



**ATCA**

**AUSTRALASIAN  
THERAPEUTIC  
COMMUNITIES  
ASSOCIATION**

**Annual Report  
2021-2022**

# Executive Officer's Report

Vanessa Dumbrell, ATCA Executive Officer

It has been another challenging year, with changing restrictions and the ongoing management of COVID. Again, I have been inspired by the determination and hard work of the ATCA membership, who have continued to provide much needed services to residents of Therapeutic Communities (TC) and Residential Rehabilitation facilities. This year the ATCA continued to provide support to our 35 members. Some of our activities were the release of the 2022-2025 Strategic Plan, the launch of a new website, and increasing ATCA TC Training opportunities.

This year our members have continued to open new services. The Odyssey House Victoria Hope Centre in Lucknow officially opened on 27 April 2022. The 300 square metre purpose-built facility includes 29 double rooms, with a capacity of 58-beds, courtyards, group training rooms, a recreation room, and dining room and operates as a therapeutic community.

On 15 February 2022, Windana officially opened a new 30 bed rehabilitation centre in Corio, for residents across Geelong and the Barwon region. It is designed to create a welcoming and healing atmosphere for individuals and their loved ones, the facility provides a structured therapeutic and home-like environment where people experiencing addiction can develop coping skills and address underlying issues to overcome their alcohol and other drug use.

Other members have developed exciting new and innovative programs. An example of this is Hope Springs Therapeutic Community in Western Australia, who are inspiring residents with a unique woodworking program. Using donated timber from the damaged Carnarvon One Mile Jetty, residents are learning to create furniture and sculptures. This program provides practical hands-on skills, promotes teamwork, and encourages residents to develop patience, planning skills, maths skills, problem solving and mindfulness.

Yaandina at Turner River Rehabilitation Centre have incorporated a Throughcare Model of treatment into their program. This includes a community support pre and post residential treatment, and a detoxification service in a four-bed low to no medical withdrawal unit. New components of the program centre on culturally secure practice. An Elder's Yarning group has been introduced to the program which is facilitated by traditional owners the Kariyarra people of the land where the facility is located. This provides an opportunity to share knowledge, culture, history, and foster connection to country.

These are just some examples of the inspiring achievements of our membership. I am sure there are many more, so please keep sending me pictures and stories so that I can share them with the membership.

The ATCA continues to see its role to ensure best quality service delivery is provided by our members. The ATCA has focused on improving accessibility to obtaining the ATCA Standard. To achieve this the ATCA has built on the work started in 2002 and signed a Deed of Agreement with QIP and developed a joint accreditation package. This year QIP have developed the TC Module and ATCA has worked with them in training assessors in the lead up to the launch.

TC Training continues to be a focus for the ATCA. As restrictions have eased across the country, we have been able to train more of the TC Workforce, and with the support of the Department of Health and Aging we are developing some further Training resources, specifically for the TC Workforce.

I would like to thank Gerard Byrne for his support as Chair, and Mark Ferry for his support as Treasurer. I would also like to thank the ATCA board for their guidance this year.

Regards,

Vanessa Dumbrell  
Executive Officer  
Australasian Therapeutic Communities Association

18 November 2022

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## Chair's Report

Gerard Byrne, ATCA Chair

This year has been another year with challenges for the membership of ATCA, which by and large we have all risen to meet. The impact of the COVID Pandemic on our residents, staff and services cannot be underestimated and the way that we have worked hard to continue to provide our services also cannot be underestimated.

I would like to acknowledge your excellent efforts and to congratulate and thank you all for the work you do every day.

It has been a busy year the ATCA, which has seen the release of the 2022-2025 ATCA Strategic Plan, the launch of our new website, a refresh of our social media and very importantly the reintroduction of the ATCA TC Training events.

The Strategic Plan was completed in June 2022. To ensure the plan accurately reflected the collective views and interests of our membership, the ATCA contracted an external consultant to undertake extensive stakeholder consultations. This involved a membership survey, which included past and present members, and several online workshops with the ATCA Board.

The plan defines the ATCA as an organisation that represents the collective views and interests of not-for-profit organisations providing alcohol and other drugs treatment using the Therapeutic Community (TC) model and includes those operating as Residential Rehabilitation Services, seeking to become TC's.

The Plan sets an aspirational vision to have the Therapeutic Community model of treatment further recognised and embraced by consumers, communities, and governments. The ATCA mission is "to support and represent our members and advocate for the Therapeutic Community model as an evidence-based model that restores a sense of wellbeing for consumers of our member's services".

