



Finance

Improving School Governance

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3.0

Introduction

Goals

The goals of this module are for school councillors to understand their governance and financial responsibilities in relation to:

- internal controls
- budgeting
- investing and fundraising.

This module will also help councillors understand and interpret financial reports.

Overview

The school council is responsible for overseeing the school's financial performance. It is a legal and Department of Education (the department) requirement that council makes sure funds coming into the school are being properly spent and authorised.

To ensure this happens, council is responsible for ensuring the school has a functioning and effective system of internal controls. Internal controls are the procedures that make sure:

- all financial activity within the school is sound, accurate and legal
- the school's assets are safe
- council can rely on the accuracy of the financial information it receives.

Council also helps develop the school's program (non-staff) budget that shows how the school will allocate its resources to implement the key improvement strategies in the School Strategic Plan (SSP) and Annual Implementation Plan (AIP). Council then monitors the school's financial performance against the budget in conjunction with the school principal.

Finally, council is responsible for how the school raises income, over and above the funding provided by the government. It must manage any financial and reputational risks that could arise and ensure that all legal requirements are met.

It is recommended all school councils elect a treasurer each year. Most school councils have a finance subcommittee, which handles many of council's routine financial responsibilities.

The treasurer is responsible for:

- convening the finance subcommittee, where applicable
- working closely with the principal, school council president and business manager to report to council on all financial reports.

The convenor/treasurer of the finance subcommittee, as elected from council members, is preferably a non-department member. The business manager/bursar should not hold this position.

It is recommended the office bearer position of treasurer be elected at the council's first meeting after declaration of the poll, in line with current practice.

School councillors are indemnified by the Crown against any liability in respect of any loss or damage suffered by the council or any other person in respect of anything necessarily or reasonably done or omitted to be done by the councillor in good faith in the:

- exercise of a power or performance of a member's function, or
- reasonable belief that the member's liability act or omission was in the exercise of the member's function or power.

If any school councillors have queries or concerns regarding the school financial management, in the first instance they should speak with the principal. If school councillors wish to escalate concerns about financial practices at the school or irregularities in finance reporting, they can speak to the relevant regional office.

Or, if a school councillor has knowledge or reason to believe a department employee, school council employee, contractor or service provider has been involved in fraudulent or corrupt conduct, including failing to declare a conflict of interest/private interest when procuring goods and services or managing and sourcing school funds, they should report it as a complaint or public interest disclosure.

Make a complaint

Available avenues:

- **Executive Director, Integrity, Assurance and Executive Services Division** on **03 7022 0120**
- **Manager, Fraud and Corruption Control Unit** by phone on **03 7022 0121** or email the **Fraud and Corruption Control Unit** at fraud.control@education.vic.gov.au.

Make a public interest disclosure

If a councillor wishes to make a public interest disclosure about the department or any of its employees or officers, in the first instance they should contact:

The department's **Public Interest Disclosure Coordinator (Coordinator), Executive Director, Integrity Assurance and Executive Services Division** at the details listed above, or any of the department's **Public Interest Disclosure Officers** by phone on **03 7022 0121** or email the department's **Public Interest Disclosure Officers** at fraud.control@education.vic.gov.au.

Alternatively, councillors can contact:

The Independent Broad-based Anti-corruption Commission (IBAC)
GPO Box 24234, Melbourne VIC 3001

Phone: 1300 735 135

Email: IBAC at info@ibac.vic.gov.au.

Website:

Independent Broad-based Anti-corruption Commission
ibac.vic.gov.au.

3.1 Budgeting

Why is this topic important?

The budget is the school council's main financial management tool.

It is the 'money plan' that shows how the school will use its financial resources to support the goals and priorities in the SSP. Proper and adequate oversight of the school's finances, in line with department guidelines, is one of council's most important responsibilities.

On completing this unit, school councillors should understand the budget process and timeline and be able to:

- review program budget submissions against the SSP
- recommend, approve, and revise the school's program budget
- monitor the performance of programs against the budget.

Programs include:

- the various curriculum programs (such as art, science, and mathematics)
- administrative programs (such as staff development and school maintenance)
- trading activities (such as the school canteen)
- specific purpose programs (such as the library).

The principal develops the workforce plan and salary budget using the department's salary structures for teaching and administrative staff. Council is not involved in preparing this budget.

The following table shows the typical budgeting responsibilities of the principal and school council.

The principal ...	The school council ...
<ul style="list-style-type: none"> • develops the budget timeline 	<ul style="list-style-type: none"> • approves the budget timeline
<ul style="list-style-type: none"> • develops program budgets with staff, and salary and revenue budgets 	<ul style="list-style-type: none"> • reviews budget submissions and program priority list (undertaken by the finance subcommittee if council has one)
<ul style="list-style-type: none"> • evaluates program outcomes, prepares, and prioritises budget submissions 	<ul style="list-style-type: none"> • reviews, approves, and monitors the budget
<ul style="list-style-type: none"> • communicates the budget to staff 	

It is recommended all school councils elect a treasurer each year. Most schools have a finance subcommittee and this unit is written as if your school has one. If it doesn't, council will undertake the tasks described.

Budget process and timeline

At the outset of the budget process, the principal and finance subcommittee develop the budget timeline.

The table below shows an indicative timeline (actual timings depend on the school).

Approximately January to June	Approximately July to September	Approximately October to December
<ul style="list-style-type: none"> Revisions made to previous year's budget, as appropriate 	<ul style="list-style-type: none"> Work starts on budget for coming year 	<ul style="list-style-type: none"> Finance subcommittee reviews program budgets Recommends budget to council for approval Council approves budget

The principal, business manager and program leaders develop program budgets using estimates of revenue derived from:

- student funding received through the Student Resource Package (SRP)
- other government funding or special purpose grants
- locally raised funds left over from the current and previous years.

SRP funding is the major source of funding for schools and is provided by the department. It is calculated using complex formulas, which take into account the number of students at each year of study and includes equity funding and other funding for special initiatives.

The funding is provided in two parts: credit and cash. Broadly speaking, the credit part of the funding (which accounts for approximately 90% of the SRP) is money allocated to the school but held by the department and used to pay school salaries.

The remainder, which council oversees, is given as cash and held in the school's bank accounts. It funds school running costs (such as electricity and phones) and the non-salary expenditure in program budgets approved by council.

The school council has a responsibility to ensure the SRP, other government funding and locally raised funds are expended according to the department expectations and guidelines for its intended purposes.

If in any year the school overspends its SRP credit funding, it must repay the overspent amount in the next year. The budget must allow for this.

If the school decides to put money aside for large purchases (such as equipment) in a future year, it will have less to budget for programs in the coming year.

Council discusses priorities for the coming year with the principal and gives advice about these priorities to the finance subcommittee. The principal and school staff consider and determine priority programs for the following year and prepare budget submissions for each program. They also rank programs by priority; that is, in order of their importance for funding.

The treasurer and finance subcommittee inform the review of the budget submissions with the priorities advised by council.

Reviewing budget submissions

Council is encouraged to have a finance subcommittee, convened by the school council treasurer, to review budget submissions in detail on behalf of council.

The finance subcommittee checks that each submission provides enough information for it to make a decision to recommend the submission for funding or not.

Each submission should include:

- an evaluation of the program's current and previous outcomes
- the rationale for the program (how it meets the school's strategic priorities)
- the program's estimated revenue and expenditure, with expenditure split between the essential, unavoidable costs of the program and the non-essential costs (for extras which will enhance the program, in line with the school's strategic priorities).

Guided by the strategic priorities decided by council, the finance subcommittee should be encouraged to ask:

- what did the last evaluation of the program reveal?
- how well will the program address the school's strategic priorities?
- does the allocation of funding in the submissions reflect key strategic priorities?
- if the program is not explicitly part of the strategic plan, does it have merit?

The treasurer and finance subcommittee discuss expenditure estimates in the budget submissions with the business manager or principal to determine whether these estimates are reasonable. The business manager and principal will have reviewed all submissions, but councillors bring their own knowledge and perspectives to the task and, for good governance, must satisfy themselves that the proposals are sound, and the estimates are reasonable.

Subcommittee members and councillors are encouraged to ask questions, especially if they don't have a financial background. The principal or business manager will clarify any aspect of the reports, with common-use language and explanations.

Economy, efficiency, effectiveness

When considering expenditure, it is important to consider value for money (VFM).

In basic terms VFM means 'getting a good deal from school expenditure'. It is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of a purchase.

This means finding solutions that achieve the best mix of quality and effectiveness for the least outlay.

This may not always mean choosing the immediately cheapest option since, for instance, it may be more cost effective to buy a more reliable service or a better-quality asset with lower maintenance costs and a longer operating life.

The Three Es

VFM Concept	Definition	Example
Economy	Careful use of resources to minimise expense, time, or effort	Was photocopy paper of the quality specified obtained at the lowest possible price?
Efficiency	Delivering the same level of service for minimum input of cost, time, or effort; or obtaining maximum benefit from a given level of input	Were canteen costs reduced while improving the nutritional content of food provided?
Effectiveness	Delivering a successful outcome and meeting objectives as fully as possible	Has the literacy program improved NAPLAN results?



A strategic approach to economy and efficiency

Develop a VFM culture

This means encouraging everyone to accept that VFM is not only the responsibility of the school business manager, but rather it is a shared responsibility across the school. If strong leadership is provided by the principal, senior leaders and the school council, this will significantly enhance the importance of VFM in the wider school community.

Factors impacting on VFM

VFM is considered to be the achievement of a desired procurement outcome at the best possible cost over the life of the asset, not necessarily the lowest price. It should take both financial and non-financial factors over the total contract period into account.

Key factors to consider include (but are not limited to):

Financial factors

- up-front costs of the goods and services
- costs associated with transition in and transition out (if applicable)
- maintenance costs after the goods and services have been purchased
- costs associated with consumables (if applicable)
- costs for disposal.

Non-financial factors

- ensuring goods and services are fit for purpose and meet the school's needs
- determining whether small/medium enterprises (SMEs) or local businesses and communities achieve benefits
- level of knowledge transfer from the supplier to the school
- level of risk associated with the purchase of the goods and services and engagement of the supplier, for example, any conflicts of interest
- availability of maintenance and support services.

Procurement Processes

Part 2.3 of the *Education and Training Reform Act 2006* (the Act) states that the school council is responsible for arranging for the supply of goods, services, facilities, materials, equipment and other things or matters that are required for the conduct of a school. For the purpose of meeting this objective, council is the legal entity through which the school enters into contracts, agreements or other arrangements.

The incurring of expenditure by schools is strictly controlled and subject to approval by the school council or any officer who has been authorised by the school council to carry out this function (for example, a delegated officer). The names of people authorised for this function are to be recorded in the school council minutes.

School council must follow the department's Schools Procurement policy and Conflict of Interest policy. For more information, please see **Policy and Advisory Library (PAL), Procurement — Schools** at www2.education.vic.gov.au/pal/procurement-in-schools/policy.

Thresholds are in place, which must be followed as outlined below:

Procurement threshold (incl. GST)	Minimum market approach
≤ \$2,500	One quote (either verbal or written)
\$2,500 and ≤ \$25,000	One written quote
\$25,000 and ≤ \$150,000	Three written quotes to be sought
\$150,000	Tender process

The following table shows the typical responsibilities of the principal and the school council with regard to procurement:

The principal ...	The school council ...
<ul style="list-style-type: none"> leads and manages procurement activity, or delegates management of the procurement activity to a business manager or other staff member 	<ul style="list-style-type: none"> evaluate recommendations for procurement expenditure and approves or authorises a delegated officer to carry out this function
<ul style="list-style-type: none"> ensures that all procurement activity complies with the Schools Procurement policy and procedure 	<ul style="list-style-type: none"> must ensure the school complies with the department's Finance Manual for Victorian Government Schools
<ul style="list-style-type: none"> attests that those at the school undertaking procurement activities are capable of doing so (in conjunction with the annual financial accounts attestation) 	<ul style="list-style-type: none"> must ensure that the school complies with the Schools Procurement policy and procedure

Recommending, approving, and revising the budget

The treasurer and finance subcommittee, after discussion with the principal, determine:

- the final prioritised list of programs to be funded, in light of available funding and the priority order
- how the funded programs will be evaluated when the budget for the following year is developed.

