REDUCTION IN CONSUMERS BEING
ADMITTED TO RESIDENTIAL CARE



700%
GROWTH IN
GOODS &
EQUIPMENT

40% INCREASE IN
STAFF TRAINING



50 iPads
DISTRIBUTED TO
FRONTLINE STAFF

What's planned for the next 12 months?

With the sector reform initiated by the federal government on Commonwealth Support Home Program (CHSP), to a new service model "Support At Home Program" (SHP) - implementation is delayed till July 2024. Hunter Community Services is undergoing strategic reviews planning of service types in preparation to meet the ongoing evolutionary changing demands of consumers and with the transition to the new SHP service model in 2024.

Supporting our ICT Strategy and identifying new services to support consumers and their families real time, a new service The Family Portal will be rolled out by Q1 of 2023.

Obtaining Infrastructure Grants, we will commence refurbishment our Centre based area at The Centre, enabling our programs to meet the individual needs of consumers.



KAWA
Allied Health &
Wellness Centre

A year in Review...

Through a turbulent year with Covid impacts across the Sector, as an essential service supporting the community, our team continued to provide Allied Health services on behalf of our funding partners CHSP, HCP, NDIS, iCare, DVA and to new private clients.

With robust service practices implemented, we identified significant increases in referrals as we delivered therapy sessions outside and via Teletherapy. Key health programs such as Kick Start were delivered by Zoom, with great participation success. Due to demand and as Covid restrictions eased, new essential health programs were developed such as Hydrotherapy, Paediatric and Speech Pathology, Falls Prevention, Meal-time Management and health education Services.

Additional increases in services delivered were identified with our private/walk in appointments based on Medicare and Health insurance referrals at our Clinical Centres located in Broadmeadow and Kurri Kurri.

Interesting Facts & Figures for 2021/22

56% GROWTH IN
CSHP CLIENTS



1536
ALLIED HEALTH
CLIENTS WERE
PROVIDED SERVICES

13.4% GROWTH IN
PHYSIOTHERAPY
REFERRALS



What's planned for the next 12 months?

Services, we have increased Early Intervention NDIS registrations which are aligned to our core service offerings.

The new registrations will increase our "Support at Home" programs enabling Kawa Allied Health to continue to be consumer's preferred Allied Health Provider.



280% INCREASE IN
SPEECH PATHOLOGY
REFERRALS



A year in Review...

Kaimana Youth Services continues to provide a wide range of specialised youth services for children and young people, from newborn to eighteen years of age.

During the Pandemic services were impacted however with careful service modifications to meet Covid safety in service deliverables Kaimana continued to support clients with the many programs including new cultural programs and the Friday Night Lights programs in partnership with PCYC; Police; legal aid and mental health providers.

We successfully gained accreditation for Voluntary Out of Home Care through Office of Children's Guardian and have scheduled specialised programs to commence September 2022.

What's planned for the next 12 months?

With high demand for current services operational and programming planning underway as we expand our local workforce of highly skilled youth support workers and mentors. We will be launching a technology-based profile mapping framework that matches mentors to the young people we support.

Development of holiday and sporting clinics is well underway, with Kaiman's "CAMP" scheduled to commence October 2022 with NSW/ACT Active Outdoor Kids. In addition to this, we currently have capacity, and are seeking, to undertake a Crisis Care accommodation unit and expand our services further into Regional NSW. We have also commenced the complex Application process for Statutory Out of Home Care (SOOHC) ready for submission October 2022 to the Office of Children's Guardian.

Interesting Facts & Figures for 2021/22



52%

INCREASE IN

MENTORS & YOUTH SUPPORT WORKERS



50%

EXPANSION OF REGIONAL NSW OFFICES

9 NEW SERVICES LAUNCHED



SUPPORTING 10 NEW DCJ CENTRES



**THE CENTRE
@ KURRI KURRI**

A year in Review...

Over the last 12 months, there has been many significant changes within our community due to the impact of Covid which impacted on how we deliver key services such as OOSH and Centre programs. Through innovative new ways of delivering these services we continued to support our community essential workers and community at large.

Additionally, The Centre's community-based programs had significant increase in demand which supported over 2,500 of our most vulnerable community members including delivery of customised essential goods and food items, in our home delivered Covid Packs comprising of Christmas Hampers, Back to School hampers.

Our Youth Services identified a continuation of counselling and health liaison programs via telehealth and Custody Support Training following a hiatus demand due to Covid.

Interesting Facts & Figures for 2021/22



20%
ENGAGEMENT/
SUPPORT TO FAMILIES
IN COMMUNITY

30%
INCREASE IN OOSH
ENROLMENTS



1,300+
CHILDREN & YOUNG
PEOPLE SUPPORTED
THROUGH PROGRAMS
PROVIDED



3,000+
IN ADVOCACY &
SUPPORT OCCASIONS
DELIVERED BY OUR
HEALTH LIAISON
NURSING TEAM

What's planned for the next 12 months?

New services have been developed to roll out in the next 12 months with the reintroduction of the Community Festival and a new literacy program developed with the Men's Shed.