The ATCA launched the new website on 3 June 2022. The new website contains information on the ATCA's activities, member's services, the Standard, and accreditation and includes the new ATCA logo and brand refresh. I hope members are more easily able to navigate this website and access the information that they need.

The ATCA has renewed its focus on training and promotional activities. The ATCA TC Training contributes to strengthening the TC workforce, allowing participants to strengthen their skills and knowledge in TC theory and evidence-based practice. The ATCA TC Training package is currently under review, and we are researching additional training packages that may be able to be implemented to upskill member's staff. More information will be provided to members in the coming year.

On behalf of the ATCA Board, I would like to express gratitude to the Australian Government Department of Health and Aged Care for the ongoing financial support of the Association.

The ATCA remains concerned about the financial impacts currently being experienced and are aware that many of our members are feeling financial pressure due to these impacts. The ATCA continues to engage with the Minister for Health and Aged Care and the Australian Government Department of Health and Aged Care to raise this most critical of matters. The ATCA will continue to keep you updated on this important advocacy.

Thank you again for your continued support and membership of the Association.

Kind Regards,

Gerard Byrne  
ATCA Chair Board of Directors  
Australasian Therapeutic Communities Association

18 November 2022

## Treasurer's Report

Mark Ferry, ATCA Treasurer

It is my pleasure to present to the membership of the Australasian Therapeutic Communities Association (ATCA) the Annual Treasurer's report for the financial year 2021-2022.

As a Peak Body for Therapeutic Communities located in New Zealand and Australia ATCA exists to support its members and to promote the therapeutic community model of treatment.

**The Constitution of the Association states, in Clause 10.3; Sub-clause (b): Subject to the requirements of the Act, the ordinary business of the annual general meeting shall be: to receive from the Board reports upon the transactions of the Association during the last preceding financial year.**

In compliance with this Clause and Sub-clause, I present the 2021-2022 Annual Financial Audit Report.

Further to the report I would like to note that the Association has maintained and strengthened its financial viability during the past financial year.

This has been achieved by ongoing funding from the Commonwealth Department of Health, as Treasurer and on behalf of the Board of Directors and membership, I would like to extend our appreciation of the ongoing support provided by the Commonwealth Department of Health.

The Association, at the time of the annual audit, had net assets of \$180,452.00 without liability.

I would like to acknowledge the efforts of Vanessa Dumbrell and Gerard Byrne, for their commitment to their roles in the last financial year.

Mark Ferry  
Treasurer  
Australasian Therapeutic Communities Association

18 November 2022

# Financial Report

For the year ended 30 June 2022

**GREGORY & McCARTHY**

**ABN 60 627 608 744**



**DJ GARLAND BCom(Acc)**  
**PH TWOHILL BEc CA**

**Consultant**  
**A W McCARTHY OAM BCom, FCA**

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**Australasian Therapeutic Communities Association**

**ABN 41 893 350 365**

**Financial Statements**  
**For the year ended 30 June 2022**

# Report of the Board

For the year ended 30 June 2022

Your board members submit the financial accounts of the Australasian Therapeutic Communities Association for the financial year ended 30 June 2022.

## Board Members

The names of board members at the date of this report are:

- Gerard Byrne
- Mark Ferry
- Carol Daws
- Eric Allan
- Bernice Smith
- Jenny Boyle
- Joe Coyte

## Principal Activities

The principal activities of the association during the financial year were: to support, represent and advocate for programs that restore a sense of self, hope and belonging through the use of the Therapeutic Community model of treatment for persons affected by drug conditions and substance dependency.

## Significant Changes

No significant change in the nature of these activities occurred during the year.

## Operating Result

The profit from ordinary activities after providing for income tax amounted to

	Year ended 30 June 2022	Year ended 30 June 2021
	\$	\$
	89,791	25,903

Signed in accordance with a resolution of the Members of the Board

Gerard Byrne

Mark Ferry

18 November, 2022

## Detailed Profit and Loss Statement

For the year ended 30 June 2022

	2022	2021
	\$	\$
<b>Income</b>		
Other Income	34	51
Members' Dues	55,258	54,805
DoH Secretariat	114,347	113,103
TC Training	105,582	24,000
Grant - TC Feasibility Study	-	20,000
<b>Total income</b>	<b>275,221</b>	<b>211,959</b>

