

# Handout B3

## Financial reports: reports typically provided to finance subcommittee

- **GL21150** – Operating Statement (detail)
- **GL21157** – Annual Sub-program Budget
- **Bank reconciliation**
- **GL210006** – Journal Report
- **GL21151** – Cash Flow Statement
- **CR21118** – Invoices Awaiting Payment
- **GL21161** – Balance Sheet
- **GL21005** – Cancelled Payments
- **GL21004** – Cancelled Receipts
- **GL21002** – Cash Receipts Report
- **GL21003** – Cash Payments Report
- **GL21152** – Bank Account Movements Details
- **Purchasing Card Statements** (if applicable)
- **School Budget Management Report.**

## Financial reports provided to council

- Operating Statement (detail)
- Balance Sheet.

## Reviewing reports

### Operating statement (detail)

#### This report:

- compares actual to budgeted revenue and expenditure by category for the whole school for the month and year to date
- calculates variances (difference between actual and budget).

#### Review this report to:

- compare actual financial result (the net operating surplus or deficit) to the budget for the month and year to date. If there are significant variations the principal may advise action to take. The finance subcommittee evaluates how the action proposed would affect the school's operations and School Strategic Plan.

### Annual program budget

#### This report:

- compares year to date actual revenue and expenditure to the full year budget and shows last year's actual and budgeted revenue and expenditure, for whole programs. Programs include trading operations, and curriculum programs.

#### Review this report to:

- compare actual financial result for each program with the budget. If there are significant variations the principal may advise on action to take. The finance subcommittee evaluates how the action proposed would affect the school's operations and School Strategic Plan.

### Annual sub-program budget

#### This report:

- compares year to date actual revenue and expenditure to the full year budget and shows last year's actual and budgeted revenue and expenditure, for individual sub-programs.

#### Review this report to:

- compare actual financial results for each sub-program with the budget. If there are significant variations the principal may advise on action to take. The finance subcommittee evaluates how the action proposed would affect the school's operations and School Strategic Plan.

### Bank reconciliation

#### This report:

- matches the bank statement to the school's banking records and shows and explains any variance
- shows cheques issued but not yet presented and funds received by the school but not yet banked.

#### Review this report to:

- ask questions to understand the reconciliation and any issues arising.

### Journal

#### This report:

- lists transactions entered into the finance system – shows some of the data on which other reports are based.

#### Review this report to:

- ask questions about any transactions in the report. Finance subcommittee members are not expected to understand all the transactions in the journal report: it is provided in the spirit of full transparency.

### Cash flow statement

#### This report:

- shows the inflow and outflow of cash and the closing balance for each of the school's bank accounts.

#### Review this report to:

- to monitor whether the school has enough cash to pay its liabilities as they fall due. The principal or business manager will provide this advice.

### Sundry debtor credit notes

#### This report:

- gives details of credit notes generated for specified debtors.

#### Review this report to:

- verify that credit note transactions are valid: this is an internal control.

### Family credit notes

**This report:**

- gives details of credit notes issued for families.

**Review this report to:**

- verify that credit note transactions are valid: this is an internal control.

### Invoices awaiting payment

**This report:**

- lists invoices received but not yet paid.

**Review this report to:**

- approve invoices for payment.

### Balance sheet

**This report:**

- lists the value of the school's assets and liabilities at a point in time.

**Review this report to:**

- ask questions about any items not understood and any items which have changed greatly since previous report
- monitor whether current assets are greater than current liabilities – indicates that the school should be able to pay its debts
- monitor whether there is enough money in the official bank account to pay debts and whether the school is collecting money owed to it
- monitor whether there is too much money in the official account, so that surplus funds can be invested in the high yield investment account.

### Cancelled payments

**This report:**

- lists cancelled cheques.

**Review this report to:**

- verify that cancelled payments are valid; this is an internal control.

### Cancelled receipts

**This report:**

- lists cancelled receipts.

**Review this report to:**

- verify that cancelled receipts are valid; this is an internal control.