

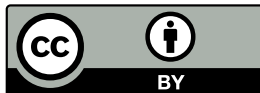


Finance

Improving School Governance

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3.0 Introduction

Goals

The goals of this module are for school councillors to understand their governance 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 subcommittee, which handles many of council's routine financial responsibilities.

The treasurer is responsible for:

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

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

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

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

- the exercise of a power or 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. School councillors can also report any suspected fraud or corruption to the Department's Fraud Corruption Control Unit on **(03) 7022 0121** or fraud.control@edumail.vic.gov.au

3.1 Budgeting

Why is this topic important?

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

It is the ‘money plan’ that shows how the school will use its financial resources to support the goals and priorities in the 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.

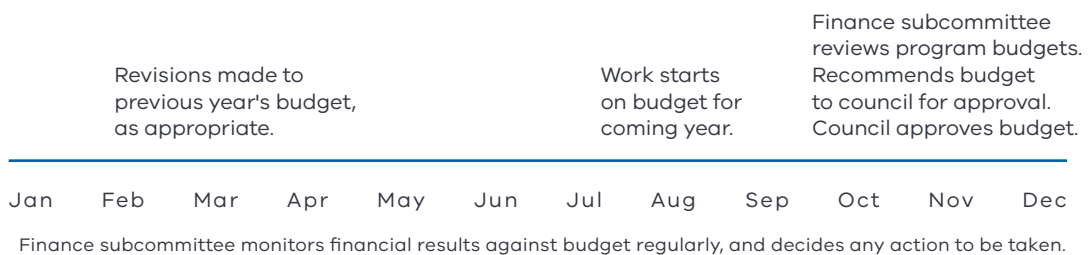
| The principal ... | The school council ... |
|---|--|
| <ul style="list-style-type: none"> • develops the budget timeline | <ul style="list-style-type: none"> • approves the budget timeline |
| <ul style="list-style-type: none"> • develops program budgets with staff, and salary and revenue budgets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

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

Budget process and timeline

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

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



At the outset of the budget process, the principal and finance subcommittee develop the budget timeline. The diagram above shows an indicative timeline (actual timings depend on the school).

The principal, Business Manager and program leaders develop program budgets using estimates of revenue derived from:

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

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

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

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

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 subcommittee. The principal and school staff consider and determine priority programs for the following year and prepare budget submissions for each program. They also rank programs by priority; that is, in order of their importance for funding.

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

Reviewing budget submissions

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

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

Each submission should include:

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

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

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

The treasurer and finance subcommittee 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.

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

Economy, efficiency, effectiveness

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

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

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

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

The Three Es

| VFM Concept | Definition | Example |
|----------------------|--|---|
| Economy | Careful use of resources to minimise expense, time or effort | <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 only the responsibility of the school Business Manager, but rather it is a shared responsibility across the school. If strong leadership is provided by the principal, senior leaders and the school council, this will significantly enhance the importance of VFM in the wider school community.

Factors impacting on 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 Procedure available on the Department’s website.

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 |

Recommending, approving and revising the budget

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

- the final prioritised list of programs to be funded, in light of available funding and 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 subcommittee, then recommends the final prioritised list of submissions to council as the school's program budget. Council reviews and approves the budget and the principal communicates the budget to school staff.

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

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

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

3.2 Financial reports

Why is this topic important?

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

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

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

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

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

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

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

The main financial reports

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

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

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

| Report | Details |
|--|---|
| Annual sub-program budget (GL21157) | Compares year to date actual revenue and expenditure to the full year budget, and shows last year's actual and budgeted revenue and expenditure, for individual sub-programs. Calculates the percentage of the annual budget earned and spent to date |
| Invoices awaiting payment (CR21118) | Lists invoices received but not yet paid |
| Family credit notes (DF21309) | Provides details of any credit notes or reversed charges which have been issued for families |
| Sundry debtor credit notes (DR21309) | Gives details of credit notes generated for specified debtors |
| Bank reconciliation (copies) | Matches the bank statement to the school's banking records and shows and explains any variances |
| Purchasing card statements (if the school has a facility) | Lists all transactions on any purchasing card attached to the school |
| School budget management report – SRP – first page only | Calculates the likely surplus or deficit in SRP funding at the end of the year |
| Investment register – No longer required | The Central Banking system (CBS) precludes schools from investing funds in the form of term deposits and/or at call investment accounts. Therefore schools are no longer required to maintain an investment register or policy |

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 D, 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 subcommittee at each meeting receive copies of the main financial reports (as listed in the previous section) from the principal or Business Manager with advice concerning any issues that require council action.

