



**Lynfield College**  
Report to the Board  
for the year ended 31 December 2025

2 June 2026

Presiding Member  
The Board  
Lynfield College  
191 White Swan Road  
Mt Roskill  
Auckland 1041

Dear Board

## **Report to the Board of Lynfield College for the year ended 31 December 2025**

In accordance with our normal practice, we include in the attached report all matters arising from our audit of the financial statements of Lynfield College ("the School") for the year ended 31 December 2025 which we consider appropriate for the attention of the Board. These matters have been discussed with management of the School and their comments have been included, where appropriate.

This report is intended for the Board only and should not be distributed further.

We would like to take this opportunity to extend our appreciation to management and staff for their assistance and cooperation during the course of our audit.

If you would like to discuss any matters raised in this report please do not hesitate to contact us.

Yours faithfully



Bruno Dente  
**Partner**  
**for Deloitte Limited**  
**On behalf of the Office of the Auditor General**

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## 1. Purpose of report and responsibility statement

This report has been prepared for the Board and is part of our ongoing discussions as auditor in accordance with our engagement letter dated 6 November 2024 and as required by the Office of the Auditor-General's requirements, which include the Auditor-General's auditing standards and New Zealand auditing standards.

This report is intended for the Board and should not be distributed further. We do not accept any responsibility for reliance that a third party might place on this report should they obtain a copy without our consent.

This report includes only those matters that have come to our attention as a result of performing our audit procedures and which we believe are appropriate to communicate to the Board. The ultimate responsibility for the preparation of the financial statements rests with the Board.

We are responsible for conducting an audit of Lynfield College ("the School") for the year ended 31 December 2025 in accordance with New Zealand auditing issued by the New Zealand Auditing and Assurance Standards Board and the Auditor-General's auditing standards. Our audit is performed pursuant to the requirements of the Public Audit Act 2001 and the Financial Reporting Act 2013, with the objective of forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Board. The audit of the financial statements does not relieve management or the Board of their responsibilities.

Our audit is not designed to provide assurance as to the overall effectiveness of the School's controls but we will provide you with any recommendations on controls that we might have identified during the course of our audit work.

## 2. Our audit report

We have not identified any unadjusted differences or omitted financial statement disclosures that could either individually or in aggregate have a significant effect on the financial statements.

Based on the current status of our audit work, we envisage issuing an unmodified audit report.

## 3. Areas of focus and audit findings

Our audit procedures were focused on those areas of the School's activities that are considered to represent the significant risk areas identified during the risk assessment process undertaken during the planning stage of our engagement.

The following table summarises the significant risks and other areas that we have focussed on during our audit.

Area of focus	Our response
<p><b>Fraud</b></p> <p>ISA (NZ) 240 <i>The auditor's responsibility to consider fraud in an audit of financial statements</i> requires us to presume there are risks of fraud in revenue recognition and in management's override of controls therefore this is a focus area for the audit.</p> <p>Management's override of controls is identified as a fraud risk because it represents those controls in which manipulation of the financial results could occur.</p> <p>The primary responsibility for the prevention and detection of fraud rests with the Board.</p>	<p>We gained an understanding of how the Board exercise oversight of management's processes for identifying and responding to the risks of fraud and the internal control that management has established to mitigate these risks.</p> <p>This involved:</p> <ul style="list-style-type: none"> <li>• Inquiries with management, the Board and others within the school, as appropriate, regarding their knowledge of any actual, suspected or alleged fraud affecting the school; and</li> <li>• Reviewing processes around journal entries, estimates and judgements and significant unusual business transactions.</li> </ul> <p>We completed a detailed assessment of the different revenue streams in the school, with consideration to fraud risk factors, and rebutted the presumed risk of fraud for revenue recognition.</p> <p>We did not identify any matters to report to the Board.</p> <p>We would also like to remind the Board that there is increasing risk of cyber-fraud and fraud through the misappropriation of funds. We have included in Appendix A observations from the Office of the Auditor-General ("OAG") on governing cyber security risks. Additionally, the Ministry of Education has provided guidance regarding cyber-safety and new funding streams which we encourage the School to consider.</p>
<p><b>Cyclical maintenance</b></p> <p>The provision for cyclical maintenance is a significant accounting estimate in school financial statements.</p> <p>An annual review of the provision for cyclical maintenance should be undertaken to ensure the provision is reasonable and reliable.</p>	<p>The Ministry of Education has appointed property consultants (Ministry Engaged Consultants (MEC's)) to work directly with schools to develop strategic property plans including the 10-year property plan outlining how funding will be spent and how the school estimate future costs for cyclical maintenance. As part of the cyclical maintenance testing, we have:</p> <ul style="list-style-type: none"> <li>• Obtained the 10-year property plan including the cyclical maintenance provision. Considered whether the provision has been appropriately reviewed annually by the board and that active consideration has been made to whether the costs are still a reasonable estimate;</li> <li>• Assessed whether the provision is consistent with our understanding of the school and if there are any changes at the school that could impact the plan and provision; and</li> <li>• Agreed the inputs into the provision calculation to ensure this has been recorded appropriately.</li> </ul> <p>No issues have been identified in this area.</p>

## Area of focus

### Office of the Auditor-General (“OAG”) audit brief matters

Being a public sector entity, we are required to perform specific work on behalf of the Auditor-General around areas such as sensitive expenditure and legislative compliance.