## Detailed Profit and Loss Statement (continued)

For the year ended 30 June 2021

	2022	2021
	\$	\$
<b>Expenses</b>		
Bookkeeping	3,030	3,997
Bank Charges	539	274
<b>Board Expenses</b>		
Board and Meeting Costs	-	669
Per Diem	678	-
	678	669
Contractors/Consultant	1,270	6,540
Insurance	4,899	5,918
Office Expenses	445	1,048
Printing & Stationery	447	409
Professional Fees	7,400	7,900
Provision Annual Leave	-	5,647
Provision for Long Service Leave	1,369	1,369
Public Relations	-	12,392
Salaries	82,097	86,917
Subscriptions	6,488	6,902
Superannuation	8,210	8,257
Telephone & Teleconference	974	1,340
IT & Website Expenses	11,101	10,687
TC Training	56,482	25,790
<b>Total expenses</b>	<b>185,429</b>	<b>186,055</b>
<b>Profit from ordinary activities before income tax</b>	<b>89,791</b>	<b>25,903</b>
Income tax revenue relating to ordinary activities	-	-
<b>Net profit attributable to the association</b>	<b>89,791</b>	<b>25,903</b>
<b>Total changes in equity of the association</b>	<b>89,791</b>	<b>25,903</b>
Opening retained profits	90,661	64,757
Net profit attributable to the association	89,791	25,903
<b>Closing retained profits</b>	<b>180,452</b>	<b>90,661</b>

## Detailed Statement of Financial Position

as at 30 June 2022

	Note	2022 \$	2021 \$
<b>Current Assets</b>			
<b>Cash Assets</b>			
Cash at Bank - Westpac trading accounts		81,062	20,807
Westpac Account 194364		61	1,176
Maxi - Management		44,503	25,494
Maxi Account		118,857	60,832
Cash on Hand		-	48
		244,483	108,359
<b>Receivables</b>			
Trade Debtors		19,800	-
		19,800	-
<b>Other</b>			
Prepayments		1,214	-
		1,214	-
<b>Total Current Assets</b>		<b>265,497</b>	<b>108,359</b>
<b>Non-Current Assets</b>			
<b>Property, Plant and Equipment</b>			
Plant & Equipment		5,721	5,721
Less: Accumulated Depreciation		(5,721)	(5,721)
		-	-
<b>Total Non-Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>265,497</b>	<b>108,359</b>

## Detailed Statement of Financial Position (continued)

as at 30 June 2022

	Note	2022 \$	2021 \$
<b>Current Liabilities</b>			
<b>Payables</b>			
<b>Unsecured:</b>			
Sundry Creditors		-	6,600
Superannuation Payable		2,210	2,100
Novated Lease Payable		1,563	1,169
		3,773	9,869
<b>Current Tax Liabilities</b>			
GST Holding Account		5,032	(2,016)
GST Adjustments		(601)	(601)
ATO Integrated Client Account		4,630	-
GST on debtors		1,800	-
PAYG Withholding		3,276	3,430
		14,137	813
<b>Provisions</b>			
Provision for Annual Leave		5,647	5,647
		5,647	5,647
<b>Other</b>			
Unearned Grant - DoH Secretariat		58,750	-
		58,750	-
<b>Total Current Liabilities</b>		<b>82,308</b>	<b>16,329</b>
<b>Non-Current Liabilities</b>			
<b>Other</b>			
Provision for Long Service Leave		2,738	1,369
		2,738	1,369
<b>Total Non-Current Liabilities</b>		<b>2,738</b>	<b>1,369</b>
<b>Total Liabilities</b>		<b>85,045</b>	<b>17,698</b>
<b>Net Assets</b>		<b>180,452</b>	<b>90,661</b>
<b>Members' Funds</b>			
Accumulated surplus (deficit)		180,452	90,661
<b>Total Members' Funds</b>		<b>180,452</b>	<b>90,661</b>

# Statement of Cash Flows

For the year ended 30 June 2022

	2022 \$	2021 \$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	255,421	266,923
Payments to Suppliers and employees	(119,296)	(213,903)
Net cash provided by (used in) operating activities (note 2)	136,125	53,020
Net increase (decrease) in cash held	136,125	53,020
Cash at the beginning of the year	108,359	55,339
Cash at the end of the year (note 1)	<b>244,483</b>	<b>108,359</b>

## Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at Bank - Westpac trading accounts	81,062	20,807
Westpac Account 194364	61	1,176
Maxi - Management	44,503	25,494
Maxi Account	118,857	60,832
Cash on Hand	-	48
	<b>244,483</b>	<b>108,359</b>

## Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	89,791	25,903
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(19,800)	54,964
(Increase) decrease in prepayments	(1,214)	-
Increase (decrease) in trade creditors and accruals	(6,096)	(16,343)
Increase (decrease) in other creditors	58,750	-
Increase (decrease) in sundry provisions	14,693	(11,504)
<b>Net cash provided by operating activities</b>	<b>136,125</b>	<b>53,020</b>

# Notes to the Financial Statements

For the year ended 30 June 2022

## Note 1: Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act of Victoria. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

### a. Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

### b. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

### c. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

### e. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established..

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

All revenue is stated net of the amount of goods and services tax (GST).