The treasurer, on behalf of the finance subcommittee, then recommends the final prioritised list of submissions to council as the school's program budget. Council reviews and approves the budget and the principal communicates the budget to school staff.

There may be more than one version of the budget during the year.

The finance subcommittee recommends changes to the budget, in line with the priority list, if:

- SRP funding increases or decreases (for example, the school may need to rely on its cash budget to fund salaries if the credit budget is not sufficient)
- funds left over from the last financial year are less (or more) than expected
- for another reason, revenue increases or decreases
- estimates of expenditure change.

3.2 Financial reports

Why is this topic important?

Council is responsible for overseeing the school's financial performance and for making sure that funds coming into the school are being spent as planned.

Council and its finance subcommittee monitor the school's financial performance; the principal manages the school's finances.

On completing this unit school councillors should understand the main financial reports and be able to:

- monitor the school's financial position, including actual revenue and expenditure against the budget
- consider and decide on actions arising from the financial reports.

The following table shows the typical responsibilities of council and the principal in terms of financial reports.

The principal ...	The school council ...
<ul style="list-style-type: none"> • prepares financial reports 	<ul style="list-style-type: none"> • reviews all financial reports
<ul style="list-style-type: none"> • explains financial reports to the finance subcommittee and council, and recommends action as appropriate 	<ul style="list-style-type: none"> • monitors revenue and expenditure against the budget
<ul style="list-style-type: none"> • implements council's decisions 	<ul style="list-style-type: none"> • approves action to address issues arising from the financial reports

Most schools have a finance subcommittee and this unit is written as if your school has one. If it doesn't, council will undertake all the responsibilities described.

The main financial reports

The department provides CASES21 software to government schools to support their administration, finance and central reporting.

The software generates the reports listed in the table below. The principal would typically provide these reports to the finance subcommittee and council would usually see only the operating statement and balance sheet. Note that the cash flow forecast report is not generated through CASES21.

Report	Details
Balance sheet (GL21161)	Lists the value of the school's assets and liabilities at a point in time
Operating statement (detail) (GL21150)	Compares actual to budgeted revenue and expenditure by category for the whole school for the month and year to date; and calculates variances (differences between actual and budget)
Cash Receipts Report (GL21002)	Lists all receipts for the period
Cash Payments Report (GL21003)	Lists all payments for the period
Cancelled receipts (GL21004)	Lists cancelled receipts
Cancelled payments (GL21005)	Lists cancelled payments
Journal Report (GL21006)	Lists transactions entered into the finance system; that is, it shows some of the data on which other reports are based
Cash flow statement (GL21151)	Shows the inflow and outflow of cash, and the closing balance, for each of the school's bank accounts
Cash flow forecast (if applicable)	Shows estimated cash balances for coming months based on expected cash in and out
Bank account movement details (GL21152)	Shows every recorded transaction relating to the bank accounts

Report	Details
Annual sub-program budget (GL21157)	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. Calculates the percentage of the annual budget earned and spent to date
Invoices awaiting payment (CR21118)	Lists invoices received but not yet paid
Family credit notes (DF21309)	Provides details of any credit notes or reversed charges which have been issued for families
Sundry debtor credit notes (DR21309)	Gives details of credit notes generated for specified debtors
Bank reconciliation (copies)	Matches the bank statement to the school's banking records and shows and explains any variances
Purchasing card statements (if the school has a facility)	Lists all transactions on any purchasing card attached to the school
School budget management report – SRP – first page only	Calculates the likely surplus or deficit in SRP funding at the end of the year

Victorian government schools use accrual accounting. This means that the operating statement, annual program budget report and annual sub-program budget reports show revenue when it is earned, and costs when they are incurred. This will usually be before the school receives funds or pays bills. This is normal accounting practice.

Handout B3, at the end of this module, provides descriptions and information on each of the CASES21 reports.

Reviewing reports and taking action

Generally speaking, at each subcommittee meeting, the treasurer and subcommittee members receive copies of the main financial reports (as listed in the previous section) from the principal or business manager with advice concerning any issues that require council action.

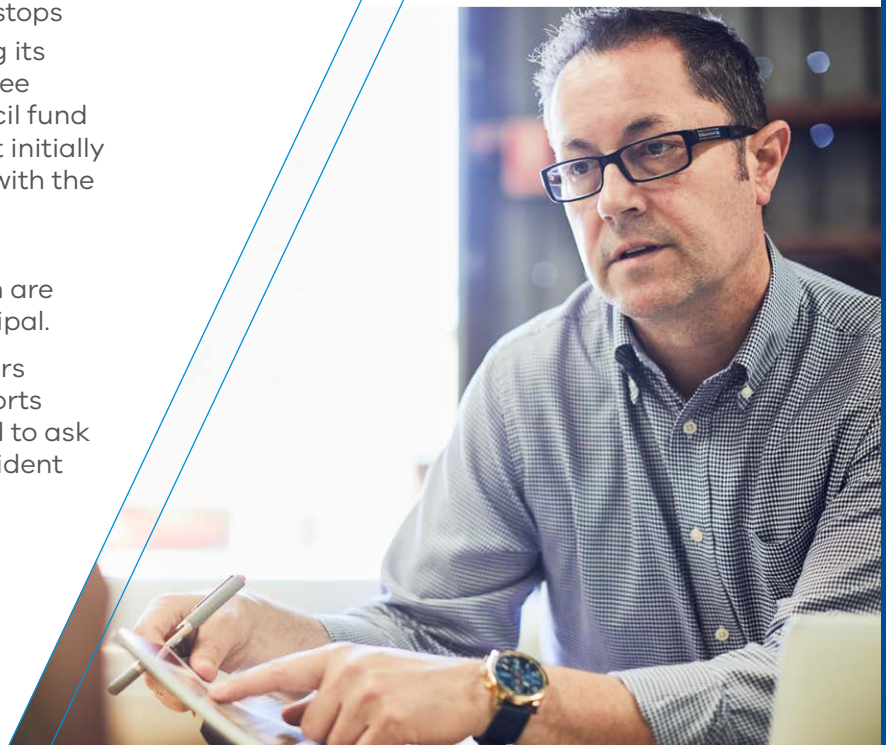
They discuss the issues with the principal or business manager to achieve a shared understanding and make recommendations to council.

For example:

- if expenditure on a program is over budget, the subcommittee might recommend that non-essential expenditure on the program stops
- if the school is underspending its total budget, the subcommittee might recommend that council fund some programs that were not initially approved for funding, in line with the priority list.

Council makes decisions, which are then implemented by the principal.

For good governance, councillors must understand what the reports are saying and are encouraged to ask questions of the principal, president and business manager.



Reviewing and actioning each main report

Operating statement

When reviewing the operating statement, the finance subcommittee and council compare the actual financial result (the net operating surplus or deficit) to the budget for the month and year to date. This shows the extent to which the school has met its revenue and expenditure budgets.

If there are significant variations, or if the financial result raises other issues, the principal may advise the finance subcommittee to take action, and how the action proposed would affect the school's operations and implementation of the strategic plan.

The finance subcommittee discusses proposed actions with the principal to achieve a shared understanding, reviews the priority list of programs put together at budget time if necessary, and makes a recommendation to council. Council decides on the action to be taken and the principal implements the action.

Annual program and sub-program budget

The finance subcommittee reviews these reports in the same way as it does the operating statement, by:

- noting variations between actual and budgeted amounts
- receiving advice from the principal about reasons for variations and required actions. For example: if program expenditure is over budget, the principal might advise that non-essential expenditure on the program stops; and if a program is underspent, the finance subcommittee looks again at programs that were not initially recommended for funding with a view to funding some, in line with the priority list
- confirming that the principal's advice is in line with the priority list of budget submissions and the school's overall financial results.

As with the review of the operating statement, council decides on the action to be taken.

Bank reconciliation

The bank reconciliation shows payments issued but not yet presented (which will be in the school's records but not in the bank's) and money received by the school but not yet banked.

The finance subcommittee:

- makes sure that it receives the bank reconciliation regularly
- asks questions to understand the reconciliation and about any issues arising.

Journal

While the finance subcommittee is not expected to understand all the transactions in the journal report, it is provided in the spirit of full transparency; and the finance subcommittee might on occasions ask questions about a transaction in the report.

Cash flow statement

The finance subcommittee reviews the cash flow statement and receives advice from the principal and business manager to monitor whether the school has enough cash to pay its liabilities as they fall due.

Sundry debtor credit notes and family credit notes

The finance subcommittee uses these reports as an internal control, to verify that credit note transactions are valid.

Invoices awaiting payment

The finance subcommittee uses this report when approving invoices for payment.

Balance sheet

When reviewing the balance sheet, the finance subcommittee and council:

- ask questions about any items councillors do not understand and about any items which have changed greatly since the previous report
- monitor whether current assets are greater than current liabilities, indicating that the school should be able to pay its debts
- monitor whether there is enough money in the official bank account to pay debts. These are in the accounts payable control account
- discuss debtor amounts in the accounts receivable control account with the principal to monitor whether the school is collecting money owed to it
- monitor whether there is too much money in the official account, so that any surplus funds are held in the High Yield investment account.

Council makes sure that the school is solvent. Like every organisation, it must be able to pay its debts as they fall due.

Cancelled payments and cancelled receipts

The finance subcommittee uses these reports as an internal control, to verify that cancelled transactions are valid.

3.3 Internal controls

Why is this topic important?

Government schools are required to have a functioning, effective system of internal controls.

Internal controls are the procedures that the school implements to ensure that:

- funds coming into the school are being spent as planned
- decision-making for procurement expenditure can be justified
- the school's assets are safe
- council can rely on the accuracy of the financial information it receives.

On completing this unit, school councillors should:

- know about minimum internal controls
- be able to monitor the adequacy of the school's internal controls.

The following table shows the typical responsibilities of school council and the principal in terms of internal controls.

The principal ...	The school council ...
<ul style="list-style-type: none"> • puts in place a system of internal controls 	<ul style="list-style-type: none"> • ensures the school has and uses a system of internal controls
<ul style="list-style-type: none"> • conducts school financial business in line with the system of internal controls 	<ul style="list-style-type: none"> • adheres to internal controls such as: <ul style="list-style-type: none"> - appointing one councillor (normally the president or a delegated councillor) to approve payments and sign cheques - approving trading operations and ensuring issues raised by the auditor are addressed - approving the purchase of goods and services - monitoring and overseeing offers and provisions of gifts, benefits and hospitality within schools, and at least annually reviewing the online Gifts, Benefits and Hospitality Register for compliance with the Gifts, Benefits and Hospitality Policy at www2.education.vic.gov.au/pal/gifts-benefits-and-hospitality/policy
<ul style="list-style-type: none"> • provides financial reports to council 	<ul style="list-style-type: none"> • considers financial reports

Minimum internal controls

The table below shows what most schools would have as a minimum system of internal controls.

