



Finance

Improving School Governance

Published by the Regional Services Group
Department of Education and Training
Melbourne
February 2019

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2 Treasury Place, East Melbourne, Victoria, 3002.
ISBN 978-0-646-99754-4



Education
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3.0 Introduction

Goals

The goals of this module are for school councillors to understand their governance 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 and Training (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 that 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 and Annual Implementation Plan. 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.

Overview continued

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

The treasurer is responsible for:

- convening the finance sub-committee, 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 sub-committee, 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 the performance of a function of a councillor
- the reasonable belief that the act or omission was in the exercise of a power or the performance of a function of a councillor.

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.

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 School Strategic Plan. 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 School Strategic Plan
- 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.

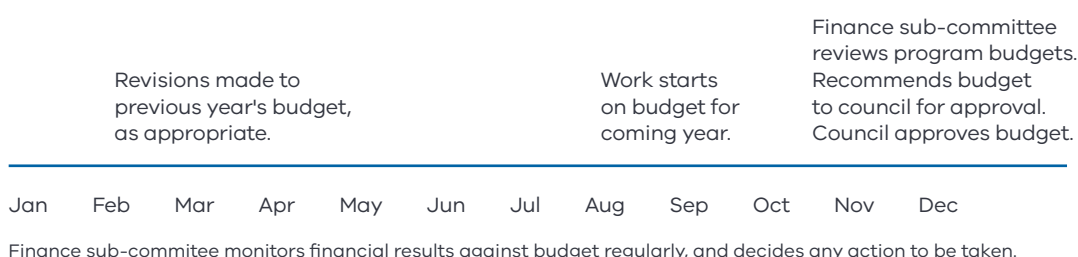
The principal ...	The school council ...
<ul style="list-style-type: none"> • develops the budget timeline 	<ul style="list-style-type: none"> • approves the budget timeline
<ul style="list-style-type: none"> • develops program budgets with staff, and salary and revenue budgets 	<ul style="list-style-type: none"> • reviews budget submissions and program priority list (undertaken by the finance sub-committee 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 finance sub-committees 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 sub-committee develop the budget timeline.

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



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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
- 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.

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 to the finance sub-committee. 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 sub-committee informs the review of the budget submissions with the priorities advised by council.

Reviewing budget submissions

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

The finance sub-committee checks that each submission provides enough information for it to make a decision to recommend it 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 sub-committee 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 sub-committee discusses 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.

Sub-committee 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	<i>Was photocopy paper of the quality specified obtained at the lowest possible price?</i>
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	<i>Were canteen costs reduced while improving the nutritional content of food provided?</i>
Effectiveness	Delivering a successful outcome and meeting objectives as fully as possible	<i>Has the literacy program improved NAPLAN results?</i>

A strategic approach to economy and efficiency

Develop a value for money culture

This means encouraging everyone to accept that value for money (VFM) is not 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 value for money

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
- 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 that 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 should be aware of the Department's *Schools Procurement Policy and Schools Procurement Procedures*.

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

Procurement threshold (inc 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"> approves justification for procurement expenditure, 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

Further information is available at the Schools Procurement Policy and Procedure portal. Password required.

[https://edugate.eduweb.vic.gov.au/sites/i/pages/production.aspx#/app/content/2089/support_and_service_\(schools\)%252Fprocurement,_funding,_travel_and_gifts%252Fprocurement%252Fschoools_procurement_policy_and_procedure](https://edugate.eduweb.vic.gov.au/sites/i/pages/production.aspx#/app/content/2089/support_and_service_(schools)%252Fprocurement,_funding,_travel_and_gifts%252Fprocurement%252Fschoools_procurement_policy_and_procedure)

Recommending, approving and revising the budget

The treasurer and finance sub-committee, after discussion with the principal, determine:

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

The treasurer, on behalf of the finance sub-committee, 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 sub-committee 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.

Resources and links

Finance Manual for Victorian Government Schools

<https://www.education.vic.gov.au/school/teachers/management/finance/Pages/guidelines.aspx>

See the Finance Manual for A Guide to Budget Management in Victorian Government Schools

Conflict of Interest

<https://www.education.vic.gov.au/hrweb/workm/Pages/Conflict-of-Interest.aspx>

Ethical Decision Making

<https://www.education.vic.gov.au/school/principals/spag/governance/Pages/ethicaldecisionmaking.aspx>

Purchasing

<https://www.education.vic.gov.au/school/principals/spag/finance/Pages/purchasing.aspx>

School Procurement Policy and Procedure Portal - eduGate

[https://edugate.eduweb.vic.gov.au/sites/i/pages/production.aspx#/app/content/2089/support_and_service_\(schools\)%252Fprocurement,_funding,_travel_and_gifts%252Fprocurement%252Fschools_procurement_policy_and_procedure](https://edugate.eduweb.vic.gov.au/sites/i/pages/production.aspx#/app/content/2089/support_and_service_(schools)%252Fprocurement,_funding,_travel_and_gifts%252Fprocurement%252Fschools_procurement_policy_and_procedure)

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 sub-committee 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"> • explains financial reports to the finance sub-committee 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 decision 	<ul style="list-style-type: none"> • approves action to address issues arising from the financial reports

Most schools have a finance sub-committee 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 using the table below. The principal would typically provide these reports to the finance sub-committee and council would usually see only the operating statement and balance sheet. Note that the investment register, if required, and cash flow forecast report are 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
Investment register if required	Schools should retain their current investment policy and register until all investment accounts have been transferred to the Centralised Banking System. Once school investments have been transferred, the school is no longer required to maintain an investment policy or register

Note: that the investment register, if required, cash flow forecast report, purchasing card statements and school budget management report are not generated through CASES21.

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

Reviewing reports and taking action

Generally speaking, the treasurer and finance sub-committee at each meeting receive copies of the main reports 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 sub-committee might recommend that non-essential expenditure on the program stops
- if the school is underspending its total budget, the sub-committee 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 sub-committee 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 sub-committee to take action, and how the action proposed would affect the school's operations and implementation of the strategic plan.

The finance sub-committee 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 sub-committee 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 sub-committee 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 cheques 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 sub-committee:

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

Journal

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

Cash flow statement

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

Invoices awaiting payment

The finance sub-committee uses this report when approving invoices for payment.

Balance sheet

When reviewing the balance sheet, the finance sub-committee 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.

Investment register

From 14 February 2019, schools are no longer permitted to establish new term deposits or extend existing term deposits. All term deposits with a maturity beyond 14 February must be rolled into the Centralised Banking System (CBS) linked High Yield investment account upon maturity.

Schools should retain their current investment policy and register until all investment accounts have been transferred to the Centralised Banking System. Once school investments have been transferred the school is no longer required to maintain an investment policy or register.

The investment register is not a CASES21 report but will be prepared for the finance sub-committee to show:

- the type or types of investment
- the amounts invested
- the terms of the investments (including interest rates) and maturity dates
- where amounts are invested (with which financial institutions).

The finance sub-committee uses the register to monitor compliance with the school's approved investment policy and to monitor the funds available to meet future payments.