## Our response

In performing the audit we have:

- Ensured that policies are current and were appropriately authorised;
- Reviewed sensitive expenditure such as travel, entertainment and credit cards against supporting tax invoices, other documentation and relevant policies and approval guidelines;
- Reviewed Board and Principal remuneration against guidance and confirmations; and
- Assessed compliance with selected, specific legislation.

We would like to draw the attention of the Board to the recently updated guidance on sensitive expenditure included in Appendix A.

No issues identified.

## 4. Assessment of internal controls

Our audit approach requires us to obtain an understanding of an entity’s internal controls, sufficient to identify and assess the risks of material misstatement of the financial statements whether due to fraud or error.

We remind you that our audit is not designed to express an opinion on the effectiveness of the controls operating within the School, although we have reported to management any recommendations on controls that we identified during the course of our audit work. The matters being communicated are limited to those deficiencies that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported. Any of our recommendations for improvement should be assessed by you for their full commercial implications before they are implemented.

We have not identified any significant deficiencies in internal controls which would impact upon our ability to provide our opinion.

### 4.1 Segregation of duties

As is the case for most Schools, the number of people involved in the administration and accounting functions is very limited, meaning that there is an increased inherent risk that errors and omissions may occur and go undetected.

The number of people involved in the School’s administration and accounting functions also imposes limitations on the controls and processes Schools have in place to monitor and approve changes made to information technology (“IT”) systems responsible for processing transactions. These systems include but are not limited to the Edpay system, creditor processes and bank payment systems. The absence of controls to monitor and approve changes within these systems increases the risk of assets being misappropriated.

It is important that you are aware of these risks as it is your responsibility to ensure the School’s internal controls operate effectively and that the resultant financial statements are accurate. You should ensure that sufficient financial oversight is exercised by the Board or a delegated nominee on a regular basis to reduce the likelihood of error or omission to a level that the Board is comfortable with.

This oversight should include consideration of payment approval and bank authorisation monitoring. As a simple example, we encourage all Boards to specifically review the electronic banking system authorities and levels as part of their consideration of the delegated authority considerations. Our experience is that the frauds being perpetrated

arise in areas such as from changes to bank account details after invoice approval. The historical lack of oversight in this area should be specifically considered by the Board as part of its regular financial monitoring.

## 5. Summary of unadjusted differences

We have not identified any uncorrected misstatements that management believe could, either individually or in aggregate, have a material effect on the financial statements for the year ended 31 December 2025.

## 6. Summary of omitted disclosures assessed

We have not identified any disclosure deficiencies that have not been adjusted in the financial statements for the year ended 31 December 2025.

## 7. Other communications

The following matters relevant to our audit of the School for the year ended 31 December 2025 are communicated in accordance with the requirements of New Zealand auditing standards.

Matter to be communicated	Response
Written representations	A copy of the representation letter to be signed on behalf of the Board has been circulated separately.
Accounting policies and financial reporting	There were no changes in accounting policies during the year ended 31 December 2025.  We have not become aware of any significant qualitative aspects of the school's accounting practices, including judgements about accounting policies, accounting estimates and financial statement disclosures that need to be communicated to the Board, other than those already communicated in this report.
Related parties	No significant related party matters other than those reflected in the financial statements came to our attention that, in our professional judgement, need to be communicated to the Board.
Employee overpayment	Please note that overpayments to employees totalling \$36,566 have been identified on the EY Education Payroll Services report. Although this is below our determined materiality threshold, and therefore not reflected within the financial statements, we would like to draw the Boards' attention to this.

## Appendix A

### **Governing cyber security risks - Observations from the OAG**

Robust cyber security allows public organisations to provide services safely and reliably. It helps maintain trust in how the government handles and protects information. Governors need to spend enough time and engage the right expertise to properly understand cyber security risks and make sure their organisation is prepared to respond. In April 2025, the OAG published a guide to help governors support their organisations to reduce the gap between the amount of cyber security risk they are comfortable with and the amount of risk they currently face.

The report, which covers the following topics are accessible here: [Mind the gap: Governing cyber security risks](#)

- Good cyber governance;
- Understanding risk;
- Cyber security starts at the top; and
- Cyber security is never finished.

The guide also includes a list of resources to utilise, as well as a checklist for governors to inform their cyber security work.

### **Effectiveness, efficiency, waste and probity**

Good practice involves the establishment of policies and controls to ensure that relevant focus areas have been made transparent and are appropriate in all aspects. This includes that expenses have a justifiable business purpose; preserve impartiality; have been made with integrity; are moderate and conservative; have regard to the circumstances; have been made transparently; and are appropriate in all respects including being made with proper authority. A copy of these guides, including recently updated guidance on sensitive expenditure, are accessible here: [Good practice guides — Office of the Auditor-General New Zealand](#)



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