Function	Common internal controls
Purchasing goods and services	<ul style="list-style-type: none"> • using purchase orders for all purchases other than those using petty cash • the principal or their delegate, as approved by school council approving all orders • not allowing the person who receives goods and services to approve the purchase order • getting quotes or tenders for purchases over specified amounts as per the Schools Procurement policy and procedure • identifying and appropriately removing or managing conflicts of interest for both lower value and higher value purchases • applying fair and equitable evaluation of quote and tender submissions • clearly documenting the procurement process and justifying and obtaining appropriate approval for the selection of a supplier
Paying for goods and services	<ul style="list-style-type: none"> • not allowing cash payments, except for petty cash and only allowing payment by direct debit, BPay or purchasing card • requiring two signatories, the principal and a delegated councillor for payments. The business manager must not be a signatory • using a voucher system for internet banking to ensure the two approved signatories approve payments
Accounting for assets	<ul style="list-style-type: none"> • recording all assets valued at \$5,000 excluding GST or greater on an asset register • tagging/engraving assets with identification matching that on the asset register • conducting a stocktake of assets once every two years • having and following a process to dispose of assets

Function	Common internal controls
Receiving money	<ul style="list-style-type: none"> • following the receipting process as outlined in Section 10 Receivables Management and Cash Handling of the Finance manual – Internal Controls for Victorian Government Schools • storing cash in a safe and not leaving cash at school during term holidays • when fundraising, ensuring appropriate cash handling and management practices form part of the fundraising planning process • ensuring that all bank accounts: <ul style="list-style-type: none"> - are in council's name (except for the CBS linked High Yield investment account) - have a principal and a delegated councillor as signatories; the business manager must not be a signatory - are used for all funds received - are never overdrawn
Investing	<ul style="list-style-type: none"> • ensuring that any surplus funds are held within the CBS linked High Yield investment account
Payroll	<ul style="list-style-type: none"> • having procedures which comply with Australian Tax Office, superannuation and WorkCover requirements • having a process to authorise hours worked • reconciling payment summaries, which are now distributed through eduPay • requiring all non-teaching school-based employees to have a current Working with Children Clearance – the hiring process with eduPay cannot be completed unless this compliance requirement is met • requiring all employees who handle cash to have a criminal records check • ensuring all teachers, including casual relief teachers (CRTs), have a current Victorian Institute of Teaching (VIT) registration. The hiring process with eduPay cannot be completed unless this compliance requirement is met

Function	Common internal controls
Recording and reporting	<ul style="list-style-type: none"> • keeping up-to-date accounting records that are supported by documentation • reconciling bank accounts with bank statements • reconciling petty cash • reporting to each council meeting about receipts, payments and financial commitments • reporting to the finance subcommittee and council about financial performance, including comparing actual revenue and expenditure to budget
Budgeting	<ul style="list-style-type: none"> • including in the budget: <ul style="list-style-type: none"> - all revenue sources and funds carried forward from the previous year - any committed funds - any deficit (to be repaid) or surplus from SRP funding in the previous year • approving a budget before the start of the new year • regularly reviewing actual financial performance against the budget
Trading operations	<ul style="list-style-type: none"> • requiring all operations to be approved by council • requiring all costs to be covered by revenue • completing an annual profit and loss statement, financial reconciliation
Auditing	<ul style="list-style-type: none"> • having the financial statements audited by an external auditor nominated and organised by the department at least once every four years
School purchasing card	<ul style="list-style-type: none"> • department procurement procedures are followed, including a school purchase order being prepared for each purpose • an "Undertaking by the Card holder" is completed by each user after modifications by the principal • monthly purchasing card statement/s to be attached to the relevant reports (CASES21) and tabled at school council meetings • the principal should authorise all card holders' expenditures except their own • where the principal is a card holder, the school council president should authorise their expenditure

Monitoring the adequacy of internal controls

Council is responsible for some internal controls: for example, it reviews the financial reports and approves policies, and a councillor co-signs payments. The school council is also responsible for ensuring that any issues the auditor raises are addressed through changes to internal controls.

Council is also responsible for ensuring the school maintains and monitors a system of internal controls. It does this by regularly:

- confirming with the principal that the school has documented internal controls similar to the ones above and covering similar functions
- discussing with the principal the extent of compliance with the internal controls and any identified instances of non-compliance; and asking for evidence of compliance if councillors feel it is required.

School Council Financial Assurance (SCFA) program

Finance Manual – Financial Management for Schools

Under the Act, school councils have the duty to ensure that all funds received by schools are used for proper school purposes. School councils are required to account for all money under their control and to prepare appropriate financial reports in accordance with the department's Finance Manual.

Under the SCFA program, the department's Assurance Branch conducts Agreed-Upon Procedures and Schools Internal Audits. The Assurance Branch also conducts ad-hoc audits at Victorian government schools at the request of schools, department and/or external bodies and corporate internal audits with school components.

Agreed-Upon Procedures (AUPs)

The AUPs are intended to assess and improve the key financial internal controls at schools.

The business cycles and/or processes generally covered under the AUPs include:

- locally raised funds
- expenses
- asset management
- cash and bank
- school council governance.

Schools are selected for the AUPs based on the following methods:

- **standard** – based on random sampling methodology. This is the primary selection method which gives each school an equal opportunity to be selected each cycle.
- **follow-up** – school selections based on the SCFA results from the prior year, focusing on 'Needs Improvement' and 'Unsatisfactory' rated schools
- **targeted** – school selections based on other factors such as: results of data analytics, value/volume transactions, schools not audited in prior years or any other basis determined by the department.

AUPs are conducted across the financial year.

The department engages external auditors to perform AUPs in schools.

Schools are notified of the selection via email. Fieldwork may take between one to three working days depending on the size of the school and/or volume and complexity of the transactions.

The Assurance Branch assigns risk ratings to each finding based on the nature of procedures and findings. Based on the risk ratings, each school is assigned an overall rating of Good, Acceptable, Needs Improvement or Unsatisfactory.

The AUPs report to schools includes factual findings resulting from each procedure performed, schools commentary on rectification actions and their overall rating. Schools are expected to take corrective actions and present and discuss the final AUPs report at a council meeting.

Findings from individual schools are compiled by the Assurance Branch and assessed for potential impacts at the department level.

Schools Internal Audits (SIA)

In addition to the AUPs, each year, the department identifies SIAs to be undertaken at selected schools.

SIAs are undertaken during Term 1 and Term 2 of the school calendar year. SIAs at a school may take between three to eight working days depending on the audit topic, size of the school and/or volume and complexity of the transactions.

Examples of SIAs are:

- review of key financial management and controls at schools (KPMC)
- expenses and payments at schools (EP)
- revenue collection processes at the schools (RCP)
- a state-wide report is prepared based on the consolidated results of the AUPs and SIAs. The state-wide report is circulated to all the schools, regional offices and relevant departmental areas to ensure that corrective measures are taken to rectify the findings.

Ad-hoc audits/reviews

Ad-hoc audits/reviews may occur outside the Internal Audit Plan based on requests from schools, the regions, department business areas and the Audit and Risk Committee, or are self-initiated by the Assurance Branch based on risk assessments.

School follow-up process

Schools rated 'Unsatisfactory' and 'Needs Improvement' in SCFA are required to put in place an action plan to rectify the findings identified. Schools may contact School Finance Liaison Officers for any clarification or advice on the requirements as outlined in the Finance Manual.

The school follow-up process is briefly defined below:

Follow up step 1

Internal Audit provides the SCFA results to the Financial Services Division (FSD) and the Regional Offices.

Follow up step 2

Regional Finance Managers and Senior Education Improvement Leaders (SEILs) discuss rectification of findings and provide support to the schools.

Follow up step 3

Schools finalise their action plans and obtain approval from the school council with a notification to the SEILs. Schools implement the plan and report the status in the School's Internal Certification checklist.

Follow up step 4

Principal, school council president and treasurer are strongly recommended to attend the Improving School Governance training. Key school staff are also strongly recommended to attend financial management training.

Internal audit will conduct follow-up audits.

Role of schools

The following table shows the typical responsibilities of the principal and the school council targeting the SCFA program.

The principal ...	The school council ...
<ul style="list-style-type: none"> understands and complies with the requirements of the Finance Manual and other guidelines/ instructions relevant to the school's financial reporting 	<ul style="list-style-type: none"> understands the school financial requirements as outlined in the finance module of the Improving School Governance training package for school councils
<ul style="list-style-type: none"> is available during the fieldwork to answer questions and discuss the preliminary findings 	<ul style="list-style-type: none"> president attends the meeting with the auditor, if requested
<ul style="list-style-type: none"> cooperates and provides auditors with access to all information reasonably required to perform the SCFA program 	
<ul style="list-style-type: none"> is professional in their approach to the audits and cooperates with auditors in the discussion of any findings 	
<ul style="list-style-type: none"> ensures that management comments are provided to the auditors within the specified time frame, to be included in the final reports 	
<ul style="list-style-type: none"> organises for the final SCFA reports of the school to be tabled at a school council meeting 	
<ul style="list-style-type: none"> ensures that the school develops an action plan and implements it 	<ul style="list-style-type: none"> reviews the SCFA reports of the school and discuss how the non-compliances (if any) will be rectified
<ul style="list-style-type: none"> rectifies any non-compliances reported in the final SCFA reports 	<ul style="list-style-type: none"> endorses action plan and tracks its implementation
<ul style="list-style-type: none"> reviews past SCFA reports of the school and discusses whether the non-compliances (if any) have been rectified 	<ul style="list-style-type: none"> reviews past SCFA reports of the school and discusses whether the non-compliances (if any) have been rectified

Further information

If you require more information on the School Council Financial Assurance program, please email **School Council Financial Assurance** at scfa@education.vic.gov.au.

3.4 School Generated Funds

Why is this topic important?

Councils are responsible for how schools raise revenue, over and above the funding provided by the government, to fund improvements to the learning environment.

It is part of school council's role to consider and manage any financial and reputation risks that could arise from school generated funding activities and ensure that all legal requirements are met.

On completing this unit councillors should be able to:

- develop the school's parent payment arrangements, in line with the department's Parent Payments policy
- assess and decide on proposals from clubs and groups to raise funds for the school, including identifying potential conflicts of interest.

Councillors should also be aware of the possibility of using trust funds and cooperative loans in raising funds.

The following table shows the typical responsibilities of council and the principal in terms of school generated funds.

The principal ...	The school council ...
<ul style="list-style-type: none"> • develops the school's parent payment arrangements • implements the department's Parent Payments policy 	<ul style="list-style-type: none"> • contributes to and approves the school's parent payment arrangements
<ul style="list-style-type: none"> • assists with the review of fundraising proposals • reports back to school council the profit and loss of any major fundraising over \$2,000 	<ul style="list-style-type: none"> • approves fundraising activity on the school's behalf • reviews approved fundraising profit and loss
<ul style="list-style-type: none"> • advises council about available cash 	

Parent payments

The school council is responsible for reviewing and approving parent payment arrangements prior to their communication with parents. They must ensure parent payment arrangements are aligned with the department's Parent Payments policy.

Victorian government schools must provide students with free instruction and ensure students have free access to all items, activities and services that are used by the school to fulfil the requirements of the curriculum. This includes the Victorian Curriculum F-10, the Victorian Certificate of Education (VCE) and the Victorian Pathways Certificate.

School councils may request parents make voluntary financial contributions towards the cost of schooling under two categories: Curriculum Contributions and Other Contributions.

School councils may invite parents to purchase Extra-Curricular Items and Activities – items, activities and services that enhance or broaden the schooling experience of students and are additional to or outside of the school's delivery of the curriculum. These are provided on a user-pays basis.

Costs to parents must be kept to a minimum, be affordable for most families at the school and proportionate to the needs of the school.

School councils must:

- understand the views of the school community regarding:
 - the appropriateness of requests for parents to contribute
 - the appropriateness of extra-curricular items and activities, including strategies for families facing financial hardship
- represent the perspectives of the school community by providing well-informed and practical advice to the principal
- approve parent payment arrangements that are aligned to the department's Parent Payment policy
- review the impact of parent payment arrangements on parents and students.

Fundraising

Members of parent clubs or other members of the school community may wish to raise funds for the school, for example, to buy playground equipment. Council must approve any fundraising activity on the school's behalf, well before it happens.