Cancelled payments and cancelled receipts

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

Resources and links

CASES21 Finance: Operating Statement: A practical example and explanation – Financial Reporting for Schools

<https://www.education.vic.gov.au/school/teachers/management/finance/Pages/cases21.aspx>

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 in to 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 an investment policy if appropriate - 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 review the school Register for compliance with the 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 Procedures • 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 cheque, 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 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 and receipts checklist available in the publication 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 and investments: <ul style="list-style-type: none"> - are in council's name (except for the 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"> • ensure that any surplus funds are held within the CBS linked High Yield investment account and that any existing investments are moved to the High Yield investment account upon maturity
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 is now distributed through eduPay • requiring all non-teaching school-based employees to have a current Working With Children Check – the hiring process with eduPay cannot be completed unless this compliance 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 compliance 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 sub-committee 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 cardholders 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 itself 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.

Resources and links

School Financial Guidelines

<https://www.education.vic.gov.au/school/teachers/management/finance/Pages/guidelines.aspx>

School Procurement Policy and Procedure Portal

[http://edugate.eduweb.vic.gov.au/sites/i/pages/production.aspx#/app/content/2089/support_and_service_\(schools\)%252Fprocurement_funding_and_travel%252Fprocurement%252Fprocurement_procedure](http://edugate.eduweb.vic.gov.au/sites/i/pages/production.aspx#/app/content/2089/support_and_service_(schools)%252Fprocurement_funding_and_travel%252Fprocurement%252Fprocurement_procedure)

School Council Financial Assurance (SCFA) program

What is the SCFA program?

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 school financial guidelines.

Under the SCFA program, the Department's Assurance Branch conducts Agreed-Upon Procedures (AUPs) and Schools Internal Audits (SIAs). 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.

The Department engages external auditors to perform AUPs in schools. The AUPs are intended to assess and improve the financial internal controls at schools.

Schools are selected for the AUPs using a random sampling method after applying statistical methods to determine the sample size.

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

- locally raised funds
- expenses
- fixed assets
- payroll
- school council employee payroll
- cash and bank
- school council governance.

Schools are notified of the selection via the Schools' Update e-newsletter and the fieldwork is anticipated to take between 2–3 days.

The AUP report to schools includes factual findings resulting from each procedure performed. Schools are requested to comment on the factual accuracy of the findings and suggested actions to rectify the findings in the final report. Schools are expected to present and discuss the final AUP report at a council meeting.

Findings from individual schools are compiled by the Assurance Branch and assessed for potential impacts at the Department level. The Assurance Branch assigns individual ratings to each individual finding based on the nature of procedures, findings and the schools' comments. Based on the risk ratings, each school is assigned an overall conclusion of good, acceptable, needs improvement or unsatisfactory.

A statewide report is prepared based on the consolidated results of the AUPs and SIAs. The statewide report is circulated to all the schools, regional offices and the Department's Financial Services Division (FSD) in order to ensure that corrective measures are taken to rectify the findings at the school level.

Schools Internal Audits (SIA)

In addition to the AUPs, each year, the Department identifies a number of SIAs to be carried out at schools.

Examples of SIAs are:

- review of key financial management and controls at schools (KFMC)
- expenses and payments at schools (EP)
- review collection processes at the schools including for locally raised funds (LRF) and parent payments policy

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.

Role of schools

Schools are expected to:

- cooperate and provide auditors with access to all information reasonably required to perform the AUPs/SIAs/ad-hoc audits/corporate internal audits with school components
- ensure the principal and Business Manager are available to answer questions and discuss the preliminary findings (auditors may also ask the school council president to attend)
- be professional in their approach to the audits and cooperate with auditors in the discussion of any findings
- provide management comments within the specified timeframe to auditors to be included in the audit report.

The following table shows the typical responsibilities of the principal and the school council with regard to the SCFA program.

The principal ...	The school council ...
<ul style="list-style-type: none"> understands and complies with the requirements of the Finance Manual for Victorian Government Schools 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 audit 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"> provides management comments within the specified timeframe to the auditors 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"> 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"> 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 	<ul style="list-style-type: none"> discusses the SCFA statewide report at the school council and identifies opportunities for improving the school's processes

Resources and links

If you require more information on the SCFA program email:
scfa@edumail.vic.gov.au

3.4 Fundraising

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.

Many schools engage in fundraising activities and it is part of council's role to consider and manage any financial and reputational risks that could arise, and to ensure that all legal requirements are met.

On completing this unit councillors should be able to:

- assess and decide on proposals from clubs and groups to raise funds for the school, including identifying potential conflicts of interest
- develop a parent payments policy, in line with Department policy.

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 investing and fundraising.

The principal ...	The school council ...
<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 	<ul style="list-style-type: none"> • develops an investment policy if required
<ul style="list-style-type: none"> • develops a parent payments policy • implements the policy 	<ul style="list-style-type: none"> • contributes to and approves the parent payments policy

Assessing fundraising proposals

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:

- what type of fundraising activity is 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, the 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.

Parent payments

The school may charge parents for essential student learning items such as text books, personal stationery and uniforms, offer optional educational items and services on a user-pays basis (for example, for extracurricular activities in which student involvement is optional), and may invite voluntary contributions from parents to fund buildings or specific equipment or services.

The school must apply the principle that no student will be disadvantaged in any way if their parent does not make payments or give a voluntary contribution.

School councils and principals set and approve parent payments. Costs must be kept to a minimum and be affordable for most families at the school.

School councils must also:

- have strategies to ensure they understand the needs of their school communities when determining parent payments
- communicate the reasoning for their decisions to the school community
- review the impact of their parent payment practices on parents and students.

School council must adopt the Department's parent payments policy, using the Department's template. This outlines key school requirements, including the timing of providing Parent Payment information to the parent community. School council must also outline school-level parent payment arrangements, addressing the requirements listed in the template, and ensuring these are compliant with the Department's parent payments policy.

Voluntary contributions

Councils often ask parents/guardians for voluntary contributions for things such as:

- funding a building or a library
- paying for specific equipment, materials or services (such as additional computers over and above those funded by the SRP or other government grants)
- any other purposes to be determined by the school (including an invitation for a general contribution or donation).

Parents may be invited to donate to the school but cannot be required to do so. Parents are more likely to make donations when the school describes how the money will enhance the school programs or facilities.

Support to school councillors

The School Operations and Governance Unit (SOGU) of the Regional Services Group provides advice and guidance to school councils on a range of governance issues. Councillors can contact SOGU directly at school.council@edumail.vic.gov.au or **03 7022 1343** or **03 7022 1345** for information and advice.

