

Synectic Audit & Assurance

Internal Audit Services



Accountants. Auditors. Advisers.

You can count on us.

The Synectic advantage

You can count on us.

At Synectic, we do things a bit differently. Tasmanian owned and operated for over 40 years, we understand the real issues and triumphs in our region, because it's where we're from too. Whatever it is that's important to you, it will be important to us too.

Synectic is a Chartered Accounting and Advisory firm that brings together the skills of accountants, business advisers, consultants, auditors, financial advisers and self-managed superannuation specialists. Our specialists work together, with a full understanding of your needs. Whether you need all or one of our services, you can count on us.

We value the relationships we build with our people, clients and community and stand firmly on a foundation of core values which stand the test of time – excellence, objectivity, keeping it real, building relationships that last, and courage.

We invest heavily in our people and systems to provide a service second to none. We pride ourselves on being adaptable, efficient and responsive. Our three directors and 40 staff strive to meet your needs where, when and how you want.

Our knowledgeable staff will ensure you experience high professionalism, and will present you with reliable, flexible and collaborative solutions. Understanding you and your business is our focus.

Internal audit has evolved

An internal audit, based on a robust framework, is uniquely positioned to improve your organisation's operations and performance.

Internal audit is dynamic. Far from a tick-box function, it should be designed to add value to your organisation.

Independent and objective, internal audit can play a valuable role in assisting senior executives, managers, people charged with governance and audit committees to perform their duties. It can help you to accomplish your objectives by bringing a disciplined, risk-based approach to improving the effectiveness of corporate governance, risk management and internal control. It can also provide assurance to regulators and external auditors, showing them that appropriate controls and processes are in place and operating effectively.

What do Internal Auditors do?

Synectic's internal audit specialists focus on performance. We delve into the broader operations of your business, applying analytical minds to any aspect of your business activities. We adapt our approach to respond to your needs. Our exploration might include:

- > Adequacy of your internal processes, in the context of associated business risks
- > Your compliance with externally-imposed laws and regulations
- > Benchmarking against established best-practices

Why Synectic?

- > A locally owned and managed business, we take your work personally and understand the environment in which you operate.
- > You can rely on our highly qualified and experienced team.
- > Our breadth of exposure to different entities enables us to think strategically and apply our skills in diverse ways, to deliver pragmatic advice to your organisation.
- > You will receive a flexible and excellent value-for-money service thanks to our efficient firm structure, with low overheads.
- > Our established and proven audit methodology is supported by best-practice tools and technology.
- > Our diverse governance and management expertise means we understand the directors' role and their expectations of audit.
- > Our commitment to high levels of service is demonstrated by strong client loyalty.

Internal and External Audit - What's the Difference?

Internal audit is often confused with external audit, however, there are significant differences.

External audit focuses on the accuracy of the organisation's annual report and financial statements. Internal audit is a review of systems and operations based on the strategic needs of the organisation. It is forward-looking and can have a wide-reaching brief. Serving the organisation as a whole, it considers anything that might be important to the organisation's lasting success.

Internal audit aims to support and promote continuous improvement and help the organisation achieve its goals and objectives.

It is a pleasure to work with auditors who understand our business.

(Migrant Resource Centre North)

Who Needs Internal Audit?

Traditionally a compliance function relevant to large corporate and public sector entities, internal audit is now a highly adaptable, valuable tool for businesses of all types and sizes.

A contemporary internal audit can deliver a range of benefits, including:

- ✓ Helping you meet your organisation's objectives
- ✓ Identifying opportunities to improve efficiencies and reduce waste
- ✓ Promoting continuous improvement and innovation
- ✓ Facilitating better processes
- ✓ Benchmarking against recognised industry standards
- ✓ Reducing the opportunity for fraud and corruption
- ✓ Building a culture that values ethics and honesty
- ✓ Improved coverage of risks and controls
- ✓ Responding directly to the concerns and objectives of those charged with governance
- ✓ Providing more detailed insights into complex business activities to improve business performance

Our Approach

Three Lines Model

The 'three lines' model shows how the internal audit function fits into the overall governance and risk management framework of an organisation.