When considering whether to approve a fundraising activity, council should find out:

- the type of fundraising activity planned
- what, if any, risks the fundraising activity exposes the school or public to; for example, does the activity involve physical risks or risks to the school's reputation?
- what legal requirements apply; for example, a permit to run a raffle might be needed
- whether reliable estimates of revenue and expenditure have been prepared to ensure that the funds raised will be greater than the costs of running the activity
- what the funds raised will be spent on and how students will benefit
- council can approve the activity if it is comfortable with the answers to these questions. If it is not, it must establish a committee to recommend whether the proposed activity should be approved.

This committee must consist of:

- the president or president's nominee, who will chair the committee
- one other councillor
- two representatives of the club or group who have proposed the fundraising activity
- the principal.

The Education and Training Reform Regulations 2017 require that:

- council, fundraising sub-committee, parents' club or group discuss how funds raised will be spent, to determine what is in the best interests of the school
- funds raised for a particular purpose are used for that purpose
- funds raised for the school are held in trust (separately identified and accounted for) by council.

Support for school councillors

The School Operations and Governance Unit (SOGU) of Schools and Regional Services provides advice and guidance to school councils on a range of governance issues. Councillors can contact **SOGU** directly by email at school.council@education.vic.gov.au for information and advice.

Councillors can also contact their regional office for information and advice.

School council training

The department offers a range of free comprehensive training to school councils of Victorian government schools. The training is based on the five modules of the **Improving School Governance (ISG) materials: Governance, Strategic Planning, Finance, Policy and Review** and **School Council President**.

There is also an induction video for school councillors and additional online training modules on effective meetings, conflict resolution and reaching agreement, elections and succession planning, community engagement and being a school councillor.

The ISG school council training suite is free of cost to school councils of Victorian government schools and can be accessed on the department's website **School Council – Training and Good Governance** at www2.education.vic.gov.au/pal/school-council-training/policy.

Facilitated virtual/face-to-face training

The facilitated virtual or face-to-face training is based on four modules of the **Improving School Governance (ISG) materials: Governance, Strategic Planning, Finance** and **School Council President**. Training is accessed by contacting **Synergistiq** on **03 9946 6801** or email sct@synergistiq.com.

Interactive online training

School council members can also access an interactive online training program featuring videos and activities on all five ISG training modules, including the Policy and Review module. Additional training mini modules include; effective meetings, conflict resolution and reaching agreement, elections and succession planning, community engagement and being a school councillor.

Online training can be accessed individually or in small groups, at a time and place convenient to participants. Access to the Interactive online learning is gained through **The Big Canvas Learning Management System (LMS)** at lms.learneyo.com/DETSC. This link is located in **School Council – Training and Good Governance** at www2.education.vic.gov.au/pal/school-council-training/policy.

Training can be completed as a whole module or in part, participants can bookmark and return to a module at a later time. A certificate can be downloaded on completion of a module.

Resource links

Further information, related policies and advice can be located on the department's Policy and Advisory Library (PAL) at www2.education.vic.gov.au/pal including:

Independent broad-based anti-corruption commission (IBAC)

ibac.vic.gov.au

Finance Manual — Financial Management for Schools

www2.education.vic.gov.au/pal/finance-manual/policy

Fundraising Activities (including fetes)

www2.education.vic.gov.au/pal/fundraising-activities-including-fetes/policy

Parent Payments

www2.education.vic.gov.au/pal/parent-payment/policy

Procurement — Schools

www2.education.vic.gov.au/pal/procurement-in-schools/policy

Report Fraud or Corruption

www2.education.vic.gov.au/pal/report-fraud-or-corruption/overview

School Administration Systems (CASES21) portal – Login required

edugate.eduweb.vic.gov.au/Services/bussys/cases21/Pages/Home.aspx



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3.5 Financial reports

General Ledger (GL21150) Operating Statement – Detail for the period ending 31 December 20XX¹

GL Code REVENUE ²	Account Title Dep't Grants	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Received	Last Year Actual
70001	SRP Cash Funding	-	-	-	946,771	241,420	705,352	241,420	392	622,700
70007	Camp Sport Excursion Fund - CSEF	21	-	21	10,980	-	10,980	-	-	6,673
70020	ECD Department Grants	-	-	-	20,000	20,000	-	20,000	100	-
70080	Department Funding	1,260	-	1,260	15,902	14,642	1,260	14,642	109	7,400
70085	Targeted program reimbursement	-	-	-	20,000	-	20,000	-	-	34,791
		1,281	0	1,281	1,013,653	276,062	737,591	276,062	367	671,563
71080	C 'wealth Gov't Grants	-	-	-	3,600	3,600	-	3,600	100	3,709
		0	0	0	3,600	3,600	0	3,600	100	3,709
72080	State Government Grants	6,703	-	6,703	39,796	33,093	6,703	33,093	120	-
		6,703	-	6,703	39,796	33,093	6,703	33,093	120	-

1. Year to date is the total for all months from 1 January to the date of the report.

2. This report shows revenue by category (e.g. Department grants, locally raised funds and the type of revenue within each category).

GL Code REVENUE	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Received	Last Year Actual
73001	Reimbursements	11,541	-	11,541	40,443	62,598	-22,155	62,598	65	83,511
73002	Interest Received	-31	- ³	-31	5,595	2,304	3,291	2,304	243	12,173
73541	Transfers FROM other schools	-	-	-	8,589	8,589	-	8,589	100	-
		11,509	0	11,509	54,627	73,491	-18,864	73,491	74	95,684

3. If the number were negative, it would generally mean that more revenue has been removed (e.g. via credit notes) than has been earned. This should be explained by the principal or Business Manager.

GL Code REVENUE	Account Title Locally Raised Funds	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Received	Last Year Actual
74101	Fundraising Activities	7,938	-	7,938	8,792	542	8,250	542	1622	7,429
74102	Donations	1,138	-	1,138	16,778	12,200	4,578	12,200	138	71,962
74301	Camps/Excursions/ Activities	47,423	-	47,423	232,411	225,693	6,717	225,693	103	235,816
74403	Charities and Collections	-95	-	-95	4,435	1,842	2,593	1,842	241	3,812
74408	Curriculum Contributions	-8,955	-	-8,955	8,318	17,267	-8,949	17,267	48	25,828
74409	Extra Curricular Items & Activities	5,000	-	5,000	5,000	-	5,000	-	-	-
74580	Other Locally Raised Funds	24,770	-	24,770	24,770	-	24,770	-	-	16
	Total Operating Revenue	77,219⁴	0	77,219	300,503	257,544	42,959	257,544	115	344,863
		96,712	0⁵	96,712⁶	1,412,179⁷	643,789⁸	768,389⁹	643,789¹⁰	219	1,115,819¹¹

4. Actual revenue earned for the month. Don't confuse revenue earned with cash received – money in and out is shown in the cash flow statement.
5. Budgeted revenue for the month.
6. Difference between revenue earned in the month and the budget. A positive number shows that more income was earned than budgeted – a negative number would mean that less income was earned than budgeted.
7. Actual revenue earned for the year to date.
8. Budget revenue for the year to date.
9. More income has been earned than expected.
10. This year's approved revenue budget for the full year.
11. Last year's revenue for the full year.

GL Code EXPENDITURE	Account Title (A) Salaries and Allowances	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
80052	Non Teaching Staff	2,039	-	2,039	6,684	-	6,684	-	-	-287
80060	Work Experience	-	-	-	-	8,068	-8,068	8,068	0	-
80071	Casual Relief Teaching Staff	3,462	-	3,462	57,365	7,000	50,365	7,000	819	12,537
80080	Superannuation	329	-	329	1,930	-	1,930	-	-	467
		5,831	0	5,831	65,979	15,068	50,911	15,068	438	12,717

(A). Expenditure is shown by category e.g., consumables, equipment/maintenance/hire and utilities, and then by the type of expenditure within each category.

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
82801	Bank Charges	-	-	-	-	-	-	-	-	111
		0	0	0	0	0	0	0	-	111

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86101	Non-Curriculum Consumables	2,144	-	2,144	35,626	41,885	-6,259	41,885	85	32,708
86102	Photocopying	911	-	911	10,986	13,800	-2,814	13,800	80	13,818
86104	Curriculum Consumables	2,209	-	2,209	25,487	38,154	-12,667	38,154	67	30,824
86105	Computer Applications < \$5000	-	-	-	905	1,700	-795	1,700	53	4,392
		5,264	0	5,264	73,004	95,540	-22,536	95,540	76	81,742

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86201	Library Books	-	-	-	-	1,000	-1,000	1,000	0	6,009
		0	0	0	0	1,000	1,000	1,000	0	6,009

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86301	Postage	-	-	-	1,023	1,859	-836	1,859	55	896
86302	Telephone	933	-	933	7,624	8,000	-376	8,000	95	7,399
86303	Internet/Comm costs < \$5,000	613	-	613	6,601	7,500	-899	7,500	88	6,649
		1,545	0	1,545	15,248	17,359	-2,111	17,359	88	14,944

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86401	Furniture/Fittings < \$5,000	-	1,667	-1,667	31,922	55,555	-23,633	55,555	57	27,101
86402	Repairs/Maint Equipment	18,570	1,750	16,820	117,476	120,924	-3,448	120,924	97	58,630
86404	Technology Equipment < \$5,000	-	-	-	-	5,000	-5,000	5,000	0	-
86407	Plant and Equipment < \$5,000	-	1,667	-1,667	31,922	55,555	-23,633	55,555	57	27,101
		18,570	5,084	13,486	181,320	237,034	-55,714	237,034	76	112,832

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86452	Electricity	7,452	-	7,452	41,930	40,360	1,570	40,360	104	36,164
86453	Gas – Mains	-	-	-	2,443	1,986	457	1,986	123	1,879
86454	Gas – LPG	347	-	347	2,424	3,500	-1,076	3,500	69	3,828
86455	Water incl Water Rates	-	-	-	4,793	5,221	-428	5,221	92	4,659
86456	Sewerage	173	83	89	691	1,000	-309	1,000	69	3,381
86457	Rates – Property	-	-	-	1,246	2,000	-754	2,000	62	1,178
86503	Refuse and Garbage	372	-	372	5,779	6,000	-221	6,000	96	4,428
		8,344	83	8,260	59,307	60,068	-761	60,068	99	55,517

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86500	Security/Safety/Fire Prev'tion	217	-	217	54,341	49,272	5,070	49,272	110	9,319
86501	Sanitation	1,135	-	1,135	23,773	26,000	-2,227	26,000	91	22,216
86502	Contract Cleaning	7,068	-	7,068	75,935	104,855	-28,920	104,855	72	74,825
86504	Building Works	549	-	549	43,678	137,159	-93,481	137,159	32	106,357
86505	Ground Works	217	-	217	54,341	49,272	5,070	49,272	110	9,319
		9,186	0	9,186	252,068	366,558	-114,488	366,588	69	222,036

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86701	Motor Vehicle Expenses	771	-	771	20,078	28,214	-8,136	28,214	71	22,146
		771	0	771	20,078	28,214	-8,136	28,214	71	22,146

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86801	Advertising/Marketing	3,676	-	3,676	3,676	9,000	-5,324	9,000	41	-
86802	Insurance	634	-	634	4,921	2,025	2,896	2,025	243	4,368
86803	Affiliations	-	-	-	16,773	19,100	-2,327	19,100	88	24,776
		4,310	0	4,310	25,370	30,125	-4,755	30,125	84	29,144

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86901	Medical Costs/First Aid	105	-	105	1,107	1,000	107	1,000	111	1,177
		105	0	105	1,107	1,000	107	1,000	111	1,177

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86910	Conferences/Courses/Seminars	5,429	-	5,429	34,462	77,479	-43,017	77,479	44	34,831
		5,429	0	5,429	34,462	77,479	-43,017	77,479	44	34,831