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

School councillors can also find information and advice on the Department's webpage School councils <https://www.education.vic.gov.au/school/teachers/management/community/Pages/schoolcouncils.aspx> and in the School Policy Advisory Guide at School Councils: <https://www.education.vic.gov.au/school/principals/spag/governance/pages/councils.aspx>

The Department offers comprehensive face to face training free of cost to school councils of Victorian Government schools. The training is based on four modules of the Improving School Governance (ISG) materials; Governance, Strategic Planning, Finance and School Council President. Face to face training is accessed by contacting the provider, Synergistiq on **03 9069 5598** or email: sct@synergistiq.com

The ISG modules are also available online. To access the online training, see: **Improving School Governance** <http://www.schoolgovernance.vic.edu.au>

Resources and links

Finance Manual for Victorian Government Schools – School Financial Guidelines
<https://www.education.vic.gov.au/school/teachers/management/finance/Pages/guidelines.aspx>

Parent Payments

<https://www.education.vic.gov.au/school/principals/spag/management/pages/parentpayments.aspx>



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3.5 Financial reports

General Ledger Operating Statement - Detail for the period ending 31 August 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	Cash SRP Funding	20,712	21,529	-817	198,614	258,350	-59,736	300,000	66	293,123
70004	Conveyance Allowance	1,540	-	1,540	7,270	-	7,270	-	-	6,901
70080	Department Funding	-	-	-	48,164	60,006	-11,842	75,000	64	37,805
70090	Capital Works	-	-	-	-	-	-	-	-	1,650
		22,252	21,529	723	254,048	318,356	-64,308	375,000	68	339,479
GL Code REVENUE	Account Title Commonwealth Government 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
71060	C 'wealth Capital Grants	-	-	-	-	-	-	-	-	200,000
71080	C 'wealth Gov't Grants	-	-	-	-	-	-	-	-	50,000
		0	0	0	0	0	0	0	-	250,000
GL Code REVENUE	Account Title State Government 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
72080	State Government Grants	-	-	-	3,504	-	3,504	-	-	-
		0	0	0	3,504	0	3,504	0	-	0
GL Code REVENUE	Account Title Other	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	-	-	-	15,715	8,000	7,715	12,000	131	50,504
73002	Interest Received	210	500	-290 ³	6,554	6,000	554	9,000	73	10,233
		6,554	6,000	554	9,000	73	10,233	21,000	106	60,737

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 (eg. Department grants, locally raised funds and the type of revenue within each category). 3. A negative number generally means that more revenue has been removed (eg. via credit notes) than has been earned. This should be explained by the principal or Business Manager.

General Ledger

Operating Statement - Detail for the period ending 31 August 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 Received	Last Year Actual
REVENUE	Locally Raised Funds									
74101	Fundraising Activities	20,898	15,705	5,193	45,270	36,800	8,470	36,800	123	78,081
74102	Donations	882	3500	-2,618	25,849	18,650	7,199	20,000	129	34,384
74103	Commission	-	-	-	10,819	17,000	-6,181	17,500	62	715
74201	Hire School Facilities/Equip	-	-	-	60	-	60	-	-	-
74301	Camps/Excursions/Activities	182	-	182	105,511	87,515	17,996	92,000	115	87,426
74402	Trading Operations	391	574	-183	11,874	16,000	-4,126	24,000	49	16,058
74403	Charities/Collections	-	-	-	19	2,500	-2,481	2,500	0	8,4181
74405	Essential Education Items	-1,358	-	-1,358	45,797	46,000	-203	48,000	95	46,818
74406	Optional Extras	-	-	-	1,484	-	1,484	-	-	-
74580	Other Locally Raised Funds	1,534	-	1,534	133,562	115,000	18,562	115,000	116	53,617
		22,529⁴	19,779	2,750	380,245	339,465	40,780	355,800	107	401,280
	Total Operating Revenue	44,991	41,808⁵	3,183⁶	660,066⁷	671,821^{8,9}	-11,755⁰	751,800	88	1,051,496¹¹

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. Less 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	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
EXPENDITURE	Salaries and Allowances									
80052	Non-Teaching Staff	9,727	9,900	-173	79,942	81,450	-1,508	125,250	63	105,808
80071	Casual Relief Teaching Staff	-	-	-	-	6,750	-6,750	12,000	-	-
80080	Superannuation	875	892	-17	7,113	7,331	7,331	10,800	66	9,215
80081	WorkCover	-	-	-	-	-	-	-	-	959
		10,602	10,792	-190	87,055	95,531	95,531	148,050	59	115,982

General Ledger

Operating Statement - Detail for the period ending 31 August 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 Received	Last Year Actual
82801	Bank Charges	132	375	-243	3,837	4,500	-663	6,000	63	4,520
		132	375	-243	3,837	4,500	-663	6,000	63	4,520

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
86101	Non Curriculum Consumables	2,431	1,533	898	10,071	18,390	-8,319	24,000	42	15,828
86102	Photocopying	1,144	1,026	118	8,037	12,320	-4,283	16,352	49	12,636
86104	Curriculum Consumables	905	1,000	-95	35,686	50,479	-14,893	55,080	65	48,237
86105	Computer Applications < \$5000	-	-	-	1,792	3,500	-1,708	3,500	51	1,266
		4,480	3,559	921	55,486	84,689	-29,203	98,932	56	77,967

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
86201	Library Books	534	717	-183	6,670	8,608	-1,938	10,000	67	-
		534	717	-183	6,670	8,608	-1,938	10,000	67	-

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
86301	Postage	-	85	-85	280	1,010	-730	2,000	14	1,519
86302	Telephone	437	375	62	3,913	4,500	-587	6,500	60	4,779
86303	Internet/Comm costs < \$5000	-	-	-	-	-	-	-	-	2,919
		437	460	-23	4,193	5,510	-1,317	8,500	49	9,217

General Ledger

Operating Statement - Detail for the period ending 31 August 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 Received	Last Year Actual
86401	Furniture/Fitt'gs <\$5000	292	1,713	-1,421	5,116	20,563	-15,447	22,000	23	6,386
86402	Repairs/Maint /Equip	-	-	-	1,778	10,183	-8,405	12,375	14	5,132
86403	Leased Equipment	-	-	-	-	-	-	-	-	941
86404	Technology Equipment <\$5000	180	248	-68	37,614	6,946	30,668	8,480	444	2,739
86407	Plant and Equip <\$5000	-	-	-	2,151	2,000	151	2,000	108	9,312
		472	1,961	-1,489	46,659	39,692	6,967	44,855	104	24,510
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
86452	Electricity	-	1,250	-1,250	11,112	15,000	-3,888	22,500	49	15,924
86453	Gas - Mains	-	250	-250	1,219	3,000	-1,781	4,500	27	2,352
86455	Water incl Water Rates	-	439	-439	4,473	5,266	-793	6,000	75	1,809
86456	Sewerage	-	35	-35	54	423	-369	635	9	144
		0	1,974	-1,974	16,858	23,689	-6,831	33,635	50	20,229
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
86500	Security/Safety/Fire Prev'tion	1,455	1,455	0	7,250	5,200	2,050	7,800	93	6,006
86501	Sanitation	-	-	-	2,315	2,500	-185	3,750	62	1,972
86502	Contract Cleaning	4,415	4,833	-418	35,320	58,000	-22,680	87,000	41	49,811
86503	Refuse and Garbage	251	175	76	2,023	2,100	-77	3,150	64	2,463
86504	Building Works	1,682	9,637	-7955	33,355	115,644	-82,289	200,000	17	115,642
86505	Ground Works	1,459	489	970	2,218	5,868	-3,650	5,868	38	196,917
		9,262	16,589	-7,327	82,481	189,312	-106,831	307,568	27	372,811

General Ledger

Operating Statement - Detail for the period ending 31 August 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 Received	Last Year Actual
	Total Operating Expenditure	(B) 25,919	(C) 36,427	(D) -10,508	(E) 303,239	(F) 451,531	(G) -148,292	(H) 657,540	46	(I) 625,236
	Net Operating Surplus/-Deficit ¹²	(J) 19,072	(K) 5,381	(L) 13,691	(M) 356,827	(N) 220,290	(O) 136,537	(P) 94,260	38	(Q) 426,260
	Outstanding Orders:	(R) 436								

- (A). Expenditure is shown by category eg. consumables, equipment/maintenance/hire and utilities, and then by the type of expenditure within each category.
- (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 8 months from Jan to Aug).
- (F). Budgeted expenditure for the year to date (ie. for the 8 months from Jan to Aug).
- (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.