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

For example:

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

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

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



Reviewing and actioning each main report

Operating statement

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

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

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

Annual program and sub-program budget

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

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

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

Bank reconciliation

The bank reconciliation shows 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 subcommittee:

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

Journal

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

Cash flow statement

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

Sundry debtor credit notes and family credit notes

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

Invoices awaiting payment

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

Balance sheet

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

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

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

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

3.3 Internal controls

Why is this topic important?

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

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

- funds coming 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 reviewing 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 Procedure • identifying and appropriately removing or managing conflicts of interest for both lower value and higher value purchases • applying fair and equitable evaluation of quote and tender submissions • clearly documenting the procurement process and justifying and obtaining appropriate approval for the selection of a supplier |
| Paying for goods and services | <ul style="list-style-type: none"> • not allowing cash payments (except for petty cash) and only allowing payment by 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 excluding GST or greater on an asset register • tagging/engraving assets with identification matching that on the asset register • conducting a stocktake of assets once every two years • having and following a process to dispose of assets |

| Function | Common internal controls |
|-----------------|---|
| Receiving money | <ul style="list-style-type: none"> • following the receipting process 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 CBS linked High Yield investment account) - have a principal and a delegated councillor as signatories; the Business Manager must not be a signatory - are used for all funds received - are never overdrawn |
| Investing | <ul style="list-style-type: none"> • 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 are 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 subcommittee and council about financial performance, including comparing actual revenue and expenditure to budget |
| Budgeting | <ul style="list-style-type: none"> • including in the budget: <ul style="list-style-type: none"> - all revenue sources and funds carried forward from the previous year - any committed funds - any deficit (to be repaid) or surplus from SRP funding in the previous year • approving a budget before the start of the new year • regularly reviewing actual financial performance against the budget |
| Trading operations | <ul style="list-style-type: none"> • requiring all operations to be approved by council • requiring all costs to be covered by revenue • completing an annual profit and loss statement, financial reconciliation |
| Auditing | <ul style="list-style-type: none"> • having the financial statements audited by an external auditor nominated and organised by the Department at least once every four years |
| School purchasing card | <ul style="list-style-type: none"> • Department procurement procedures are followed, including a school purchase order being prepared for each purpose • an "Undertaking by the Card holder" is completed by each user after modifications by the principal • monthly purchasing card statement/s to be attached to the relevant reports (CASES21) and tabled at school council meetings • the principal should authorise all card holders' expenditures except their own • where the principal is a card holder, the school council president should authorise their expenditure |

Monitoring the adequacy of internal controls

Council is 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.

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 based on the following methods:

- **standard** – based on random sampling methodology (this is the primary selection method which gives each school an equal opportunity to be selected each cycle)
- **follow-up** – school selections is based on the Agreed-upon Procedures results from the prior year (focusing on 'Needs Improvement' and 'Unsatisfactory' rated schools)
- **targeted** – school selections are based on a number of factors (results of data analytics, value/volume transactions, schools not audited in prior years or any other basis determined by the Department).

Schools rated 'Good' in the AUPs for two consecutive years are exempt from being selected in the following year unless a request is made to Assurance Branch to include it in the Program by the school, the Financial Services Division or the regional offices.

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

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

AUPs are conducted across the whole financial year. Schools are notified of the selection via the School Update e-newsletter.

Fieldwork may take between two to three working days depending on the size of the school and/or volume and complexity of the transactions.

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 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.

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

Examples of SIAs are:

- review of key financial management and controls at schools (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.