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
86930	Light Refreshments	636	-	636	3,707	2,940	767	2,940	126	2,436
		636	0	636	3,707	2,940	767	2,940	126	2,436

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
89101	Trading Operations	-	-	-	218	218	-	218	100	-
89102	Charities and Collections	260	-	260	6,937	9,136	-2,199	9,136	76	4,286
89103	Donations, Gifts and Awards	484	-	484	1,113	1,767	-655	1,767	63	1,073
89104	Fundraising Expenses	313	-	313	2,658	2,350	308	2,350	113	175
		1,057	0	1,057	10,925	13,472	-2,546	13,472	81	5,534

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
89201	Technical Support	-	-	-	1,100	-	1,100	-	-	280
89204	Service Provider	32,610	-	32,610	367,552	301,305	66,247	301,305	122	331,811
89205	Agency Staff	2,000	-	2,000	14,000	-	14,000	-	-	-
		34,610	0	34,610	382,652	301,305	81,347	301,305	122	332,091

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
89302	Camps/Excursions/Activities	21,472	-	21,472	95,003	181,705	-86,701	181,705	52	90,667
		21,472	0	21,472	95,003	181,705	-86,701	181,705	52	90,667

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
89360	School to school transfers	-	-	-	-	-	-	-	-	175
89361	School to DET transfers	-	-	-	96	96	-	96	100	363,867
		0	0	0	96	96	0	96	100	364,042

General Ledger (GL21150) Operating Statement – Detail for the period ending 31 December 20XX

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended	Last Year Actual
89301	Remunerations	-	-	-	-4,133	50,121	-54,254	50,121	-	15,837
89309	ATO Charges/Payments	-	-	-	-1	-	-1	-	-	1
		0	0	0	-4,134	50,121	-54,255	50,121	-	15,838

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Expended
	Total Operating Expenditure	(B) 117,130 (C) 5,167 (D) 111,962 (E) 1,216,192 (F) 1,479,081 (G) -262,887 (H) 1,047,908							82 (I) 1,403,814
	Net Operating Surplus/-Deficit	(J) -20,417 (K) -5,167 (L) -15,249 (M) 195,988 (N) -835,291 (O) 1,021,277 (P) -835,291 (Q) -287,994							- (R) -287,994
	Outstanding Orders:	(R) 49,015							

(B). Actual expenditure for the month. Not the same as payments made – these are in the cash flow statement.

(C). Expenditure budget for the month.

(D). Difference between actual expenditure incurred and the budget, in the month of August. A positive number means that more expenditure was incurred than budgeted. A negative number means that less expenditure was incurred than budgeted.

(E). Actual expenditure for the year to date (in this example, for the 12 months from Jan to Dec).

(F). Budgeted expenditure for the year to date (i.e. for the 12 months from Jan to Dec).

(G). Difference between actual expenditure for the year to date and the year-to-date budget. A positive variance shows that more expenditure was incurred than budgeted.

(H). This year's approved expenditure for the full year.

(I). Total spent last year for the full year.

(J). Actual financial result for the month: revenue less expenditure.

(K). Budgeted financial result for the month: revenue less expenditure.

(L). Difference between the actual and budgeted financial result – surplus/deficit – for the month. A positive variance means that the result for the month is better than budgeted; a negative variance shows that the result is not as good as budgeted.

(M). Actual financial result for the year to date: revenue less expenditure.

(N). Budgeted financial result for the year to date: revenue less expenditure.

(O). Difference between the actual and budgeted financial result – surplus/deficit for the year. A positive variance means that the result for the month is better than budgeted; a negative variance shows that the result is not as good as budgeted.

(P). This year's approved budgeted financial result – a surplus or a deficit for the full year.

(Q). Last year's financial result – surplus/deficit for the full year.

(R). The value of goods or services, which have been ordered but not yet invoiced – will be in the financial statement in a later month.

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Received	Last Year Actual
26201	Asset Clearing Account	-	-	-	-	-	-	-	-	-
26205	Computers/IT equip >\$5,000	-	-	-	17,841	17,841	-	17,841	100	26,317
26210	Furniture and Fittings >\$5,000	-	-	-	-	-	-	-	-	-
26211	Musical Equipment >\$5,000	-	-	-	-	-	-	-	-	-
26214	Communication Equip >\$5,000	-	-	-	-	-	-	-	-	-35,723-
26215	Plant & Equipment >\$5,000	-	-	-	-	-	-	-	-	-
26220	Other Assets >\$5,000	-	-	-	-	-	-	-	-	-
	Total Capital Expenditure	0	0	0	17,841	17,841	0	17,841	100	-9,405
	Outstanding Orders:	980 ¹⁴								

13. The amount spent on assets which cost more than \$5,000 each.

14. Equipment ordered but no invoice received yet.

GL Code	Account Title	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget	% of Budget Received	Last Year Actual
89591	Asset Write-Downs	-	-	-	82,140 ¹⁵	-	82,140	-	-	-
	Asset Sale Proceeds	-	-	-	- ¹⁶	-	-	-	-	-
	Total Asset Write-Downs	0	-	0	82,140 ¹⁷	-	82,140	-	-	-

15. The original cost of assets disposed of e.g. sold, discarded.

16. Amount received for sold assets.

17. Net profit/(loss) on assets disposed of – difference between original sale cost and sale proceeds.

General Ledger (GL21157)

Annual Sub-Program Budget Report from Program 1001 to 9799 Recurrent and Capital

Revenue

Sub Prog. ¹⁸	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
1254	Technology	12,000	12,000	179	179	100.00
4051	Music	2,775	2,775	-	-	0.00
4152	Sensory	-	-	36	36	100.00
4200	Health and Physical Education	3,273	3,273	8,720	8,720	100.00
4209	Swimming & Water Safety	1,980	1,980	-	-50	0.00
5220	Inclusive Education	15,868	-	14,642	14,642	100.00
5254	S.W.P.B.S.	16	-	-	-	0.00
5551	Occupational Therapist	230	230	-	-	0.00
6050	Contract Cleaner	-	-	257	257	99.86
6201	Maintenance & Minor Works	-	-	20,000	20,000	100.00
6552	BLACK OEC Grounds	52,061	52,061	34,024	41,110	120.82
6502	Grounds	-	-	-	22,570	0.00 ¹⁹
7001	Administration	75	-	47	47	100.00
7051	Profess Develop Admin	1,891	1,891	-	-	0.00
7058	BLACK OEC – Administration	207,009	207,009	164,300	175,323	106.70
7302	Uniform Sales – New	3,894	1,611	1,837	4,696	255.67
8321	Camp – Melbourne Discovery	-	-	-	1,200	0.00
8322	Camp – Garfield	1,355	1,586	500	1,345	269.00
8323	Camp – Alpine Ride	1,680	3,360	979	929	94.89
8324	Camp – City Graduates	-	-	-	80	0.00
8325	Camp – Phillip Island	1,650	-	-	-150	0.00
8326	Camp – Super Ride	3,190	-	-	580	0.00
8327	Camp – Blackwood Outdoor Ed Ctre	2,400	4,273	2,238	4,117	183.97
8328	Camp – Queensland	2,255	2,255	6,600	5,598	84.82
8346	Camp Wilsons Prom	1,614	-	-	-	0.00
8401	Excursions	9,336	-	7,372	6,719	91.14

General Ledger (GL21157) Annual Sub-Program Budget Report from Program 1001 to 9799 Recurrent and Capital

Revenue

Sub Prog. ¹⁸	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
8420	Riding For The Disabled	1,739	1,110	1,296	1,149	88.68
8421	Basketball	970	565	760	680	89.47
8426	Bowling – Room 12	-	-	-	542	0.00
8520	Graduation	3,342	3,162	4,810	4,810	100.00
8521	Debutante Ball	9,331	9,159	-	-	0.00
8522	School Concert	-	-	4,896	4,986	101.83
8601	Casual Relief Teachers	372	-	-	17,102	0.00
8650	Casual Relief Teacher Asst	30,791	30,791	-	-	0.00
8750	Parents Club	-	-	-	1,604	0.00
8751	Peninsula Principals Con	-	-	44,469	45,119	101.46
8955	Kefford Grant – School	2,400	2,400	-	-	0.00
9051	Curriculum	4,449	4,449	-	-	0.00
9301	Book Club	541	465	609	609	100.00
9362	Staff Functions	1,716	-	-	3,730	0.00
9367	Work Preparation Lunches	3,039	2,295	2,511	2,511	100.00
9370	Staff Association	1,423	898	637	572	89.80
9499	Revenue Control	729,681	695,003	322,070	1,015,778	315.39
Revenue Totals		1,115,107	1,045,362	643,789²⁰	1,407,110²¹	218.58²²

18. Each sub-program with revenue at the school this year (or last).

19. Although income has been earned this shows as 0% budget received as there wasn't a budget for this program.

20. This year's approved revenue budget for the full year. Will agree to the operating statement.

21. Year to date revenue for each program – total revenue will agree to the operating statement.

22. The percentage share of full year budgeted revenue actually earned so far this year.

General Ledger (GL21157) Annual Sub-Program Budget Report from Program 100 to 960 Recurrent and Capital

Expenditure

Sub Program ²³	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget Expended	Outstanding Orders	Uncommitted Balance
1254	Technology	66,569	90,331	56,279	47,504	84.40	-	8,775
4003	Dance	7,395	10,000	10,000	4,964	49.63	-	5,036
4009	Music Performance	-	-	5,000	-	0.00	-	5,000
4050	Art/craft	3,073	3,300	3,300	2,680	81.20	-	620
4051	Music	3,163	4,775	1,000	1,124	112.36	-	-124
4151	Speech	3,038	3,300	5,359	4,008	74.79	-	1,351
4152	Sensory	2,855	3,300	5,234	5,269	100.66	-	-35
4200	Health and Physical Education	12,551	14,700	14,720	13,691	93.00	-	1,029
4250	Physiotherapy	254	1,500	3,900	340	8.71	-	3,560
4251	Junior Kitchen	-	-	250	250	99.87	-	-
4262	Breakfast	853	1,400	578	590	101.99	1	-13
4209	Swimming & Water Safety	1,022	2,027	10,422	7,464	71.61	-	2,958
4651	I Can Be Safe	-	700	700	53	7.53	-	647
4920	Class Budget – Room 1	917	920	460	468	101.63	-	-8
4922	Class Budget – Room 2	378	690	805	791	98.25	-	14
4923	Class Budget – Room 3	549	920	690	530	76.82	-	160
4924	Class Budget – Room 4	504	575	805	487	60.45	-	318
4925	Class Budget – Room 5	493	805	920	351	38.14	-	569
4926	Class Budget – Room 6	682	1,055	920	878	95.40	-	42
4930	Class Budget – Room 10	-	-	690	585	84.82	60	45
4931	Class Budget – KHPS1	864	920	805	756	93.95	-	49
4932	Class Budget – KHPS2	693	690	805	532	66.10	39	234
4933	Class Budget – Room 13	625	920	805	699	86.77	44	62

Expenditure continued.