12. The net result: revenue less expenditure

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
	CAPITAL EXPENDITURE¹³									
26205	Computers/IT equipment > \$5000	7,152	8,600	-1,448	143,086	56,008	87,078	75,000	193	8,867
26207	Printers/scanners etc > \$5000	-	-	-	7,977	14,300	-6,323	14,300	56	-
26208	Computer Software > \$5000	5,864	-	5,864	5,864	6,000	-136	6,000	98	-
26210	Furniture and Fittings > \$5000	-	-	-	51,765	37,000	14,765	45,000	115	15,700
26211	Musical Equipment > \$5000	6,711	5,000	1,711	43,279	-	43,279	-	-	-
26212	Office Equipment > \$5000	-	-	-	29,684	-	29,684	-	-	-
26214	Communications Equip > \$5000	7,596	7,550	46	22,949	-	22,949	-	-	-
26215	Plant & Equipment > \$5000	-	-	-	8,751	-	8,751	-	-	-
26216	Sporting Equipment > \$5000	-	-	-	-	-	-	-	-	2,556
26220	Other Assets > \$5000	-	-	-	87,890	-	87,890	-	-	-
	Total Capital Expenditure	27,323	21,150	6,173	401,245	113,308	287,937	140,300	288	27,123
	Outstanding Orders:	12,132¹⁴								
	ASSET WRITE-DOWNS									
89591	Asset Write-Downs	-	-	-	2,900 ¹⁵	-	2,900	-	-	-
	Asset Sale Proceeds	-	-	-	1,300 ¹⁶	-	1,300	-	-	-
	Total Asset Write-Downs	0	-	0	1,600¹⁷	-	1,600	-	-	-

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

14. Equipment ordered but no invoice received yet.

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

Operating Statement - Detail for the period ending 31 August 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 Received	Last Year Actual
82801	Bank Charges	132	375	-243	3,837	4,500	-663	6,000	63	4,520
		132	375	-243	3,837	4,500	-663	6,000	63	4,520

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
86101	Non Curriculum Consumables	2,431	1,533	898	10,071	18,390	-8,319	24,000	42	15,828
86102	Photocopying	1,144	1,026	118	8,037	12,320	-4,283	16,352	49	12,636
86104	Curriculum Consumables	905	1,000	-95	35,686	50,479	-14,893	55,080	65	48,237
86105	Computer Applications < \$5000	-	-	-	1,792	3,500	-1,708	3,500	51	1,266
		4,480	3,559	921	55,486	84,689	-29,203	98,932	56	77,967

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
86201	Library Books	534	717	-183	6,670	8,608	-1,938	10,000	67	-
		534	717	-183	6,670	8,608	-1,938	10,000	67	-

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
86301	Postage	-	85	-85	280	1,010	-730	2,000	14	1,519
86302	Telephone	437	375	62	3,913	4,500	-587	6,500	60	4,779
86303	Internet/Comm costs < \$5000	-	-	-	-	-	-	-	-	2,919
		437	460	-23	4,193	5,510	-1,317	8,500	49	9,217

General Ledger

Annual Program Budget Report from Program 100 to 960 Recurrent and Capital

Revenue

Program ¹⁸	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
130	Info & Comm Technology	2,850			6,000	0.00
400	The Arts	732				0.00
420	Health and Physical Education	1,254				0.00
430	Lang Other Than English (LOTE)	100				0.00
440	Mathematics	135			105	0.00
480	Library	365				0.00
490	Integrated Studies	205				0.00
520	Student Welfare	3,512	1,042	1,800	1,224	67.98
700	Administrative Services	102,823	112,095	8,000	13,960	174.50
730	General Trading	16,058		18,500	11,780	63.67
800	Building Fund	19,427	18,417	6,000	6,247	104.11
810	Library Fund	10,011	736	12,650	17,365	137.26
830	Camps				-150	0.00
840	Excursions	340			680	0.00
860	Casual Relief Teachers	22,262			3,850	0.00
870	School Community Associations	77,542	77,550	35,000	46,664	133.32
930	General Purpose	138,643	240,426	115,000	131,353	114.21
940	Unallocated	449,238	453,276	474,871	420,990	88.65
960	Commonwealth Programs	200,000	200,000			0.00
Revenue Totals		1,045,496	1,103,541	671,821¹⁹	660,066²⁰	98.25²¹

18. Each group of like programs (a summary of sub-programs) with revenue at the school this year (or last).

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

20. Year to date revenue for each program. Total revenue will agree to the operating statement.

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

General Ledger Annual Program Budget Report from Program 100 to 960 Recurrent and Capital Expenditure

Program ²²	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget Expended	Outstanding Orders ²³	Uncommitted Balance
130	Info & Comm Technology	33,155	57,606	40,500	41,541	102.57		-1,041
400	The Arts	5,546	4,660	4,831	2,073	42.90		2,758
410	English	6,836	6,900	38,150	14,957	39.20		23,193
420	Health and Physical Education	11,082	9,937	12,673	5,518	43.54		7,155
430	Lang Other Than English (LOTE)	2,982	3,100	3,160	2,419	76.55		741
440	Mathematics	7,117	7,035	6,000	3,865	64.42	341	1,794
480	Library	4,547	4,931	4,250	2,628	61.82		1,622
490	Integrated Studies	26,319	29,005	30,000	23,663	78.87		6,337
510	Integration Support	2,149	1,960	3,110	2,084	67.01		1,026
520	Student Welfare	12,825	7,637	11,508	4,574	39.75		6,933
550	Employee Health Management	2,134	3,250	4,150	2,914	39.75	5	1,236
600	Building Services	66,974	77,910	73,350	41,755	56.92		31,590
620	Maintenance	11,424	15,838	92,788	31,661	32.12		61,126
650	Grounds and External Signage	3,536	6,950	5,000	2,069	41.38	91	2,840
690	Technical Support	2,170	6,000	4,500	330	7.33		4,170
700	Administrative Services	236,203	243,905	95,008	54,237	57.08		40,771
730	General Trading	20,439	10,000	18,500	11,742	63.46		6,759
800	Building Fund	24,169	18,367	18,724		0.00		18,724
810	Library Fund	10,320	10,339	12,808	6,959	54.33		5,849
830	Camps	53,156	50,000	50,100	65,714	131.16		-15,614
840	Excursions	25,328	28,925	32,240	9,200	28.53		23,040
860	Casual Relief Teachers	71,536	55,593	55,500	60,718	109.40		-5,218

22. Each group of like programs (a summary of sub-programs) with expenditure at the school this year (or last).

23. Expenditure commitments.

Expenditure continued

Program ²²	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget Expended	Outstanding Orders ²³	Uncommitted Balance
870	School Community Associations	51,134		16,700	9,428	56.45		7,272
880	Accountability and Reporting	3,302	1,500	1,000		0.00		1,000
930	General Purpose	269,170	329,984	171,486	155,347	90.58		16,140
960	Commonwealth Programs	206,773	200,000			0.00		0
Expenditure Totals		1,170,327	1,191,332	806,036²⁴	555,397²⁵	68.90²⁶	436	250,203²⁷