### f. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

### g. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.



## Statement by Members of the Committee

For the year ended 30 June 2022

The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note I to the financial statements.

In the opinion of the Committee the Income and Expenditure Statement, Statement of Financial Position, and Notes to the Financial Statements:

1. Presents fairly the financial position of Australasian Therapeutic Communities Association as at 30 June 2022 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Gerard Byrne  
President



Mark Ferry  
Treasurer

10 November, 2022

## Independent Auditor's Report

Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Australasian Therapeutic Communities Association (the association), which comprises the Statement by Members of the Committee, the Income and Expenditure Statement, Balance Sheet as at 30 June 2022, a summary of significant accounting policies and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 30 June 2022 and (of its financial performance for the year then ended in accordance with the accounting policies described in Note I to the financial statements and the requirements of the Associations Incorporation Reform Act 2012).

### 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 association in accordance with 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 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 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Reform Act 2012 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association'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 the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.



# Independent Auditor's Report (continued)

## Report on the Audit of the Financial Report

### 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 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 association'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 association 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 committee 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.

Signed on 10 November, 2022



Paul H Twohill,  
Gregory & McCarthy  
75 Lead Street Yass NSW



# Audit Letter to the Board

10 November 2022

The Board  
Australasian Therapeutic Communities Association  
PO Box 6014  
O'CONNOR ACT 2602

Dear Members of the Board,

We have completed our audit of the financial statements for the year ended 30 June 2022 and set out below matters for the attention of the Board.

## Operating Results for the Year

The Association reported a profit for the year of \$89,791. A summary of the results for the year with comparison to the previous two years is as follows:

	2022	2021	2020
DoH Secretariat	114,347	113,103	113,103
Grant TC Feasibility	-	20,000	-
Membership	55,258	54,805	58,105
Member Contributions - Video Project	-	-	23,600
Other income	34	51	78
	169,639	187,959	194,886
Employee costs including superannuation	90,307	95,174	119,534
Employee Leave Provisions	1,369	7,016	(10,645)
Public Relations	-	12,392	36,951
Other Operating Expenses	37,272	45,684	53,923
	128,948	160,266	199,763
Net Profit/(loss) before			
TC Training and Conference/Symposium	40,691	27,693	(4,877)
TC Training income	105,582	24,000	89,381
TC Training expenditure	56,482	25,790	54,898
Net profit/(loss) from TC Training	49,100	(1,790)	34,483
Conference/Symposium income	-	-	76,804
Conference/Symposium expenditure	-	-	86,082
Net profit/(loss) from Conference/Symposium	-	-	(9,278)
<b>OPERATING PROFIT/(LOSS)</b>	<b>89,791</b>	<b>25,903</b>	<b>20,328</b>
Covid-19 Australian Government Support			38,064
<b>TOTAL PROFIT/(LOSS)</b>	<b>89,791</b>	<b>25,903</b>	<b>58,392</b>

# Audit Letter to the Board (continued)

## Commentary on the Operating Results

We note the following matters in relation to the operating results:

- ATCA remains dependant on the Commonwealth Government Grant as the primary source of operational funding. We understand the current funding agreement ceases at the end of June 2023. We recommend that steps are taken to secure funding for 2023/24 and future years.
- TC Training has contributed a profit in the current year with the ability to run an increased number of events following the easing of COVID-19 related restrictions. Cost control measures such as utilising local trainers and producing course materials on site has also contributed to the profit.

## Grant Agreement 2021-22 Variation

A variation was agreed with the Commonwealth for additional funding of \$58,750 excluding GST for the 2021-22 year. This additional funding was received on 21 June 2022 and has been recorded in the financial statements under current liabilities as unearned. This accounting treatment means that the income has been deferred and will be recorded in the profit and loss account in 2022/23 to match with the related expenditure. Planning will be required for the expenditure of this additional grant money and its acquittal.

## Debtors

The current process is that invoices are raised manually outside Xero. This resulted in some unpaid invoices relating to the provision of TC Training not being recorded in Xero at 30 June. We recorded an adjustment in the financial statements to record additional income of \$18,000 and the corresponding debtor of \$19,800 inclusive of GST. We recommend that all invoices be raised and managed within Xero to ensure all income is accurately captured and unpaid invoices are easily tracked.