Sub Program ²³	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget Expended	Outstanding Orders	Uncommitted Balance
4934	Class Budget – Room 14	626	1,035	920	627	68.19	65	227
4935	Class Budget – Kinder EEPS	332	500	500	434	86.80	-	66
4939	Class Budget – Room 15	1,174	1,265	500	388	77.54	-	112
4940	Class Budget – Room 16	1,056	1,150	500	582	116.30	-	-82
4941	Class Budget – Room 17	1,176	1,265	500	454	90.85	-	46
4942	Class Budget – Room 18	492	575	805	818	101.57	26	-39
4943	Class Budget – Room 19	744	690	400	396	99.00	-	4
4944	Class Budget – Room 11	429	460	805	645	80.10	51	109
4945	Class Budget – Room 12	799	805	805	737	91.54	-	68
5220	Inclusive Education	14,700	-	-	-	0.00	-	-
5250	Welfare	444	500	500	476	95.17	-	24
5251	Access Ministries Grant	17,910	24,000	24,000	36,094	150.39	-	-12,094
5254	S.W.P.B.S.	1,332	1,500	1,500	1,317	87.79	-	183
5550	Occupational Health & Safety	27,479	25,000	35,000	24,290	69.40	-	10,710
5551	Occupational Therapist	4,120	4,130	4,130	3,489	84.48	-	641
6001	Building Services	43,028	50,000	80,000	82,435	103.04	-	-2,435
6050	Contract Cleaner	60,380	87,661	89,855	62,985	70.09	-	26,870
6201	Maintenance & Minor Works	380,501	418,253	134,369	138,317	102.93	20,551	-24,499
6401	Inspections	3,031	6,000	6,000	4,195	69.91	-	1,805
6551	Gardening Club	635	700	850	492	57.92	-	358
6552	BLACK OEC Grounds	93,215	100,143	216,986	87,574	40.35	-	129,412
6502	Grounds	34,449	30,000	50,000	14,153	28.30	20,100	15,747
6901	Tech Support	5,992	8,000	10,000	5,516	55.16	-	4,484
7001	Administration	63,728	50,000	50,000	38,930	77.86	2	11,067
7010	Professional Development	78,575	40,000	68,498	80,365	117.32	-	-11,867
7050	Photocopying	14,777	14,000	14,000	12,925	92.32	-	1,075

Expenditure continued.

Sub Program ²³	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget Expended	Outstanding Orders	Uncommitted Balance
7051	Profess Develop Admin	8,662	9,891	10,000	6,792	67.91	-	3,208
7058	BLACK OEC – Administration	176,507	261,215	232,018	135,629	58.45	5,447	90,943
7302	Uniform Sales – New	3,593	5,000	5,218	5,384	103.18	-	-166
7350	Staff Uniforms	1,328	1,327	-	93	0.00	-	-93
8321	Camp – Melbourne Discovery	-	-	-	575	0.00	-	-575
8322	Camp – Garfield	1,650	2,086	590	1,292	218.98	-	-702
8323	Camp – Alpine Ride	3,512	3,360	1,630	1,162	71.26	-	468
8324	Camp – City Graduates	-	-	-	150	0.00	-	-150
8325	Camp – Phillip Island	3,170	-	-	535	0.00	-	-535
8326	Camp – Super Ride	2,275	-	-	-1	0.00	-	1
8327	Camp – Blackwood Outdoor Ed Ctr	3,987	7,020	1,908	2,052	107.57	-	-144
8328	Camp – Queensland	1,236	2,255	6,600	5,916	89.64	-	684
8346	Camp Wilsons Prom	806	-	-	-	0.00	-	-
8401	Excursions	7,763	2,000	7,372	1,089	14.77	-	6,283
8420	Riding For The Disabled	2,012	1,110	1,296	1,655	127.70	-	-359
8421	Basketball	901	565	760	803	105.62	-	-43
8520	Graduation	6,598	5,105	5,810	5,606	96.49	-	204
8521	Debutante Ball	8,534	9,159	-	-	0.00	-	-
8522	School Concert	-	-	9,896	12,451	125.81	-	-2,555
8601	Casual Relief Teachers	86,605	100,000	100,000	136,409	136.40	-	-36,409
8650	Casual Relief Teacher Asst	163,881	142,412	100,000	167,017	167.01	-	-67,017
8751	Peninsula Principals Con	-	-	44,469	4,545	10.22	-	39,923
8951	Careers	240	8,852	8,068	-	0.00	-	8,068
8954	Advance Funding	8,827	12,276	14,186	9,988	70.40	350	3,848

Expenditure continued.

Sub Program ²³	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget Expended	Outstanding Orders	Uncommitted Balance
8955	Kefford Grant – School	900	2,400	1,260	-	0.00	-	1,260
9051	Curriculum	18,522	23,245	23,245	13,713	58.99	3,259	6,273
9301	Book Club	235	465	609	630	103.41	-	-21
9351	School Buses	17,321	20,000	20,000	19,197	95.98	-	803
9358	Classroom Furniture	5,932	39,574	30,000	8,693	28.97	-	21,307
9362	Staff Functions	-	-	-	4,277	0.00	-	-4,277
9367	Work Preparation Lunches	3,418	6,660	6,355	3,232	50.85	-	3,123
9370	Staff Association	427	898	1,397	593	42.41	-	805
9499	Revenue Control	-	-	48,146	290	0.60	-	47,856
Expenditure Totals		1,496,394	1,677,345	1,596,703,546²⁴	1,246,641	77.88²⁵	49,995	303,909²⁶

23. Each sub-program with expenditure at the school this year (or last).

24. This year's approved expenditure budget for the full year. This figure should equal the capital expenditure budget plus the operating budget.

25. The percentage share for full year budgeted expenditure actually incurred so far this year.

26. Unspent and uncommitted budget available.

Bank Reconciliation

10002 – Official Account

Date	Ref	Detail	Amount	Balance
Bank statement closing balance as at 31/12/20XX				
				(A) \$12,763.00
Plus outstanding deposits				
30/08/20XX		Parent Contributions	\$250.00	
Subtotal (outstanding deposits)				(B) \$250.00
Less unrepresented cheques				
14/05/20XX	12229	Transpacific Waste Management	-\$232.00	
14/08/20XX	12356	Australia Post	-\$220.00	
29/10/20XX	12357	Macmillan Education	-\$31.99	
29/10/20XX	12358	TRUenergy Pty Ltd	-\$1,677.50	
Subtotal (unrepresented cheques)				(C) -\$2,161.49
Adjusted bank statement balance				(D) \$10,851.51
G/L bank account balance as at 31/12/20XX				(E) \$10,851.51
Difference				(F) \$0.00

This report matches the bank statement to the school's records and explains the differences.

- (A).** The amount in the bank at the end of the month according to the bank statement.
- (B).** Outstanding deposits are funds not yet in the bank (at the time of the statement) but which are in the school's records.
- (C).** Unrepresented cheques are cheques issued by the school which have not yet been presented.
- (D).** This is the bank statement after unrepresented cheques have been deducted and outstanding deposits added – it should now match the school's financial records.
- (E).** This is the bank balance according to the school's financial records and should match the amount shown in the balance sheet.
- (F).** The difference between the bank statement and the school's records has been explained. The reconciliation should always result in a 'nil' difference. However, if it doesn't there must be a written explanation (eg, bank error).

Prompt **Response**

Prepared By:

Approved By:

Date:

Journal Report²⁷ for the period 01/01/20XX to 30/12/20XX

Date	Batch	User	Sub-Program	GL Code	Initiative	Detail	GST Type	Debit	Credit	Tax Amt	Gross Amt
01/01/20XX	4417	HAR	0000	12002	000	BAS Clearing Journal [202212]		10,211.00			
01/01/20XX	4417	HAR	0000	38005	000	BAS Clearing Journal [202212]		58.28			
01/01/20XX	4417	HAR	0000	12001	000	BAS Clearing Journal [202212]			10,268.66		
01/01/20XX	4417	HAR	0000	89309	000	BAS Clearing Journal [202212]			0.62		
Total								10,269.28	10,269.28		
01/02/20XX	4424	HAR	0000	10002	000	Funds Transfer		60,000.00			
01/02/20XX	4424	HAR	0000	10001	000	Funds Transfer			60,000.00		
Total								60,000.00	60,000.00		
26/10/20XX	4482	HAR	9354	74405	000	CSEF Journals – 202203		2,076.95			
26/10/20XX	4482	HAR	9354	74301	000	CSEF Journals – 202203		190.20			
26/10/20XX	4482	HAR	9354	70007	000	CSEF Journals – 202203			2,267.15		
Total								2,267.15	2,267.15		

27. This report lists financial transactions entered into the finance system by the business manager for the year to date (which then form part of the school's finance records). This report is presented to the subcommittee as an internal control, giving greater transparency to the financial records. The finance subcommittee may ask questions about the transactions in this report.

Cash Flow Statement as at 31/12/20XX Bank Accounts 10001 to 10099²⁸

Bank Account: 10001²⁹. High Yield Investment Account.

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec. YTD Total	Opening Balance \$378,742 ³⁰
Receipts³¹	\$103,632	\$456	\$70,910	\$116,836	\$2,526	\$23,861	\$360,375	\$58,963	\$382	\$363,864	\$494	\$19,242	\$1,121,542
Payments³²	\$110,000	\$60,000	\$108,657	\$110,000	\$50,000	\$200,000	-	\$98,175	\$110,000	\$50,000	\$70,000	\$70,000	\$1,036,832
Surplus/ (Deficit)³³	(\$6,368)	(\$59,544)	(\$37,747)	\$6,836	(\$47,474)	(\$176,139)	\$360,375	(\$39,212)	(\$109,618)	\$313,864	(\$69,506)	(\$50,758)	\$84,710
Closing Balance³⁴													\$463,452

28. Note: this report shows the bank balances in the school's financial records for each of the school's bank accounts. These are reconciled to the bank statement in the bank reconciliation.

29. Bank account to which the information in the table below applies.

30. The opening balance of the account at the beginning of the year.

31. How much cash has come into the bank account each month and for the year to date.

32. How much cash has gone out of the account each month and for the year to date.

33. The net increase/ (decrease) in the account balance each month.

34. The closing balance of the account at the date of the report.

Sundry Debtor Credit Notes Report Sundry debtors from 00001 to SFYAT³⁵ (DR21309)

Sundry Debtor	Credit Note No	Date	Detail	GST Amount	Credit Note Amount (Incl GST)	
SFJOH	Mary Johnson	DRI0000446	26/01/20XX	Reversal of Charge	\$0.00	\$4,005.00
				Debtor Total		\$4,005.00
SFSMI	Luke Smith	DRI0000447	26/01/20XX	Reversal of Charge	\$0.00	\$3,327.00
				Debtor Total		\$3,327.00
SFWIN	Gladys Winter	DRI0000448	26/01/20XX	Reversal of Charge	\$0.00	\$3,600.00
				Debtor Total		\$3,600.00
SFYAK	Pedro Yak	DRI0000449	26/01/20XX	Reversal of Charge	\$0.00	\$2,580.00
				Debtor Total		\$2,580.00
				Grand total		\$13,512.00

35. This report shows credit notes issued to debtors (other than families). This report is presented to the subcommittee as an internal control, to verify that credit note transactions are valid.

Family Credit Notes Report From family ABS0050 to ZUC0050³⁶ (DF21309)

Family	Credit Note No	Date	Detail	GST Amount	Credit Note Amount (Incl GST)	
BRO00008	Ms BROWN	DFI0001575	21/05/20XX	Overseas Camp	\$0.00	\$5,000.00
CAM00001	Mr P & Mrs S Campbell	DFI0001716	28/01/20XX	Uniform Sales	\$0.00	\$240.00
		DFI0001717	15/03/20XX	Overseas Camp	\$0.00	\$5,000.00
		DFI0001718	30/09/20XX	Adventure Playground	\$0.00	\$30.00
		DFI0001719	31/12/20XX	Voluntary Contributions	\$0.00	\$200.00
				Family Total		\$5,470.00
SAM00001	Mr S Sample	DFI0001729	15/03/20XX	Overseas Camp	\$0.00	\$10,000.00
		DFI0001730	01/08/20XX	Science Excursion	\$0.00	\$200.00
		DFI0001731	31/12/20XX	Voluntary Contributions	\$0.00	\$400.00
		DFI0001732	28/01/20XX	Uniform Sales	\$0.00	\$494.41
				Family Total		\$11,094.41
SMI000034	Ms L Smith	DFI0001744	15/03/20XX	Overseas Camp	\$0.00	\$5,000.00
		DFI0001745	01/08/20XX	Science Excursion	\$0.00	\$100.00
		DFI0001746	31/12/20XX	Voluntary Contributions	\$0.00	\$200.00
		DFI0001747	28/01/20XX	Uniform Sales	\$0.00	\$230.00
				Family Total		\$5,530.00
YOU00012	Mr A & Mrs J Young	DFI0001781	28/01/20XX	Uniform Sales	\$0.00	\$230.00
		DFI0001782	15/03/20XX	Overseas Camp	\$0.00	\$5,000.00
				Family Total		\$5,230.00
				Grand total		\$32,324.41

36. This report shows credit notes (usually refunds) given to families. This report is presented to the subcommittee as an internal control, to verify that credit note transactions are valid.