22. Each group of like programs (a summary of sub-programs) with expenditure at the school this year (or last).

23. Expenditure commitments.

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

25. Year to date expenditure for each program - total revenue will agree to the operating.

26. The percentage share of full year budgeted expenditure actually incurred so far this year.

27. Unspent and uncommitted budget available.

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

Revenue

Sub Prog. ²⁸	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
1301	Info & Comm Technology	2,850		8,000	6,000	75.00
4001	The Arts	732				0.00
4206	Physical Education	1,254				0.00
4322	Japanese	100				0.00
4400	Mathematics	135		150	105	70.00
4801	Library	365				0.00
4923	Class Budget Team 3	205				0.00
5250	Junior School Council	2,694	1,042	1,800	1,224	67.98
5253	Choir	173				0.00
5254	Grade Six Transition	645				0.00
7053	Student Teacher Supervision	7,810		8,000	3,960	49.50
7055	Executive Principal Grant	12,580		12,000	10,000	83.33
7056	Teacher Professional Leave	5,080				0.00
7058	Workforce Bridging Support	10,000				0.00
7302	Uniform Sales - New	16,058		16,000	11,816	73.85
7350	General Trading			2,500		0.00
8001	Building Fund	19,427	18,417	6,000	6,247	104.11
8101	Library Fund	10,011	736	12,650	17,365	137.26
8321	Camp #1 – 3 Day					0.00
8422	Excursions Team 2	340		525	400	76.19
8423	Excursions Team 3			525	280	53.33

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

General Ledger

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

Revenue continued

Sub Prog. ²⁸	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
8650	Teaching Support	11,093		15,000	550	3.67
8651	Casual Relief Teachers – Recoup	11,169			3,300	0.00
8751	Fete	41,899	42,000			0.00
8752	Trivia Night				6,289	0.00 ²⁹
8753	Fun Run	5,790	5,800	5,800	4,553	78.49
8754	Apple Drive	21,113	21,000	21,000	18,762	89.34
8756	Jump Rope	4,373	4,400	4,400		0.00
8759	Sausage Sizzle				2,290	0.00
8760	Mother's/Father's Day Stall	3,712	3,750	3,800	1,786	46.99
8764	Bulb Drive	590	600			0.00
8766	Sun Screen	66				0.00
8767	Melb Open Air Cinema				9,391	0.00
8768	Pie Drive				3,593	0.00
9353	Concert	1,183				0.00
9354	Music Camp			1,500	3,038	202.55
9360	Soundhouse Tuition Fees	80,168	80,000	70,000	86,010	122.87
9380	Holding Account	16,258				0.00
9499	Revenue Control	449,238	453,276	474,871	420,990	88.65
Revenue Totals		737,111	631,021	664,521³⁰	660,066³¹	93.00³²

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

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

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

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

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

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

Sub Prog. ³³	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget expended	Outstanding Orders	Uncommitted Balance
1301	Info & Comm Technology	33,155	57,606	40,500	41,541	102.57		-1,041
4001	Art	5,546	4,660	4,831	2,073	42.90		2,758
4101	English	3,873	4,000	7,150	4,994	69.84		2,156
4150	Hall	2,963	2,900	3,000	1,963	65.43		1,037
4151	Language Consultant			12,000	8,000	66.66		4,000
4152	Numeracy Consultant			16,000		0.00		16,000
4206	Physical Education	6,042	6,187	5,414	968	17.87		4,446
4207	Sport Education	5,039	3,750	7,259	4,550	62.68		2,709
4322	Japanese	2,982	3,100	3,160	2,419	76.55		741
4400	Mathematics	7,117	7,035	6,000	3,865	64.42	341	1,794
4801	Library	4,547	4,931	4,250	2,628	61.82		1,622
4921	Class Budget Team 1	9,323	10,200	8,700	7,626	87.65		1,074
4922	Class Budget Team 2	6,597	7,800	9,900	7,577	76.53		2,323
4923	Class Budget Team 3	10,399	11,005	11,400	8,459	74.20		2,941
5101	Integration	828	860	860	783	91.07		77
5150	SSO – Aides Replacement	1,321	1,100	2,250	1,301	57.81		949
5201	Student Welfare	832	1,550	1,570	1,185	75.44		385
5250	Junior School Council	2,787	2,634	2,748	1,456	52.97		1,292
5251	Prep Transition	1,104	753	840		0.00		840
5252	Learning Support	707	750	750	402	53.64		348
5253	Choir	6,119		4,500	1,520	33.77		2,980
5254	Grade Six Transition	1,276	1,950	1,100	12	1.09		1,088

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

General Ledger

Annual Sub-Program Budget Report from Program 100 to 960 Recurrent and Capital

Expenditure continued

Sub Prog. ³³	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget expended	Outstanding Orders	Uncommitted Balance
5502	Principal/Leadership		1,800	2,000	1,609	80.44		391
5508	Electrical Testing/Tagging	1,599	950	1,650	1,305	79.09		345
5509	Health/Wellbeing Activities	535	500	500		0.00		500
6001	Building Services	59,468	72,050	67,600	40,605	60.06		26,995
6050	Inspection Works	7,506	5,860	5,750	1,151	20.01	5	4,595
6199	20XX Relocatable Program			22,006	25,441	115.60		-3,435
6201	Maintenance & Minor Works	11,424	15,838	20,782	6,221	29.93		14,561
6250	Planned Maint – Build Program			50,000		0.00		50,000
6501	Grounds and External Signage	3,536	6,950	5,000	2,069	41.38	91	2,840
6902	Tech Support General	2,170	6,000	4,500	330	7.33		4,170
9353	Concert	1,183				0.00		
9354	Music Camp			1,500	1,127	75.12		373
9360	Soundhouse Tuition Fees	71,373	60,000	70,000	41,665	59.52		28,335
9380	Holding Account	22,176	132,164		36,824	0.00		-36,824
9390	Previous Year's Commitments			52,103	50,905	97.70		1,198
Expenditure Totals		293,527	434,883	457,573³⁴	312,574³⁵	68.31³⁶	437	144,563³⁷

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

34. This year's approved expenditure budget for the full year. Will agree to the operating statement.

35. Year to date expenditure for each sub-program - total expenditure (operating and capital) will agree to the operating statement.

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

37. Unspent and uncommitted budget available.

Bank Reconciliation

10002 – Official Account

Date	Ref	Detail	Amount	Balance
		Bank statement closing balance as at 31/08/20XX	Bank statement closing balance as at 31/08/20XX	(A) \$51,658.55
		Plus outstanding deposits		
30/08/20XX		Parent Payment	\$250.00	
		Subtotal (outstanding deposits)	(B) \$250.00	\$51,908.55
		Less unrepresented cheques		
14/05/20XX	12229	Transpacific Waste Management	-\$232.00	
14/08/20XX	12356	Australia Post	-\$220.00	
29/07/20XX	12357	Macmillan Education	-\$31.99	
29/07/20XX	12358	TRUenergy Pty Ltd	-\$1,677.50	
		Subtotal (unrepresented cheques)	(C) -\$2,161.49	\$49,747.06
		Adjusted bank statement balance		(D) \$49,747.06
		G/L bank account balance as at 31/08/20XX		(E) \$49,747.06
		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 (e.g. bank error).