Three Lines Model



Internal audit provides the third line of defence for your organisation. Sitting outside the risk management processes of the first two lines of defence, its main roles are to ensure the first two lines are operating effectively and to advise how they could be improved.

An internal audit function is tasked by and reports to those charged with governance through the audit committee and/or senior management.

A critical aspect of our internal audit process is a good understanding of your operations, structure and business activities. While typically we use a risk-based approach, our audit methodology is tailored for each individual project.

Our Internal Audit Approach

At heart, our approach is guided by three principles.

1. Value for money
2. Rigour
3. Independence

We take internal audit seriously and have invested a lot of thought into establishing a technically sound and sensible approach. This includes an evaluation of:

- > Achievement of the organisation's strategic objectives
- > Reliability and integrity of financial and operational information
- > Effectiveness and efficiency of operations and programs
- > Safeguarding of assets
- > Compliance with laws, regulations, policies, procedures and contract

Our methodology has been developed with reference to the COSO publication, Internal Control – Integrated Framework. This authoritative guidance is internationally recognised as the leading reference on internal control. It forms the basis for the concepts of internal control embodied in both International Standards on Auditing (ISA) and Internal Standards for the Professional Practice of Internal Audits.

When we commence your internal audit, we work with the appropriate people (i.e., those charged with governance or your audit committee and

management) to ensure we are clear about your priorities and timeframes. We then develop a multi-year strategy, setting out the priorities and areas to be audited.

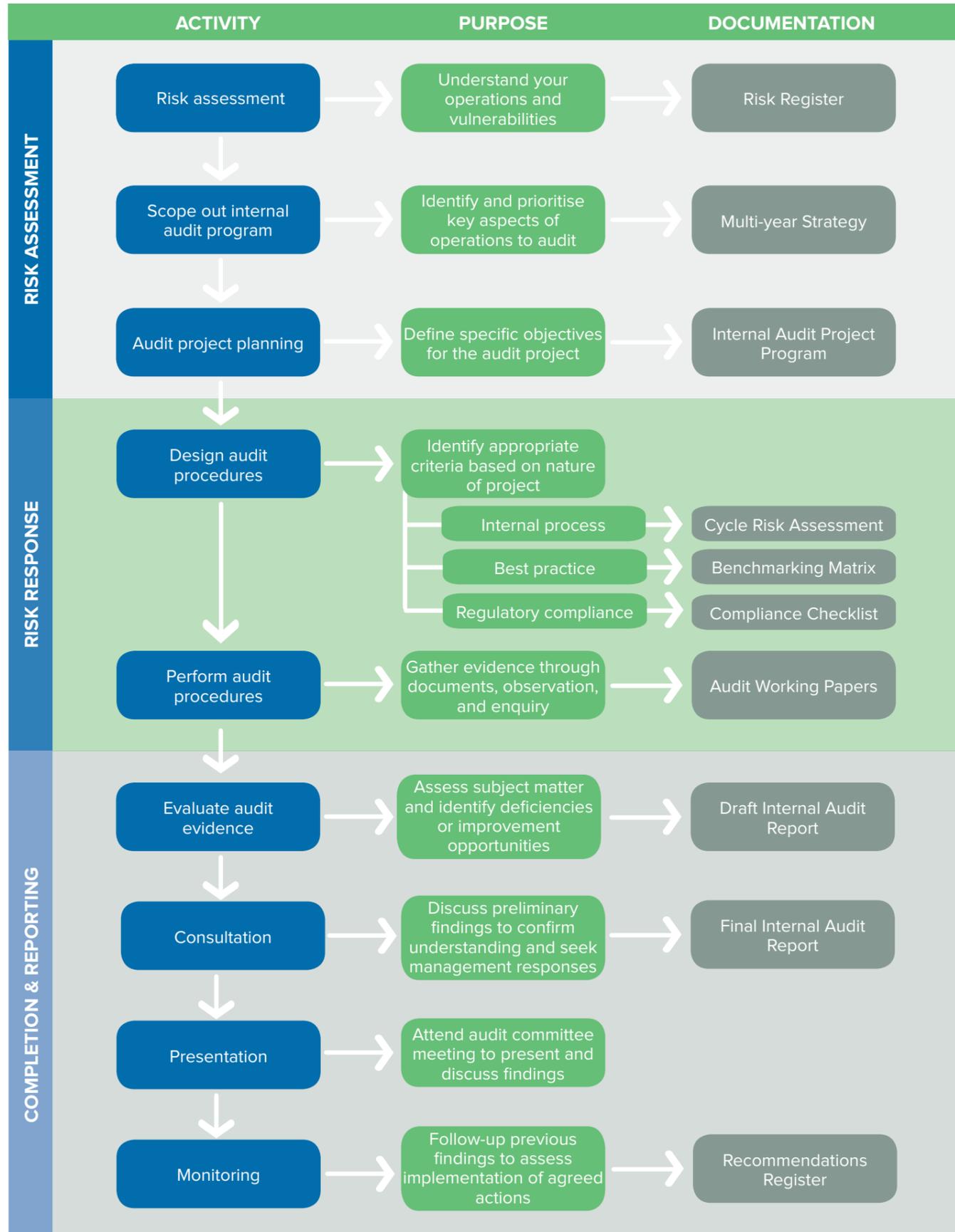
We liaise with your external auditor to ensure the areas align with their program and capture areas they believe are important. This prevents duplication of work between internal and external auditors and supports the two audit functions to jointly provide the best outcomes for you.