Invoices Awaiting Payment – Detailed (CR21118)

From creditor 2FORTHHERD to ZZZZZZZFTC | From Sub-program 1301 to 9601 | From Program³⁷ 1301 to 9601 | From Initiative 000 to 000

Invoice Number PSW	Invoice Date	Invoice Due Date PSW	Invoice GST Type	Invoice GST Amount	Invoice Amount (incl GST)	Outstanding Amount (incl GST)	Credit Note #	Credit Note GST Amount	Credit Note Amount (incl GST)	WH Tax Rate	WH Tax Type	Order #	GL Code	Sub-Initiative program	
WOOLIES – WOOLWORTHS LTD³⁸															
3115089	12/12/20XX	10/12/20XX	G14	7.97	13.80	13.80						PO12466	86104	4922	000
3115089	12/12/20XX	10/12/20XX ³⁹	G11	7.97	87.68	87.68						PO12466	86104	4922	000
				7.97	101.48	101.48⁴⁰									

Nett amount outstanding: 101.48
Total Nett Amount Outstanding for All Creditors: 101.48⁴¹

37. The program/s which has/have incurred the expenditure.
 38. To whom payment is owed (for example, the creditor).
 39. When payment is due.
 40. The amount owing (before any payments have been made or credit notes applied).
 41. Total amount owing.

General Ledger Balance Sheet As at 31 December 20XX

Accumulated Funds	Current	Last year
Accumulated Funds	-854,208.86	-795,944.35
Total Funds	-854,208.86⁴²	-795,944.35

Represented by: Non Current Assets	Current	Last year
Asset Clearing Account	0	0
Motor Vehicles >\$5,000	42,920.71	42,920.71
Computers/IT equip >\$5,000	146,979.70	159,160.43
Furniture and Fittings >\$5,000	23,250	7,536,795
Musical Equipment >\$5,000	5,400.00	5,400.00
Communication Equip >\$5,000	21,060.91	21,060.91
Plant & Equipment >\$5,000	12,932.30	12,932.30
Other Assets >\$5,000	12,888.00	12,888.00
Total	265,431.62⁴³	329,730.30

Current Assets	Current	Last year
High Yield Investment Account ⁴⁴	463,452.19	378,742.35
Official Account ⁴⁵	10,851.51	12,763.16
Accounts Receivable Control	8,945.67	10,917.66
Sundry Debtors	93,920.30	54,171.19
GST Purchases (Reclaimable)	11,758.48	10,268.66
	588,928.15⁴⁶	466,863.02
Total Assets	854,359.77⁴⁷	796,593.32

Current Liabilities	Current	Last year
Accounts Payable Control	-101.48	-590.69
GST on Sales	-49.43	-58.28
	-150.91	-648.97

Non Current Liabilities	Current	Last year
Total Liabilities	-150.91⁴⁸	-648.97
Net Assets	854,208.86⁴⁹	795,944.35

42. Accumulated funds: Equal to net assets. Should always be a negative number.

43. Total non-current assets: this is the purchase cost of all equipment, and furniture, for items valued over \$5,000.

44. Amount invested to earn interest.

45. Money held to pay bills over the next few months.

46. Total current assets: total amount of cash held + money owed to the school.

47. Total assets: what the school owns.

48. Total liabilities: what the school owes.

49. Net assets: amount the school owns less the amount it owes. Should always be a positive number.

Cancelled Receipts Report From 01/01/20XX to 31/12/20XX⁵⁰ (GL21004)

From Bank Account: 10001 | To Bank Account: 10002
 From Bank Account: 10001

High Yield

Date	Receipt Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
29/03/20XX	GLP0002069	#CAN Westpac IA238375	73001	940	9499	100	481.75	481.75
09/08/20XX	GLP0002115	#CAN Rev Batch 18029	73001	940	9499	100	48,175.00	48,175.00
Total Cancellations for Bank Account 10001 HYIA								48,656.75

50. This report shows each cancelled receipt for the year to date. This report is presented to the subcommittee as an internal control, to verify that cancelled transactions are valid.

From Bank Account: 10002

Official Account

Date	Receipt Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
30/01/20XX		Mr & Mrs SMITH #CAN Refund of overpayment	73001	420	4262	100	150.00	
Total Unallocated Cancellations for 30/01/20XX								150.00
30/06/20XX		#CAN #Camps/Excursions/Activities	74301	940	9499	100	5,203.04	
Total Unallocated Cancellations for 30/06/20XX								5,203.04
15/08/20XX		#CAN #Duplication of Batch	73001	420	4262	100	15,000	
15/08/20XX		#CAN #Duplication of Batch	73001	420	4262	100	15,000	
Total Unallocated Cancellations for 15/08/20XX								30,000
30/11/20XX		#CAN #Incorrect Bank Account	73001	940	9499	100	500,000	
Total Unallocated Cancellations for 30/11/20XX								500,000
Total Cancellations for Bank Account 10002 Official Account								535,353.04

Cancelled Payments Report From 01/01/20XX to 31/12/20XX⁵¹ (GL21005)
 From Bank Account: 10001 | To Bank Account: 10002

From Bank Account: 10001							High Yield	
Date	Cheque Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
09/08/20XX	GLP543845	#CAN #REV Batch 18707	89301	940	9499	100	48,175.00	
Total Cancellations for 09/08/20XX							48,175.00	48,175.00
Total cancellations Bank Account 10001 High Yield							48,175.00	48,175.00

51. This report shows each cancelled payment for the year to date. This report is presented to the subcommittee as an internal control, to verify that cancelled transactions are valid.

From Bank Account: 10002							Official Account	
Date	Cheque Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
25/05/20XX	CRP0004141	#CAN# TRUenergy Pty Ltd – Overpmt – Cheq 12318 (1500.64)					205.82	
Total Cancellations for 25/05/20XX							205.82	205.82
28/07/20XX	CRP0004297	#CAN# Calculated Industries – Reverse Payment Cheque 12328					9,000.00	
	CRP0004298	#CAN# Nice Neighbours Systems Group Pty Ltd – CRP0004283 Reversed					300.00	
Total Cancellations for 28/07/20XX							9,300.00	9,300.00
Total Unallocated Cancellations for the period							0.00	0.00
Total Cancellations for Bank Account 10002 Official Account							9,505.82	9,505.82

Handout A1

Budgeting: excerpt from School Strategic Plan

A primary school's strategic plan includes these goals:

- to improve learning outcomes for all students in literacy and numeracy
- to ensure that students feel safe, secure and stimulated in their learning
- to ensure smooth transitions and learning pathways for all students.

Some of the key improvement strategies to achieve these goals are:

- enhancing teaching practice across the school
- embedding the use of information technology to drive learning across the curriculum
- developing facilities and learning spaces to support effective teaching and learning
- developing a whole school approach to student management.

School budget submissions

The following submissions are among the program budgets submitted to the finance subcommittee for review against the school's strategic priorities.

PROGRAM BUDGET 20XX
PROGRAM TITLE: MATHEMATICS
BUDGET ALLOCATION: \$5,550

Objectives:

- to maintain and update mathematics resources and equipment across the school
- to support teacher professional learning to guide the implementation of an effective school-wide numeracy teaching program.

Code	Category	Amount
86101	Non-Curriculum Consumables	\$350
86407	Plant and Equipment <\$5,000	\$4,500
86910	Conferences/Courses/Seminars	\$700

PROGRAM BUDGET 20XX
PROGRAM TITLE:
ADMINISTRATION SERVICES
BUDGET ALLOCATION: \$35,000

Code	Category	Amount
80081	WorkCover	\$2,500
86101	Non-Curriculum Consumables	\$22,000
86301	Postage	\$750
86802	Insurance	\$2,500
86407	Plant and Equipment <\$5,000	\$4,250
86402	Repairs/ Maintenance/ Equipment	\$1,200
86910	Conferences/ Courses/ Seminars	\$800
86920	Hospitality	\$1,000

PROGRAM BUDGET 20XX
PROGRAM TITLE: LITERACY
BUDGET ALLOCATION: \$12,700

Objectives:

- continued support for the literacy program, with emphasis on supplementing guided reading resources
- provision of classroom libraries for all classrooms
- subsidy of the program for literacy events for the school such as author visits during the Premiers' Literacy Challenge
- provision of professional learning.

Code	Category	Amount
86101	Non-Curriculum Consumables	\$700
86102	Photocopying	\$500
86104	Curriculum Consumables	\$8,500
86407	Plant and Equipment <\$5,000	\$2,000
86910	Conferences/ Courses/ Seminars	\$1,000

PROGRAM BUDGET 20XX
PROGRAM TITLE:
IT (INFORMATION TECHNOLOGY)
BUDGET ALLOCATION: \$24,500

Objectives:

- to renew and replace equipment
- to give all students access to up-to-date technology.

Code	Category	Amount
86403	Leased Equipment	\$17,000
86407	Plant and Equipment <\$5,000	\$4,500
89204	Service provider	\$3,000

Handout A2

Budgeting: Questions

Imagine that you are a councillor on the finance subcommittee for this school and consider:

- a)** which budget submissions would you see as a priority for the coming year's budget?
- b)** what questions would you have for the principal?
- c)** what information would you need to be able to evaluate these submissions?

Handout B1

Financial reports: Sample annual sub-program budget report

REVENUE

General Ledger Annual Sub-Program Budget Report from Program 1001 to 9635 Recurrent and Capital

Sub Prog.	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
1254	Technology	12,000	12,000	179	179	100.00
4051	Music	2,775	2,775	-	-	0.00
4152	Sensory	-	-	36	36	100.00
4200	Health and Physical Education	3,273	3,273	8,720	8,720	100.00
4209	Swimming & Water Safety	1,980	1,980	-	-50	0.00
5220	Inclusive Education	15,868	-	14,642	14,642	100.00
5254	S.W.P.B.S.	16	-	-	-	0.00
5551	Occupational Therapist	230	230	-	-	0.00
6050	Contract Cleaner	-	-	257	257	99.86
6201	Maintenance & Minor Works	-	-	20,000	20,000	100.00
6552	BLACK OEC Grounds	52,061	52,061	34,024	41,110	120.82
6502	Grounds	-	-	-	22,570	0.00
7001	Administration	75	-	47	47	100.00
7051	Profess Develop Admin	1,891	1,891	-	-	0.00
7058	BLACK OEC – Administration	207,009	207,009	164,300	175,323	106.70
7302	Uniform Sales – New	3,894	1,611	1,837	4,696	255.67
7350	Staff Uniforms	763	763	-	-	0.00
8321	Camp – Melbourne Discovery	-	-	-	1,200	0.00
8322	Camp – Garfield	1,355	1,586	500	1,345	269.00