Prepared By: _____

Approved By: _____

Date: _____

Journal Report³⁸ for the period 01/01/20XX to 30/08/20XX

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 [200912]		3,054.00			
01/01/20XX	4417	HAR	0000	33000	000	BAS Clearing Journal [200912]		48.00			
01/01/20XX	4417	HAR	0000	38005	000	BAS Clearing Journal [200912]		815.47			
01/01/20XX	4417	HAR	0000	89309	000	BAS Clearing Journal [200912]		0.34			
01/01/20XX	4417	HAR	0000	12001	000	BAS Clearing Journal [200912]			3,917.81		
						Total		3,917.81	3,917.81		
01/02/20XX	4424	HAR	0000	38005	000	BAS Clearing Journal [20XX01]		148.97			
01/02/20XX	4424	HAR	0000	89309	000	BAS Clearing Journal [20XX01]		0.67			
01/02/20XX	4424	HAR	0000	12001	000	BAS Clearing Journal [20XX01]			2.64		
01/02/20XX	4424	HAR	0000	12002	000	BAS Clearing Journal [20XX01]			147.00		
						Total		149.64	149.64		
04/02/20XX	4437	HAR	0000	10002	000	Funds Transfer		100,000.00			
04/02/20XX	4437	HAR	0000	10001	000	Funds Transfer			100,000.00		
18/02/20XX	4482	HAR	0000	10003	000	Monies rec'd to date - Feb 18th		3,545.00			
18/02/20XX	4482	HAR	0000	10002	000	Monies rec'd to date - Feb 18th			3,545.00		
18/02/20XX	4483	HAR	0000	10004	000	Monies Rec'd to date 19th Feb		8,975.00			
18/02/20XX	4483	HAR	0000	10002	000	Monies Rec'd to date 19th Feb			8,975.00		
24/02/20XX	4501	HAR	9360	74403	000	S/House 20XX Invoices		90,012.00			
24/02/20XX	4501	HAR	9360	74580	000	S/House 20XX Invoices			90,012.00		

38. 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 sub-committee as an internal control, giving greater transparency to the financial records. The finance sub-committee may ask questions about the transactions in this report

Cash Flow Statement as at 31/08/20XX Bank Accounts 10001 to 10004³⁹

Bank Account: 10001⁴⁰: High Yield Investment Account.

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD Total
Receipts	\$65,960	\$4,192	\$7,211	\$107,494	\$1,382	\$15,886	\$66,040	\$2,430	-	-	-	-	\$270,595
Payments	-	\$100,000	-	-	-	\$100,000	\$50,000	-	-	-	-	-	\$250,000
Surplus/ (Deficit)	\$65,960	(\$95,808)	\$7,211	\$107,494	\$1,382	(\$84,114)	\$16,040	\$2,430	-	-	-	-	\$20,595
												Closing Balance	\$263,904
													Opening Balance \$243,308

Bank Account: 10002: Official Account.

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD Total
Receipts	\$3,925	\$181,792	\$100,487	\$21,663	\$70,953	\$134,639	\$115,927	\$46,413	-	-	-	-	\$675,800
Payments	\$144	\$142,653	\$81,453	\$63,997	\$41,518	\$182,293	\$72,894	\$75,106	-	-	-	-	\$660,057
Surplus/ (Deficit)	\$3,782	\$39,139	\$19,033	(\$42,334)	\$29,435	(\$47,654)	\$43,033	(\$28,692)	-	-	-	-	\$15,743
												Closing Balance	\$20,555
													Opening Balance \$4,812

Bank Account: 10003: Building Fund.

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD Total
Receipts	-	\$3,545	-	-	\$2,700	\$2	-	-	-	-	-	-	\$6,247
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit)	-	\$3,545	-	-	\$2,700	\$2	-	-	-	-	-	-	\$6,247
												Closing Balance	\$17,472
													Opening Balance \$11,225

Bank Account: 10004: Library Fund.

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD Total
Receipts ⁴²	-	\$8,975	-	\$13	\$7,995	\$2	\$34	-	-	-	-	-	\$17,020
Payments ⁴³	-	\$2,292	\$1,183	\$1,482	-	\$1,090	\$338	\$1,244	-	-	-	-	\$7,629
Surplus/(Deficit) ⁴⁴	-	\$6,683	(\$1,183)	(\$1,482)	\$7,995	(\$1,088)	(\$350)	(\$1,244)	-	-	-	-	\$9,392
Closing Balance⁴⁵													\$9,550
													Opening Balance \$158⁴¹

39. 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. 40. Bank account to which the information in the table below applies. 41. The opening balance of the account at the beginning of the year. 42. How much cash has come into the bank account each month and for the year to date. 43. How much cash has gone out of the account each month and for the year to date. 44. The net increase/ (decrease) in the account balance each month. 45. The closing balance of the account at the date of the report.

Accounts Receivable

As at 31 Aug 20XX

Sundry Debtors Trial Balance Sundry Debtors from 00001 to SFYAT

Debtor key	Title	Billing Title	Balance ⁴⁶	Unallocated	Current	30 days	60 days	90 days	120 days
SFALL	Barry Allan	Mr & Mrs N. Allan	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFBRO	Gail Brown	Mrs D. Brown	\$224.10	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$24.10
SFCOL	Jimmy Collins	Mr C. Collins	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFDAV	Joyce Davies	Ms A. Davies	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFFRE	Fred French	Mr F & Mrs J. French	\$224.10	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$24.10
SFGIB	Caroline Gibbs	Mrs L. Gibbs	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFHAM	Harry Hamilton	Mr H & Mrs A. Hamilton	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFJON	Jade Jones	Mrs S. Jones	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFKEM	Kelly Kemp	Ms R. Kemp	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFLES	Tom Lesley	Mr V & Mrs J. Lesley	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
00001	YMCA		\$330.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$330.00
Type E			\$2,378.20	\$0.00	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$378.20
00002	Fun Football Club	03 1234 5678	\$110.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$110.00
Totals			\$2,488.20	\$0.00	\$1,000.00	\$0.00	\$0.00	\$1,000.00	\$488.20

Number of debtors: 12

46. Shows the amount owed by each debtor. Also shows the age of the debt.

Family Trial Balance

Families from ABS0050 to ZUN0050

As at 31 Aug 20XX

Family key	Surname	Billing Title	Balance	Unallocated	Current	Last month	2 months old	3 months old	4 months and more
ALLO005	ALLAN	Mr & Mrs N. Allan	\$0.00	\$250.00(CR)	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00(DR)
BRO0024	BROWN	Mrs D. Brown	\$140.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140.00(DR)
COL0009	COLLINS	Mr C. Collins	\$110.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$110.00(DR)
DAV0002	DAVIES	Ms A. Davies	\$170.00(CR)	\$170.00(CR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRE0011	FRENCH	Mr F & Mrs J. French	\$200.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00(DR)
GIB0052	GIBBS	Mrs L. Gibbs	\$420.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$420.00(DR)
HAM0077	HAMILTON	Mr H & Mrs A. Hamilton	\$220.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$220.00(DR)
JON0045	JONES	Mrs S. Jones	\$140.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140.00(DR)
KEM0007	KEMP	Ms R. Kemp	\$280.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280.00(DR)
LES00001	LESLEY	Mr V & Mrs J. Lesley	\$220.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$220.00(DR)
MATT0072	MATTHEWS	Mrs J. Matthews	\$140.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140.00(DR)
	Total		\$1,700.00(DR)⁴⁷	\$420.00(CR)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,120.00(DR)

Number of families: 11

47. Shows the net amount owed by each family as DR (debit) amounts. 'Allan' has paid in full (nil balance).

CR (credit) amounts indicate that the family may have paid before the debt was incurred. Also shows age of debt.