Schools follow-up process

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

The school follow-up process is briefly defined below:

- | | | | |
|---|---|--|---|
| <p>1 Internal Audit provides the Program results to the School Financial Management Support Unit and the Regional Area Directors (RADs). Internal Audit will conduct follow-up audits.</p> | <p>2 RADs send letters to schools regarding their Program results. Regional Finance Managers and Senior Education Improvement Leaders (SEILs) discuss the letters with the schools and the inclusion of the Program results in the principal's PDP process if school's audit results do not improve in future years.</p> | <p>3 Schools declare their action plans, and obtain approval from the school council with a notification to the SEILs. Schools implement the plan and report the status in the School's Internal Certification checklist.</p> | <p>4 Principal, school council president and treasurer are strongly recommended to attend the Improving School Governance training. Key school staff are strongly recommended to attend financial management training.</p> |
|---|---|--|---|



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 to auditors within the specified time frame, to be included in the audit report.

The school follow-up process is briefly defined below:

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 AUP/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"> ensures that management comments are provided to the auditors within the specified time frame, to be included in the final reports | |
| <ul style="list-style-type: none"> organises for the final SCFA reports of the school to be tabled at a school council meeting | <ul style="list-style-type: none"> reviews the SCFA reports of the school and discuss how the non-compliances (if any) will be rectified |
| <ul style="list-style-type: none"> ensures that the school develops an action plan and implements it | <ul style="list-style-type: none"> endorses action plan and tracks its implementation |
| <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 as a school council and identifies opportunities for improving the school's processes |

Further information

If you require more information on the School Council Financial Assurance program email: scfa@edumail.vic.gov.au

3.4 School Generated Funds

Why is this topic important?

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

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

On completing this unit councillors should be able to:

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

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

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

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

Parent payments

The school may request parent payments 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.

Fundraising

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

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

- 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.

Support to school councillors

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

Principals and school personnel can direct parent payment enquiries to parent.payments@edumail.vic.gov.au

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

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 9946 6801 or email Synergistiq: sct@synergistiq.com

The ISG modules are also available online, on the Department's website.

Further information, related policies and advice can be found on the Policy and Advisory Library (PAL) for schools on the Department of Education and Training website education.vic.gov.au including:

- CASES21 and eCASES user guides and resources
- Ethical Decision Making
- Finance Manual for Victorian Government Schools
- Fundraising
- Parent Payments
- Purchasing
- School Procurement Policy.

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



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3.5 Financial reports

General Ledger Operating Statement – Detail for the period ending 31 August 20XX¹

| 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 |
|---------|----------------------|----------------------|----------------------|------------------------|---------------------|---------------------|-----------------------|----------------|----------------------|------------------|
| 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 | 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 |
|---------|--------------------------|----------------------|----------------------|------------------------|---------------------|---------------------|-----------------------|---------------|----------------------|------------------|
| 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 | 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 |
|---------|-------------------------|----------------------|----------------------|------------------------|---------------------|---------------------|-----------------------|---------------|----------------------|------------------|
| 72080 | State Government Grants | - | - | - | 3,504 | - | 3,504 | - | - | - |
| | | 0 | 0 | 0 | 3,504 | 0 | 3,504 | 0 | - | 0 |

| 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 |
|---------|-------------------|----------------------|----------------------|------------------------|---------------------|---------------------|-----------------------|---------------|----------------------|------------------|
| 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 |
| | | 210 | 500 | 290 | 22,269 | 14,000 | 8,269 | 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 (e.g. 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 (e.g. 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 REVENUE | Account Title Locally Raised Funds | Current Month Actual | Current Month Budget | Current Month Variance | Year to Date Actual | Year to Date Budget | Year to Date Variance | Annual Budget | % of Budget Received | Last Year Actual |
|--------------------|---------------------------------------|----------------------------|----------------------------|------------------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|----------------------------|-------------------------------|
| 74101 | Fundraising Activities | 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 | 84,181 |
| 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 |
| | Total Operating Revenue | 44,991 | 41,808⁵ | 3,183⁶ | 660,066⁷ | 671,821^{8,9} | -11,755 | 751,800¹⁰ | 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 EXPENDITURE | Account Title (A) | 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 |
|------------------------|---|----------------------------|----------------------------|------------------------------|---------------------------|---------------------------|-----------------------------|------------------|----------------------------|------------------------|
| 80052 | Salaries and Allowances 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 | 927 | 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 |
| EXPENDITURE | Consumables | | | | | | | | | |
| 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 | 55,586 | 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 |
| EXPENDITURE | Books and Publications | | | | | | | | | |
| 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 |
| EXPENDITURE | Communication costs | | | | | | | | | |
| 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 | s-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) 303,339 | (F) 451,531 | (G) -140,743 | (H) 657,540 | 46 | (I) 625,236 |
| | Net Operating Surplus/-Deficit ¹² | (J) 19,072 | (K) 5,381 | (L) 7,325 | (M) 356,727 | (N) 220,290 | (O) 160,047 | (P) 94,260 | | (Q) 426,260 |
| | Outstanding Orders: | (R) 436 | | | | | | | | |