From the multi-year strategy, we develop an annual audit program at the commencement of each year. The annual program provides a more detailed scope and specific areas of focus for each project. The nature and extent of testing will be defined in an internal audit scoping document for each project. Before each audit commences, the agreed terms, scope and objective will be shared with the appropriate people for input and to confirm acceptance of the engagement, ensuring it remains appropriate and relevant.

We maintain regular communication with you to ensure our approach remains fluid and we continue to adapt to your needs.

The following page shows an indicative internal audit overview and the steps taken, with respect to the audit procedures we conduct. However, we adjust our approach for each project, ensuring both the process and final outcomes are suitable for all stakeholders.

Internal Audit Overview



Reporting

Clear and timely communication is critical to an effective internal audit and forms the foundation of our relationship with you.

We know businesses operate in extremely complex environments, so we give you pragmatic advice which makes the complex simple. This includes making sure documentation and recommendations are concise and practical. Our recommendations for improvement will be provided based around the four Es – efficiency, effectiveness, ethics and economy.

At the end of your project we provide an evaluation report, delivered to fit in with your meeting cycle. The report will include:

- > A description of work undertaken
- > Detailed findings in relation to each control gap or weakness identified
- > A rating of findings, by level of importance (critical, high, moderate or low)
- > Explanation of potential implications, along with recommendations for improvement
- > A status report summarising previous internal audit recommendations, including our assessment of management’s efforts at implementing improvements and our progress against the agreed annual internal audit program

A draft version of the evaluation report is first provided to management. This allows management time to clarify any factual errors or omissions and provide comments on the findings. Management is also involved in determining the risk rating of findings. Any agreed actions arising from management’s review are incorporated into the final report. In addition to evaluation reports, status reporting is provided on the progress of our work against the program, which will include the outcomes of audits and a register to track recommendations and implementation.

Any issues raised by the audit process are communicated to management in a helpful manner, along with suggestions that allow us to improve our systems.

(TasHerd Pty Ltd)

Our Expertise

Synectic Firm Profile

Synectic has offered confidence and stability to our clients as a firm of Chartered Accountants and business advisers for over 40 years; indeed, the firm traces its origins back to the 1930s. Proudly Tasmanian, we stand firmly on a foundation of core values – excellence, objectivity, keeping it real, building relationships which last, and courage – which stand the test of time.