Due to ongoing success of our Youth Services Health Liaison program, we have obtained additional funding to further commence continuation and expansion in the forthcoming new financial year, with services to include new programs in Counselling, Family Capacity Building and, Education & Skills Groups. Furthermore, scheduled is the reintroduction of the Cessnock Walks Kawuma – Domestic Violence Prevention Walk that holds significant outcomes to our community.



A year in Review...

Corporate Services teams continues to be the 'engine room' in support of all programs delivered within Kurri Kurri Community Services as whilst addressing ongoing Pandemic challenges which continued to impact clients, staff and services delivered. The teams supported the continued growth of the organisation, service diversification and continually surpassed the quality standards of all Funders and Regulators.

Key achievements supporting the organisation through a challenging year include:

Delivered against the organisations ICT Strategy to all business units, with implementation of a new HR & Payroll System, the CRM system Alyacare

Implemented financial system updates to support changes to Home Care Package claiming process

Continued attainment with 100% compliance on 5 major audits and spot checks

Successfully implemented KKCS Reconciliation Action Plan (RAP) endorsed by Reconciliation Australia and updated key policies and processes to support the ongoing plan

Executed the organisation 5-year Growth Strategy Plan and commenced implementation May onwards

Supported day programs with continual building improvements to the main Centre, established Kawa Disability Services across 3 sites (2 in Kurri Kurri and 1 in Broadmeadow)

Commenced purpose-built renovations to a residential home to support Kaimana Youth Services VOOHC programs

Commenced DA approvals and registration, to the OOSH facility to support increased referrals for Before/After Care and Vacation Care programs

With the Business Development team, implemented Phase 1 upgraded the Website, gained more business, commercial and community partnerships and increased marketing initiatives across business units

Commenced four new NDIS registrations supporting demand for increased services across Kawa Disability Services, Kaimana Youth Services and Corporate Services.

Interesting Facts & Figures for 2021/22



4 MAJOR NDIS REGISTRATION GROUPS APPROVED



21% INCREASE IN TOTAL KKCS STAFF



5 SPOT CHECK AUDITS BY GOVERNMENT AGENCIES WITH 100% CLEARANCE



44,000+ FINANCIAL TRANSACTIONS PROCESSED

5 MAJOR AUDITS COMPLETED... WITH 100% COMPLIANCE



Financial Results for the Financial Year 2021/22

	2022	2021	Change Year On Year
	\$	\$	\$
Revenue			
Government funding & donations	8,714,891	7,061,170	1,653,721
Fee for Service revenue	11,927,468	8,116,222	3,811,246
Interest revenue	22,150	43,375	(21,225)
Covid 19 Stimulus	940,614	2,086,573	(1,145,959)
Other Revenue	654,821	279,757	375,064
	22,259,944	17,587,097	4,672,847
Less: Expenses			
Advertising expense	45,145	21,655	(23,490)
Bad Debts	6,216	4,018	(2,198)
Depreciation and amortisation expense	557,326	435,656	(121,670)
Employee benefits expense	17,175,860	12,460,642	(4,715,218)
Home modification expenses	1,868,196	874,388	(993,808)
Materials and consumables used	247,342	440,377	193,035
Occupancy expense	333,977	266,313	(67,664)
Transport expense	263,702	363,906	100,204
Other expenses	2,590,934	2,046,920	(544,014)
	23,088,699	16,913,875	(6,174,824)
Profit / Loss before income tax expense	828,755	673,222	(1,501,977)
Other comprehensive income for the year	-	-	0
Total comprehensive income	-	-	0
Net Assets	4,203,138	5,031,893	828,755

Independent audit report to the members of Kurri Kurri Community Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Kurri Kurri Community Services Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements and the Responsible persons' declaration.

In our opinion, the accompanying financial report of the Company for the year ended 30 June 2022 is in accordance with the requirements of the Australian Charities and Not-for-profit Commission Act 2012 including:

- giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year then ended, and
- is prepared, in all material respects in accordance with the Australian Accounting Standards - Simplified Disclosures and the Australian Not-for-profit Commission Regulations 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Basis of Accounting

We draw attention to Note 3g of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Company in complying with the requirements of the Australian Charities and Not-for-profits Commission Act. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company. Our opinion is not modified in respect of this matter.

Covid 19 pandemic

We draw attention to Note 1g to the financial statements, which describes the uncertainties and possible effect on Kurri Kurri Community Services Limited arising from its management of the ongoing issues related to COVID-19. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report

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in accordance with Australian Accounting Standards - Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible persons.
- Conclude on the appropriateness of the responsible persons' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 report 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the responsible persons 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.

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We also provide the responsible persons with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the responsible persons, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reassurance Audit Services Pty Ltd

Reassurance Audit Services Pty Ltd

Mark Walmsley

Mark Walmsley

Director

Stockton, NSW, 18 October 2022

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Auditor's independence declaration to the responsible persons of Kurri Kurri Community Services Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Reassurance Audit Services Pty Ltd

Reassurance Audit Services Pty Ltd

Mark Walmsley

Mark Walmsley

Director

Stockton, NSW, 11 October 2022

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ANNUAL REPORT 2021/22



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