Sundry Debtor Credit Notes Report Sundry debtors from 00001 to SFYAT⁴⁸

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	\$100.00
				Debtor Total		\$100.00
SFSMI	Luke Smith	DRI0000447	26/01/20XX	Reversal of Charge	\$0.00	\$100.00
				Debtor Total		\$100.00
SFWIN	Gladys Winter	DRI0000448	26/01/20XX	Reversal of Charge	\$0.00	\$100.00
				Debtor Total		\$100.00
SFYAK	Pedro Yak	DRI0000449	26/01/20XX	Reversal of Charge	\$0.00	\$100.00
				Debtor Total		\$100.00
				Grand total		\$400.00

48. This report shows credit notes issued to debtors (other than families).

This report is presented to the sub-committee as an internal control, to verify that credit note transactions are valid.

Family Credit Notes Report From family ABS0050 to ZUC0050⁴⁹

Family	Credit Note No	Date	Detail	GST Amount	Credit Note Amount (Incl GST)	
BRO00008	Ms BROWN	DFI0001575	21/05/20XX	Didn't Attend Science Works Exc	\$0.00	\$15.00
				Family Total		\$15.00
				Grand total		\$15.00

49. This report shows credit notes (usually refunds) given to families.

This report is presented to the sub-committee as an internal control, to verify that credit note transactions are valid.

Invoices Awaiting Payment – Detailed

From creditor 2FOTHERD to ZZZZZZFTC | From Sub-program 1301 to 9601 | From Program⁵⁰ 1301 to 9601 | From Initiative 000 to 000

Invoice Number PSW	Invoice Date	Invoice Due Date PSW	Invoice GST Type	Invoice GST Rate	Invoice GST Amount	Invoice Amount (incl GST)	Credit Note Number	Credit Note GST Amount	Credit Note Amount (incl GST)	WH Tax Rate	WH Tax Type	Order Number	GL Code	Program	Sub-program	Initiative
					0.00	0.00	32604	3.59	39.50				89101	730	7302	000
								3.59	39.50	0.00						
Invoice Number STATE SUPPL	Invoice Date	Invoice Due Date State Supply ⁵¹	Invoice GST Type	Invoice GST Rate	Invoice GST Amount	Invoice Amount (incl GST)	Credit Note Number	Credit Note GST Amount	Credit Note Amount (incl GST)	WH Tax Rate	WH Tax Type	Order Number	GL Code	Program	Sub-program	Initiative
19530626	24/08/20XX	04/09/20XX	G11	10.00	1.20	13.18							86104	490	4923	000
19535313	24/08/20XX	04/09/20XX	G11	10.00	50.08	550.93							86104	490	4922	000
19535313	24/08/20XX	04/09/20XX	G11	10.00	3.90	42.90							86104	700	7001	000
19550060	24/08/20XX	04/09/20XX ⁵²	G11	10.00	1.39	15.31							86104	490	4923	000
					56.57	622.32⁵³		0.00	0.00	0.00						

Nett amount outstanding: 622.32
Total Nett Amount Outstanding For All Creditors: 582.82⁵⁴

50. The program/s which has/have incurred the expenditure.
 51. Who payment is owed to i.e. the creditor.
 52. When payment is due.
 53. The amount owing (before any payments have been made or credit notes applied).
 54. Total amount owing.

General Ledger

Balance Sheet As at 31 August 20XX

Accumulated Funds	Current	Last year
Accumulated Funds	-759,476.51	-1,083,925.11
Total Funds	-759,476.51⁵⁵	-1,083,925.11
Represented by: Non Current Assets	Current	Last year
Computers/ IT equipment › \$5000	11,410.00	154,495.58
Printers/scanners etc › \$5000	13,000.00	5,023.00
Computer Software › \$5000	8,299.00	10,429.00
Furniture and Fittings › \$5000	22,937.00	174,701.94
Musical Equipment › \$5000	0.00	44,579.00
Office Equipment › \$5000	55,379.17	25,695.00
Communications Equip › \$5000	0.00	22,949.35
Plant & Equipment › \$5000	47,771.00	56,522.15
Sporting Equipment › \$5000	18,757.60	21,063.60
Other Assets › \$5000	53,236.65	141,126.55
	230,790.42⁵⁶	658,585.17
Current Assets	Current	Last year
High Yield Investment Account ⁵⁷	263,903.64	243,308.46
Official Account ⁵⁸	20,554.70	4,812.12
Building Fund	17,472.31	11,225.06
Library Fund	9,549.56	158.05
Accounts Receivable Control	57,535.90	3,894.05
Sundry Debtors	10,714.50	10,614.50
GST Purchases (Reclaimable)	2,853.53	3,917.81
	382,584.14⁵⁹	277,930.05
Total Assets	613,374.58⁶⁰	934,515.22
Current Liabilities	Current	Last year
Current Liabilities		
Group Tax Clearing Acc	0.00	-48.00
Accounts Payable Control	-582.82	0.00
GST on Sales	-267.23	-815.47
	-850.05	-863.47
Non Current Liabilities	Current	Last year
Total Liabilities	-850.05⁶¹	-863.47
Net Assets	612,524.51⁶²	933,651.75

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

56. Total non-current assets: this is the purchase cost of all equipment, and

furniture, for items valued over \$5,000. 57. Amount invested to earn interest.

58. Money held to pay bills over the next few months. 59. Total current assets: total

amount of cash held + money owed to the school. 60. Total assets: what the school

owns. 61. Total liabilities: what the school owes. 62. 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 31/08/20XX⁶³

From Bank Account: 10001 | To Bank Account: 10010

From Bank Account: 10001 High Yield

Date	Receipt Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
No cancelled receipts for Bank Account 10001 High Yield								

From Bank Account: 10002 Official Account

Date	Receipt Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
		Unallocated Cancellations					15.00	
		Mr & Mrs SMITH					15.00	
		Total Unallocated Cancellations for the period					15.00	15.00
		Total Cancellations for Bank Account 10002 Official Account					15.00	15.00

From Bank Account: 10010 Investment No. 1

Date	Receipt Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
No cancelled receipts for Bank Account 10010 Investment No.1								

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

Cancelled Payments Report From 01/01/20XX to 31/08/20XX⁶⁴

From Bank Account: 10001 | To Bank Account: 10003

From Bank Account: 10001 High Yield

Date	Cheque Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
No cancelled payments for Bank Account 10001 High Yield								
From Bank Account: 10001 Official Account								
Date	Cheque Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
29/04/20XX	CRP0004120	#CAN# The Friendly Company Pty Ltd – Incorrect Creditor cheque 12310					999.99	999.99
Total Cancellations for 29/04/20XX								
25/05/20XX	CRP0004141	#CAN# TRUenergy Pty Ltd – Overpmt – Cheq 12318 (1500.64)					173.55	173.55
Total Cancellations for 25/05/20XX								
28/07/20XX	CRP0004297	#CAN# Calculated Industries – Reverse Payment Cheque 12328					84,000.00	
	CRP0004298	#CAN# Nice Neighbours Systems Group Pty Ltd – CRP0004283 Reversed					22.00	
Total Cancellations for 28/07/20XX								
Total Unallocated Cancellations for the period								
							0.00	
Total Cancellations for Bank Account 10002 Official Account							85,195.54	

From Bank Account: 10001 Building Fund

Date	Cheque Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
No cancelled payments for Bank Account 10003 Building Fund								

64. This report shows each cancelled payment for the year to date.

This report is presented to the sub-committee as an internal control, to verify that cancelled transactions are valid.