We provide highly professional business, audit, accounting, taxation and advisory services, with a particular objective to build relationships which add value and enhance our clients' ability to achieve their goals. We pride ourselves on high standards of ethical conduct and professionalism and our determination to excel in the provision of proactive and tailored services.

The firm's three directors are supported by around 40 staff, with a significant level of experience and professional qualifications. Our offices are located in Devonport, Hobart and Launceston, enabling us to deliver our full range of services across the state.

Synectic Audit & Assurance

Our audit clients include some of Tasmania's largest private companies in the construction and manufacturing industries, local government councils, numerous schools and colleges, various real estate trust accounts and not-for-profit organisations.

We also currently provide audit services to the Tasmanian Auditor General and are on the Auditor General's list of approved auditors.

Audit Credentials

The greatest strength of the Synectic team lies in the qualifications and experience of its people.

Directors Ben Coull and Gareth Atkins are both Registered Company Auditors (RCA). Each has over 25 years of continuous experience in auditing and providing advisory services to a wide range of commercial and not-for-profit organisations.

The addition of Claire Smith to the team brings almost 20 years' private and public sector experience, including five years at an executive level within local government.

As an independent, locally owned and operated firm, all decisions and signoffs are done by our directors. There are no delays caused by referrals to other offices or waiting for additional layers of file reviews and you deal directly with the person in charge.

Nature of Projects

Our team has extensive experience with a broad range of clients and projects. Recent internal audit projects conducted across various industries, include:

- > Credit card usage
- > Suspense/clearing account reconciliation and functionality
- > Leave entitlement processes and controls
- > Asset management
- > Budgeting and financial management
- > Revenue and billing systems
- > Fraud risk assessment
- > HR management, recruiting and WHS systems
- > Change management
- > Indirect taxes compliance
- > Information and communications systems security
- > Investment governance
- > Outsourcing
- > Payroll and superannuation
- > Pecuniary interests and conflicts of interest
- > Superannuation pensions and benefit payments
- > Privacy compliance and risk management
- > Purchasing and payments
- > Risk management
- > Strategic decision making
- > Receipting and cash handling
- > Billing and debtor management
- > Business continuity and disaster recovery planning
- > Working with vulnerable people compliance
- > Excursions, events & transport
- > Treasury and liquidity management

The breadth and substance of these projects show the adaptability of our team. Ultimately, how your business can benefit from internal audit is only limited by your imagination.

Audit Technology

We invest in the latest technology to provide our staff with tools that maximise efficiencies and ensure all relevant aspects of your audit are comprehensively addressed.

With the support of these tools we can focus our efforts on adding value to your business.

Where appropriate, we use the latest technology, including:

- > Specialist data analytics and document integrity validation tools
- > Sophisticated digital audit working paper templates
- > Accessible and secure communication systems

Very happy with the performance and result [which has] continued to build upon an excellent business relationship.

(Yolla Producers Co-operative)

Your Audit Team

The greatest strength of the Synectic audit team lies in the qualifications and experience of our people. Our senior team are supported by brilliant and dedicated professionals to provide you with industry-leading knowledge and expertise.



Ben Coull Director

- > Fellow Chartered Accountant (FCA)
- > Registered Company Auditor (RCA)
- > Registered Tax Agent (RTA)

A director of Synectic since 2013, Ben leads our audit and assurance team. With over 25 years' experience in audit, financial reporting and corporate advisory services, he has a passion for excellence in client services and the benefits which come from a high-quality audit.

Ben believes in pragmatic, relevant advice which helps clients to improve their operations, governance and internal controls. He has been responsible for the delivery of a range of internal audit services to substantial entities in the public and not-for-profit sectors. Ben also has extensive corporate advisory experience providing business valuations, due diligence, forensic accounting and investigation services across a broad range of industries.