Sub Prog.	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
8323	Camp – Alpine Ride	1,680	3,360	979	929	94.89
8324	Camp – City Graduates	-	-	-	80	0.00
8325	Camp – Phillip Island	1,650	-	-	-150	0.00
8326	Camp – Super Ride	3,190	-	-	580	0.00
8327	Camp – Blackwood Outdoor Ed Ctre	2,400	4,273	2,238	4,117	183.97
8328	Camp – Queensland	2,255	2,255	6,600	5,598	84.82
8346	Camp Wilsons Prom	1,614	-	-	-	0.00
8401	Excursions	9,336	-	7,372	6,719	91.14
8420	Riding For The Disabled	1,739	1,110	1,296	1,149	88.68
8421	Basketball	970	565	760	680	89.47
8426	Bowling – Room 12	-	-	-	542	0.00
8520	Graduation	3,342	3,162	4,810	4,810	100.00
8521	Debutante Ball 2018	9,331	9,159	-	-	0.00
8522	School Concert	-	-	4,896	4,986	101.83
8601	Casual Relief Teachers	372	-	-	17,102	0.00
8650	Casual Relief Teacher Asst	30,791	30,791	-	-	0.00
8750	Parents Club	-	-	-	1,604	0.00
8751	Peninsula Principals Con	-	-	44,469	45,119	101.46
8955	Kefford Grant – School	2,400	2,400	-	-	0.00
9051	Curriculum	4,449	4,449	-	-	0.00
9301	Book Club	541	465	609	609	100.00
9362	Staff Functions	1,716	-	-	3,730	0.00
9367	Work Preparation Lunches	3,039	2,295	2,511	2,511	100.00
9370	Staff Association	1,423	898	637	572	89.80
9499	Revenue Control	729,681	695,003	322,070	1,015,778	315.39
Revenue Totals		1,115,107	1,045,362	643,789	1,407,141	218.58

Handout B1

Financial reports: Sample annual sub-program budget report

EXPENDITURE

General Ledger Annual Sub-Program Budget Report from Program 100 to 960 Recurrent & Capital

Sub Prog. ⁷¹	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget expended	Out-Orders	Un-committed Balance
1254	Technology	66,569	90,331	56,279	47,504	84.40	-	8,775
4003	Dance	7,395	10,000	10,000	4,964	49.63	-	5,036
4009	Music Performance	-	-	5,000	-	0.00	-	5,000
4050	Art/craft	3,073	3,300	3,300	2,680	81.20	-	620
4051	Music	3,163	4,775	1,000	1,124	112.36	-	-124
4151	Speech	3,038	3,300	5,359	4,008	74.79	-	1,351
4152	Sensory	2,855	3,300	5,234	5,269	100.66	-	-35
4200	Health & Physical Education	12,551	14,700	14,720	13,691	93.00	-	1,029
4250	Physiotherapy	254	1,500	3,900	340	8.71	-	3,560
4251	Junior Kitchen	-	-	250	250	99.87	-	-
4050	Art/craft	3,073	3,300	3,300	2,680	81.20	-	620
4209	Swimming & Water Safety	1,022	2,027	10,422	7,464	71.61	-	2,958
4651	I Can Be Safe	-	700	700	53	7.53	-	647
4920	Class Budget – Room 1	917	920	460	468	101.63	-	-8
4922	Class Budget – Room 2	378	690	805	791	98.25	-	14
4923	Class Budget – Room 3	549	920	690	530	76.82	-	160
4924	Class Budget – Room 4	504	575	805	487	60.45	-	318
4925	Class Budget – Room 5	493	805	920	351	38.14	-	569
4926	Class Budget – Room 6	682	1,055	920	878	95.40	-	42
4930	Class Budget – Room 10	-	-	690	585	84.82	60	45
4931	Class Budget – KHPS1	864	920	805	756	93.95	-	49

Sub Prog. ⁷¹	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget expended	Out-standing Orders	Un-committed Balance
4932	Class Budget – KHPS2	693	690	805	532	66.10	39	234
4933	Class Budget – Room 13	625	920	805	699	86.77	44	62
4934	Class Budget – Room 14	626	1,035	920	627	68.19	65	227
4935	Class Budget – 332	500	500	434	86.80	-	66	
4939	Class Budget – Room 15	1,174	1,265	500	388	77.54	-	112
4940	Class Budget – Room 16	1,056	1,150	500	582	116.30	-	-82
4941	Class Budget – Room 17	1,176	1,265	500	454	90.85	-	46
4942	Class Budget – Room 18	492	575	805	818	101.57	26	-39
4943	Class Budget – Room 19	744	690	400	396	99.00	-	4
4944	Class Budget – Room 11	429	460	805	645	80.10	51	109
4945	Class Budget – Room 12	799	805	805	737	91.54	-	68
5220	Inclusive Education	14,700	-	-	-	0.00	-	-
5250	Welfare	444	500	500	476	95.17	-	24
5251	Access Ministries Grant	17,910	24,000	24,000	36,094	150.39	-	-12,094
5254	S.W.P.B.S.	1,332	1,500	1,500	1,317	87.79	-	183
5550	Occupational Health & Safety	27,479	25,000	35,000	24,290	69.40	-	10,710
5551	Occupational Therapist	4,120	4,130	4,130	3,489	84.48	-	641
6001	Building Services	43,028	50,000	80,000	82,435	103.04	-	-2,435
6050	Contract Cleaner	60,380	87,661	89,855	62,985	70.09	-	26,870
6201	Maintenance & Minor Works	380,501	418,253	134,369	138,317	102.93	20,551	-24,499
6401	Inspections	3,031	6,000	6,000	4,195	69.91	-	1,805
6551	Gardening Club	635	700	850	492	57.92	-	358
6552	BLACK OEC Grounds	93,215	100,143	216,986	87,574	40.35	-	129,412
6902	Grounds	34,449	30,000	50,000	14,153	28.30	20,100	15,747
6901	Tech Support Specialist	5,992	8,000	10,000	5,516	55.16	-	4,484
7001	Administration	63,728	50,000	50,000	38,930	77.86	2	11,067
7010	Professional Development	78,575	40,000	68,498	80,365	117.32	-	-11,867
7050	Photocopying	14,777	14,000	14,000	12,925	92.32	-	1,075
7051	Profess Develop Admin	8,662	9,891	10,000	6,792	67.91	-	3,208
7058	BLACK OEC – Administration	176,507	261,215	232,018	135,629	58.45	5,447	90,943
7302	Uniform Sales – New	3,593	5,000	5,218	5,384	103.18	-	-166
7350	Staff Uniforms	1,328	1,327	-	93	0.00	-	-93

Sub Prog. ⁷¹	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget expended	Out-standing Orders	Un-committed Balance
8321	Camp – Melbourne Discovery	-	-	-	575	0.00	-	-575
8322	Camp – Garfield	1,650	2,086	590	1,292	218.98	-	-702
8323	Camp – Alpine Ride	3,512	3,360	1,630	1,162	71.26	-	468
8324	Camp – City Graduates	-	-	-	150	0.00	-	-150
8325	Camp – Phillip Island	3,170	-	-	535	0.00	-	-535
8326	Camp – Super Ride	2,275	-	-	-1	0.00	-	1
8327	Camp – Blackwood Outdoor Ed Ctre	3,987	7,020	1,908	2,052	107.57	-	-144
8328	Camp – Queensland	1,236	2,255	6,600	5,916	89.64	-	684
8346	Camp – Wilsons Prom	806	-	-	-	0.00	-	-
8401	Excursions	7,763	2,000	7,372	1,089	14.77	-	6,283
8420	Riding For The Disabled	2,012	1,110	1,296	1,655	127.70	-	-359
8421	Basketball	901	565	760	803	105.62	-	-43
8520	Graduation	6,598	5,105	5,810	5,606	96.49	-	204
8521	Debutante Ball	8,534	9,159	-	-	0.00	-	-
8522	School Concert	-	-	9,896	12,451	125.81	-	-2,555
8601	Casual Relief Teachers	86,605	100,000	100,000	136,409	136.40	-	-36,409
8650	Casual Relief Teacher Asst	163,881	142,412	100,000	167,017	167.01	-	-67,017
8751	Peninsula Principals Con 2020	-	-	44,469	4,545	10.22	-	39,923
8951	Careers	240	8,852	8,068	-	0.00	-	8,068
8954	Advance Funding	8,827	12,276	14,186	9,988	70.40	350	3,848
8955	Kefford Grant – School	900	2,400	1,260	-	0.00	-	1,260
9051	Curriculum	18,522	23,245	23,245	13,713	58.99	3,259	6,273
9301	Book Club	235	465	609	630	103.41	-	-21
9351	School Buses	17,321	20,000	20,000	19,197	95.98	-	803
9358	Classroom Furniture	5,932	39,574	30,000	8,693	28.97	-	21,307
9362	Staff Functions	-	-	-	4,277	0.00	-	-4,277
9367	Work Preparation Lunches	3,418	6,660	6,355	3,232	50.85	-	3,123
9370	Staff Association	427	898	1,397	593	42.41	-	805
9499	Revenue Control	-	-	48,146	290	0.60	-	47,856
Expenditure Totals		1,496,394	1,677,334	1,600,546	1,246,798	77.88	49,995	303,909

Handout B2

Financial reports: Questions

Use the annual sub-program budget report provided to answer these questions:

- a)** how much revenue have the Health and Physical Education and the Book Club sub-programs each earned so far this year?
- b)** how does revenue for each of these two programs compare to this year's budget?
- c)** how does revenue for each of these two programs compare to what was earned last year?
- d)** how much has been spent so far this year by the Health and Physical Education sub-program?
- e)** what questions would you ask the principal about both of these sub-programs?
- f)** what other questions would you have about the financial performance of this school?

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.

Handout C1

Internal controls: Quiz

Statement	Is this statement true or false?
1. If there is no one else available, it is okay for the person who approved the order of goods to record them as received in the finance system.	
2. Even though it is known that 10 purchases will be required for a product (valued at \$3,000 each), it is okay for one written quote to be sought on each occasion.	
3. Both the finance subcommittee and the school council are responsible for reviewing the financial reports.	
4. An annual stocktake of all assets on the asset register must be conducted.	
5. It is okay for the chair of the finance subcommittee to be the school business manager, as long as they are not an employee of the department.	
6. The school council approves a budget every three years.	
7. All payments require two signatories: the principal and a nominated councillor.	
8. A school councillor who has a question about compliance with an internal control can't ask the question unless they are the school council chair.	

Handout C2

Internal controls: Answer sheet

Statement	Is this statement true or false?	Is this statement true or false?
1. If there is no one else available, it is okay for the person who approved the order of goods to record them as received in the finance system.	False	<i>Separating the approval and receipt of goods or services is an important internal control for purchasing.</i>
2. Even though it is known that 10 purchases will be required for a product (valued at \$3,000 each), it is okay for one written quote to be sought on each occasion.	False	<i>The procurement process should take the total cost of goods and services into account. This purchase should therefore consider the total value as \$30,000 (i.e. 10 purchases of \$3,000 each) and seek three written quotes.</i>
3. Both the finance subcommittee and the school council are responsible for reviewing the financial reports.	True	<i>Most school councils have a finance subcommittee. Both the finance subcommittee (where it exists) and school council review financial reports, and the finance subcommittee recommends action to be taken to the council.</i>
4. An annual stocktake of all assets on the asset register must be conducted.	False	<i>In line with annual reporting of the school's financial accounts, a stocktake of assets must be conducted once every two years.</i>
5. It is okay for the chair of the finance subcommittee to be the school business manager, as long as they are not an employee of the department.	False	<i>The chair of the finance subcommittee cannot be the business manager.</i>
6. The school council approves a budget every three years.	False	<i>Council approves the budget before the start of each new year. An external auditor must audit the school's financial statements at least once every four years.</i>
7. All payments require two signatories: the principal and a nominated councillor.	True	<i>Payments, including those made online, must be approved by two signatories. The business manager cannot be a signatory.</i>
8. A school councillor who has a question about compliance with an internal control can't ask the question unless they are the school council chair.	False	<i>Council is responsible for ensuring that the school maintains and monitors a system of internal controls. All councillors can and should ask questions when they have them.</i>