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 sub-committee 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 sub-committee 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

General Ledger

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

Sub Prog.	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
1301 ⁶⁵	Info & Comm Technology	2,850		8,000	6,000	75.00
4001	The Arts	732				0.00
4206	Physical Education	1,254				0.00
4322	Japanese	100				0.00
4400	Mathematics	135		150	105	70.00
4801	Library	365				0.00
4923	Class Budget Team 3	205				0.00
5250	Junior School Council	2,694	1,042	1,800	1,224	67.98
5253	Choir	173				0.00
5254	Grade Six Transition	645				0.00
7053	Student Teacher Supervision	7,810		8,000	3,960	49.50
7055	Executive Principal Grant	12,580		12,000	10,000	83.33
7056	Teacher Professional Leave	5,080				0.00
7058	Workforce Bridging Support	10,000				0.00
7302	Uniform Sales - New	16,058		16,000	11,816	73.85
7350	General Trading			2,500		0.00

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

8001	Building Fund	19,427	18,417	6,000	6,247	104.11
8101	Library Fund	10,011	736	12,650	17,365	137.26
8321	Camp #1 – 3 Day					0.00
8422	Excursions Team 2	340		525	400	76.19
8423	Excursions Team 3			525	280	53.33
8650	Teaching Support	11,093		15,000	550	3.67
8651	Casual Relief Teachers -Recoup	11,169			3,300	0.00
8751	Fete	41,899	42,000			0.00
8752	Trivia Night				6,289	0.00 ⁶⁶
8753	Fun Run	5,790	5,800	5,800	4,553	78.49
8754	Apple Drive	21,113	21,000	21,000	18,762	89.34
8756	Jump Rope	4,373	4,400	4,400		0.00
8759	Sausage Sizzle				2,290	0.00
8760	Mother's/ Father's Day Stall	3,712	3,750	3,800	1,786	46.99
8764	Bulb Drive	590	600			0.00
8766	Sun Screen	66				0.00
8767	Melb Open Air Cinema				9,391	0.00
8768	Pie Drive				3,593	0.00
9353	Concert	1,183				0.00
9354	Music Camp			1,500	3,038	202.55
9360	Soundhouse Tuition Fees	80,168	80,000	70,000	86,010	122.87
9380	Holding Account	16,258				0.00
9499	Revenue Control	449,238	453,276	474,871	420,990	88.65
Revenue Totals		737,111	631,021	664,521⁶⁷	617,949⁶⁸	93.00⁶⁹

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

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

68. Year to date revenue for each program - total revenue will agree to the operating statement.

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

Handout B1

General Ledger

Annual Sub-Program Budget Report from Program 100 to 960 Recurrent and Capital⁷⁰ Expenditure

Sub Prog. ⁷¹	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget expended	Out-standing Orders	Un-committed Balance
1301	Info & Comm Technology	33,155	57,606	40,500	41,541	102.57		-1,041
4001	Art	5,546	4,660	4,831	2,073	42.90		2,758
4101	English	3,873	4,000	7,150	4,994	69.84		2,156
4150	Hall	2,963	2,900	3,000	1,963	65.43		1,037
4151	Language Consultant			12,000	8,000	66.66		4,000
4152	Numeracy Consultant			16,000		0.00		16,000
4206	Physical Education	6,042	6,187	5,414	968	17.87		4,446
4207	Sport Education	5,039	3,750	7,259	4,550	62.68		2,709
4322	Japanese	2,982	3,100	3,160	2,419	76.55		741
4400	Mathematics	7,117	7,035	6,000	3,865	64.42	341	1,794
4801	Library	4,547	4,931	4,250	2,628	61.82		1,622
4921	Class Budget Team 1	9,323	10,200	8,700	7,626	87.65		1,074
4922	Class Budget Team 2	6,597	7,800	9,900	7,577	76.53		2,323
4923	Class Budget Team 3	10,399	11,005	11,400	8,459	74.20		2,941
5101	Integration	828	860	860	783	91.07		77
5150	ES – Aides Replacement	1,321	1,100	2,250	1,301	57.81		949
5201	Student Welfare	832	1,550	1,570	1,185	75.44		385
5250	Junior School Council	2,787	2,634	2,748	1,456	52.97		1,292
5251	Prep Transition	1,104	753	840		0.00		840
5252	Learning Support	707	750	750	402	53.64		348
5253	Choir	6,119		4,500	1,520	33.77		2,980
5254	Grade Six Transition	1,276	1,950	1,100	12	1.09		1,088
5502	Principal/ Leadership		1,800	2,000	1,609	80.44		391
5508	Electrical Testing/ Tagging	1,599	950	1,650	1,305	79.09		345

70. Year to date expenditure for each sub-program - total expenditure (operating and capital) will agree to the operating statement.

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

5509	Health/ Wellbeing Activities	535	500	500		0.00		500
6001	Building Services	59,468	72,050	67,600	40,605	60.06		26,995
6050	Inspection Works	7,506	5,860	5,750	1,151	20.01	5	4,595
6099	20XX Relocatable Program			22,006	25,441	115.60		-3,435
6201	Maintenance & Minor Works	11,424	15,838	20,782	6,221	29.93		14,561
6250	Planned Maint – Build Program			50,000		0.00		50,000
6501	Grounds and External Signage	3,536	6,950	5,000	2,069	41.38	91	2,840
6902	Tech Support General	2,170	6,000	4,500	330	7.33		4,170
9353	Concert	1,183				0.00		
9354	Music Camp			1,500	1,127	75.12		373
9360	Soundhouse Tuition Fees	71,373	60,000	70,000	41,665	59.52		28,335
9380	Holding Account	22,176	132,164		36,824	0.00		-36,824
Expenditure Totals		293,527	434,883	405,570⁷²	261,669	64.00⁷³	437	143,365⁷⁴

72. This year's approved expenditure budget for the full year.
Will agree to the operating statement.

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

74. Unspent and uncommitted budget available.

Handout B2

Financial reports: questions

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

- a) how much revenue have the apple drive and the information and communications technology 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 information and communications technology 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 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 sub-committee 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 sub-committee 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 sub-committee and the school council are responsible for reviewing the financial reports.	True	<i>Most school councils have a finance sub-committee. Both the finance sub-committee (where it exists) and school council review financial reports, and the finance sub-committee 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 sub-committee to be the school Business Manager, as long as they are not an employee of the Department.	False	<i>The chair of the finance sub-committee 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>

Handout 1

Financial reports: reports typically provided to finance sub-committee

- 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 sub-committee 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 sub-committee 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 sub-committee 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 sub-committee 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.

Investment register

Schools should retain their current investment policy and register until all investment accounts have been transferred to the Centralised Banking System. Once school investments have been transferred the school is no longer required to maintain an investment policy or register.

The register:

- shows (where the school has investments other than the high yield investment account):
 - amounts invested
 - terms of investment
 - types of investment
 - where invested
 - interest rates to be earned.

Review the register to:

- monitor compliance with the school's approved investment policy
- monitor the funds available to meet future payments.

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.