## Management Fee

The Xero accounting records included a Management Fee that was reallocated from the operational funding to management funding as approved by ATCA's Finance Committee. The financial statements do not show this management fee as it is purely an internal reassignment of funds and does not actually represent a source of income or expenditure.

## General

We would like to thank Vanessa Dumbrell and Jennifer Lang for their assistance during our audit.

Yours faithfully,  
**GREGORY & McCARTHY**



PH Twohill

# Audit Letter of Engagement

10 November, 2022

The Board  
Australasian Therapeutic Communities Association  
PO Box 464  
YASS NSW 2582

Dear Committee Members,

## Scope

You have requested that we audit the special purpose financial report of the Australasian Therapeutic Communities Association (the Association) for the year ending 30 June 2022. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to Australian Accounting Standards and the Associations Incorporation Act of Victoria 2012 with the objective of expressing an opinion on the financial report.

## Audit of End of Financial Year Financial Statements (financial report)

We will conduct our audit of the financial statements at the end of the financial year in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures will include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures will be undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting standards and other mandatory professional reporting requirements and relevant statutory and other requirements so as to present a view which is consistent with our understanding of the Association's financial position and the results of its operations.

The work undertaken by us to form an opinion involves judgment, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include the use of testing, the inherent limitations of any internal control structure, the possibility of collusion and the fact that most audit evidence is persuasive rather than conclusive. As a result, our audit can only provide reasonable - not absolute - assurance that the financial report is free of material misstatement.

In addition to our report on the financial report, we expect to provide you with a separate letter concerning any material weaknesses in the internal control structure that come to our notice.

We remind you that the responsibility for the financial report, including adequate disclosure, is that of the governing body of the Association. This includes the maintenance of adequate accounting records and internal control structure, the selection and application of accounting policies, and the safeguarding of the assets of the Association. As part of our audit process, we will request written confirmation concerning representations made to us in connection with the audit.

# Audit Letter of Engagement (continued)

## Quality Control

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent. Our audit files may, however, be subject to review as part of the quality control review program of The Institute of Chartered Accountants in Australia and New Zealand which monitors compliance with professional standards by its members. Should this occur, we would advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

## Fees

Our fees for the preparation and audit of the annual financial report will be advised separately each year.

## Other

This letter will be effective for future years unless it is terminated, amended or superseded.

Yours faithfully,

**GREGORY & McCARTHY**  
Chartered Accountants



Accepted on behalf of the Board:



Gerard Byrne



Mark Ferry

# Audit Letter of Representation

Australasian Therapeutic  
Communities Association  
PO Box 464  
Y ASS NSW 2582  
10 November, 2022

Gregory & McCarthy  
75 Lead Street  
Yass NSW 2582

Dear Sirs

## Letter of Representation

This representation letter is provided in connection with your audit of the financial report of Australasian Therapeutic Communities Association (the Association) for the year ended 30 June 2022, for the purpose of you expressing an opinion as to whether the financial report, in all material respects, presents fairly the Association's financial position as at 30 June 2022 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Act of Victoria.

We acknowledge our responsibility for ensuring that the financial report gives a true and fair view of the Association's financial position as a 30 June 2022 and of its performance for the year ended on that date.

We confirm that the financial report is free of material misstatements, including omissions.

1. We have made available to you:
  - a. all financial records and related data, other information, explanations and assistance necessary for the conduct of the review; and
  - b. minutes of all meetings of the Board.
2. There:
  - a. has been no fraud or suspected fraud, error or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure;
  - b. has been no fraud or suspected fraud, error or non-compliance with laws and regulations that could have a material effect on the financial report; and
  - c. have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
3. We are responsible for an adequate internal control structure to prevent and detect fraud and error and to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been recorded properly in the accounting records underlying the financial report.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
5. All material liabilities or contingent liabilities have been recorded and/or disclosed in the financial report.
6. There are no violations or possible violations of laws or regulations, the effects of which should be considered for disclosure in the financial report or as a basis for recording an expense.
7. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed nor has any asset been pledged as collateral.
8. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

# Audit Letter of Representation (continued)

9. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
10. No events have occurred subsequent to the balance sheet date through to the date of this letter that would require adjustment to, disclosure in, or severe impact on the financial report.
11. We confirm that all milestones required under government grants have been met.



Mark Ferry  
Treasurer



Vanessa Dumbrell  
Executive Officer



ATCA

AUSTRALASIAN  
THERAPEUTIC  
COMMUNITIES  
ASSOCIATION