With a deep understanding of governance, he chairs a number of audit panels in the local government sector and has strong links to the not-for-profit sector through his directorship of St Giles Society. Committed to excellence in his profession, Ben is a past Tasmanian Regional Chairman for Chartered Accountants Australia and New Zealand (CAANZ) and has had long term involvement in the Chartered Accountants Program as a focus session facilitator.

Key areas of expertise:

- > Internal audit and business improvement
- > Corporate governance and risk management
- > Fraud risk mitigation and forensic accounting
- > Business continuity planning and testing
- > Specialist understanding of the not-for-profit sector



Claire Smith Senior Consultant

- > Fellow Certified Practising Accountant (FCPA)
- > Member of the Australian Institute of Company Directors (AICD)
- > Associate Member of the Institute of Internal Auditors (AMIIA)
- > Internal Quality Auditor

Claire joined Synectic in 2021 after almost seven years in local government, including five years at a senior executive level. She has almost 20 years' private and public sector experience.

Claire has a diverse work history spanning the hospitality, recruitment, resource consulting and local government sectors, which goes beyond traditional accounting and finance roles. She has an extensive background in corporate governance, financial reporting, strategy and business development. Claire also has experience in human resources, digital transformation, economic development and project management.

Claire is motivated by building lasting relationships which add value to businesses, community and the public sector. A Tasmanian Divisional Councillor and Chair of the North West Regional Member Network for CPA Australia and an independent member of the Department of Treasury and Finance Audit & Risk Management Committee, she is passionate about business performance and improvement.

Key areas of expertise:

- > Internal audit, performance audit and continuous improvement
- > Policy development and implementation
- > Strategic and operational planning
- > Corporate governance and risk management
- > Specialised understanding of public sector entities – local government in particular



Kristy Sutton Audit Manager

> Provisional Member CAANZ

Kristy began her career with Synectic in 2006, after working in human resources and recruitment in both the public and private sectors. She also has exposure to the not-for-profit sector and is experienced in governance roles. Kristy has gained experience providing accounting, audit and business advisory services during her time with Synectic and has specialised in providing audit and assurance services to a wide range of clients for the past 10 years.

Key areas of expertise:

- > Risk assessment and response
- > Documentation, assessment and testing of internal processes and controls
- > Corporate governance and statutory compliance
- > Talent management and strategic HR
- > Financial reporting and analysis



Alyssa Howlett Senior Auditor

> Provisional Member CAANZ

Alyssa is enthusiastic about process improvements and the assessment of internal controls to help clients improve their business operations. With 5 years' experience in audit and assurance, she has been engaged in a range of industries and has developed expertise in data analytics and IT control assessments. Alyssa also has particular strengths in business forecasting, financial reporting and analysis, and statutory compliance.

Key areas of expertise:

- > IT system controls and cybersecurity
- > Data analytics and data mining
- > Systems review and internal controls
- > Corporate governance and statutory compliance
- > Financial reporting and analysis

Are you ready to count on us?

Don't settle for second best. Whether you need help with a one-off project or a multi-year engagement, we are ready to make a positive difference to you and your business.

Make an appointment with a Synectic adviser today and together we will work out the best strategies for your needs. We look forward to meeting you and proving our promise – you can count on us.



For more detailed staff profiles visit our website: www.synecticgroup.com.au/team



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CHARTERED ACCOUNTANTS
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* Synectic are a pre-qualified Local Buy supplier. Local Buy Panel Arrangements provide Local Government and other defined purchasers easy, cost-effective access to procure our services without the need to go to market, as we have already undergone a rigorous pre-qualification process. The arrangements promote the development of competitive local business and industry, while providing preferential rates and robust terms and conditions. They also provide an effective, streamlined mechanism to help you reduce risk, save time and realise greater value in your procurement process. You can access our services through the [VendorPanel](#) platform, or contact us directly for more information.