(A). Expenditure is shown by category e.g. 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 (i.e. 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.

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 |
|----------------|---|-----------------------------|-----------------------------|-------------------------------|----------------------------|----------------------------|------------------------------|----------------------|-----------------------------|-------------------------|
| | 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 > \$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 | 15,700 | - | 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 | | | | | | | | |
| | | | | | | | | | | |
| 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 |
| | 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 | Revenue Control | 449,238 | 453,276 | 474,871 | 420,990 | 88.65 |
| 960 | Commonwealth Programs | 200,000 | 200,000 | | | 0.00 |
| Revenue Totals | | 1,045,497 | 1,103,542 | 671,821¹⁹ | 660,068²⁰ | 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 | | |
| 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 | | 1,170,326 | 1,191,332 | 806,036²⁴ | 555,396²⁵ | 68.90²⁶ | 437 | 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 | Arts | | | | | |
| 4206 | Physical Education | 1,254 | | | | 0.00 |
| 4322 | Japanese | 100 | | | | 0.00 |
| 4400 | Mathematics | 135 | 150 | 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).

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 | Kitchen Garden | 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 | 617,949³¹ | 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 |
|---------------------------|-------------------------------|------------------|------------------|-----------------------------|-----------------------------|---------------------------|--------------------|-----------------------------|
| 5503 | Occ Health and Safety | | 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 |
| 6051 | 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 | Kitchen Garden | 22,176 | 132,164 | | 36,824 | 0.00 | | -36,824 |
| 9390 | Junior School Council | | | 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 | | (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 subcommittee as an internal control, giving greater transparency to the financial records. The finance subcommittee may ask questions about the transactions in this report.

Cash Flow Statement as at 31/08/20XX 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 | - | - | - | - | \$675,799 |
| Payments | \$144 | \$142,653 | \$81,453 | \$63,997 | \$41,518 | \$182,293 | \$72,894 | \$75,106 | - | - | - | - | \$660,058 |
| Surplus/(Deficit) | \$3,782 | \$39,139 | \$19,033 | (\$42,334) | \$29,435 | (\$47,654) | \$43,033 | (\$28,692) | - | - | - | - | \$15,742 |
| 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 | - | - | - | - | - | \$17,0219 |
| Payments ⁴³ | - | \$2,292 | \$1,183 | \$1,482 | - | \$1,090 | \$338 | \$1,244 | - | - | - | - | \$7,629 |
| Surplus/(Deficit) ⁴⁴ | - | \$6,683 | (\$1,183) | (\$1,469) | \$7,995 | (\$1,088) | (\$304) | (\$1,244) | - | - | - | - | \$9,390 |
| Closing Balance ⁴⁵ | | | | | | | | | | | | | \$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 | Undallocated | 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 | 26/01/20XX | Reversal of Charge | \$0.00 | \$100.00 |
| | | | Debtor Total | | \$100.00 |
| SFSMI | Luke Smith | 26/01/20XX | Reversal of Charge | \$0.00 | \$100.00 |
| | | | Debtor Total | | \$100.00 |
| SFWIN | Gladys Winter | 26/01/20XX | Reversal of Charge | \$0.00 | \$100.00 |
| | | | Debtor Total | | \$100.00 |
| SFYAK | Pedro Yak | 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 subcommittee 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 | 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 subcommittee as an internal control, to verify that credit note transactions are valid.

Invoices Awaiting Payment – Detailed

From creditor 2FORTHHERD to ZZZZZZZFTC | 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 Amount | 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 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 Amount | 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 | 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. To whom payment is owed 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 › \$5,000 | 11,410.00 | 154,495.58 |
| Printers/scanners etc › \$5,000 | 13,000.00 | 5,023.00 |
| Computer Software › \$5,000 | 8,299.00 | 10,429.00 |
| Furniture and Fittings › \$5,000 | 22,937.00 | 174,701.94 |
| Musical Equipment › \$5,000 | 0.00 | 44,579.00 |
| Office Equipment › \$5,000 | 55,379.17 | 25,695.00 |
| Communications Equip › \$5,000 | 0.00 | 22,949.35 |
| Plant & Equipment › \$5,000 | 47,771.00 | 56,522.15 |
| Sporting Equipment › \$5,000 | 18,757.60 | 21,063.60 |
| Other Assets › \$5,000 | 53,236.65 | 141,126.55 |
| | 230,790.42⁵⁶ | 656,585.17 |
| 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 | 936,515.22 |
| 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 Unallocated Cancellations | Description | GL code | Program | Sub-Program | Initiative | Amount | Total |
|---|--|----------------|---------|---------|-------------|------------|--------|-------|
| | | 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 subcommittee 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 subcommittee 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 subcommittee for review against the school’s strategic priorities.

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

Objectives:

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

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

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

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

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

Objectives:

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

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

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

Objectives:

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

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

Handout A2

Budgeting: questions

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

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

Handout B1

Financial reports: sample annual sub-program budget report REVENUE

General Ledger

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

| Sub Prog. | Title | Last year actual | Last year budget | Annual budget | YTD | % Budget received |
|--------------------|-----------------------------|------------------|------------------|---------------|--------|-------------------|
| 1301 ⁶⁵ | Info & Comm Technology | 2,850 | | 8,000 | 6,000 | 75.00 |
| 4001 | Art | 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 | 10,011 | 736 | 12,650 | 17,365 | 137.26 |
| 8321 | Camp #1 – 3 Day | | | | | 0.00 |

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

| Sub Prog. | Title | Last year actual | Last year budget | Annual budget | YTD | % Budget received |
|-----------------------|--------------------------------|------------------|------------------|-----------------------------|-----------------------------|--------------------|
| 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 | Sunscreen | 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 | Kitchen Garden | 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

Financial reports: sample annual sub-program budget report EXPENDITURE

General Ledger

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

| 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 |

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).

| Sub Prog. ⁷¹ | Title | Last year actual | Last year budget | Annual budget | YTD | % Budget expended | Out-standing Orders | Un-committed Balance |
|---------------------------|-------------------------------|------------------|------------------|-----------------------------|----------------|---------------------------|---------------------|-----------------------------|
| 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 |
| 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 | Kitchen Garden | 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 |

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).

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 subcommittee and the school council are responsible for reviewing the financial reports. | |
| 4. An annual stocktake of all assets on the asset register must be conducted. | |
| 5. It is okay for the chair of the finance subcommittee to be the school Business Manager, as long as they are not an employee of the Department. | |
| 6. The school council approves a budget every three years. | |
| 7. All payments require two signatories: the principal and a nominated councillor. | |
| 8. A school councillor who has a question about compliance with an internal control can't ask the question unless they are the school council chair. | |

Handout C2

Internal controls: answer sheet

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

Handout D

Financial reports: reports typically provided to finance subcommittee

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

Financial reports provided to council

- Operating Statement (detail)
- Balance Sheet.

Reviewing reports

Operating statement (detail)

This report:

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

Review this report to:

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

Annual program budget

This report:

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

Review this report to:

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

Annual sub-program budget

This report:

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

Review this report to:

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

Bank reconciliation

This report:

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

Review this report to:

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

Journal

This report:

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

Review this report to:

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

Cash flow statement

This report:

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

Review this report to:

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

Sundry debtor credit notes

This report:

- gives details of credit notes generated for specified debtors.

Review this report to:

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

Family credit notes

This report:

- gives details of credit notes issued for families.

Review this report to:

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

Invoices awaiting payment

This report:

- lists invoices received but not yet paid.

Review this report to:

- approve invoices for payment.

Balance sheet

This report:

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

Review this report to:

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

Investment register

The Central Banking System (CBS) precludes schools from investing funds in the form of term deposits and/or at call investment accounts. Therefore schools are no longer required to maintain an investment register or policy.

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.

