

# ACT Council of Parents & Citizens Associations

*The parent voice on public education*



## Financial Review Worksheet

*A guide to completing a P&C financial review*

### **Before you start make sure you have the following documents:**

- Meeting minutes (particularly those approving expenditure)
- Bank statements (for the review period)
- Payroll reports (if applicable)
- Cashbook or accounting records (e.g., spreadsheet, accounting software reports)
- Constitution (for reference on approval processes)
- Fixed assets register (if applicable)
- Inventory records (if applicable)
- Grant agreements and related documentation (if applicable)
- Supporting documents for income and expenses (e.g., invoices, receipts)
- Financial statements (e.g., income statement, balance sheet)
- Insurance certificates (for assets and workers' compensation, if applicable)
- Reconciliation reports (e.g., bank reconciliations)

## General Information

<b>Name of P&amp;C Association</b>	
<b>Treasurer Name</b>	
<b>Treasurer contact details: phone &amp; email</b>	
Accounting method	Cash / Accrual
GST registered	Yes / No
Services operated	<input type="checkbox"/> Uniform shop <input type="checkbox"/> Canteen <input type="checkbox"/> Other: _____
Staff employed	Yes / No
Major fundraising activities: (List briefly)	

## Reviewing income

Briefly document the process for receiving and recording income. <ul style="list-style-type: none"> <li>Note any risks/areas of weakness</li> </ul>	
<b>Verify that total income in receipts ledger matches amount in financial statements.</b>  Select sample transactions: <ul style="list-style-type: none"> <li>Match to bank deposits and bank statements and receipts (eg. Cash counting records).</li> <li>Check for accurate recording in the correct period.</li> </ul>	

## Reviewing Expenses

Briefly document the process for approving and recording spending and disbursement of funds.	
<b>Verify total expenses in financial statements matches the payment records.</b>	

<p>Select sample transactions:</p> <ul style="list-style-type: none"> <li>• Check that there are supporting documents (eg. invoices) Ensure payment was approved as required by constitution. Eg. check minutes for approved spending.</li> <li>• Match transaction amounts to bank statements</li> <li>• Check payment has been classified correctly</li> <li>• If registered for GST ensure GST has been correctly classified</li> </ul>	
<p>Check for unusual or large transactions and investigate anomalies.</p>	

## Bank Accounts

<p>List bank signatories and approval requirements for payments (eg. 2 to approve payments, how debit card purchases are managed. debit card purchases.</p>	
<p>Confirm regular bank reconciliations are performed (eg. In treasurers reports to meetings)</p> <ul style="list-style-type: none"> <li>• Review samples for accuracy (opening/closing balances, reconciling items).</li> <li>• Ensure reconciliations match adjusted bank statements.</li> </ul>	

## Assets

<p>Confirm fixed assets register matches financial statements.</p>	
<p><b>Verify sample purchases:</b></p> <ul style="list-style-type: none"> <li>• Match to invoices and bank records.</li> <li>• Check classification and depreciation calculations. See the ATO website for advice on calculating depreciation:  <a href="#">Guide to depreciating assets 2024   Australian Taxation Office</a></li> </ul>	

Check disposal of assets to any source documentation. Ensure profit/loss on sale of asset has been calculated correctly.	
Check that large assets are insured appropriately (view insurance certificate).	

## Stock on Hand/Inventory

Briefly document inventory management process (eg. Are regular stocktakes performed, how is stock valued?)	
Review final stock listing for reasonableness (eg. Compare to previous years).	
Test samples to invoices and check for damaged or outdated stock.	

## Payroll (if applicable)

Briefly document the payroll system (eg. Timesheets, pay approvals).	
<p><b>Verify wage payments.</b></p> <ul style="list-style-type: none"> <li>• Match to employee contract or award rate (whichever applies)</li> <li>• Using total wages and salary expenses, review superannuation, PAYG and workers compensation insurance to ensure values seem reasonable.</li> </ul>	
Check calculations for long service leave and annual leave, if applicable. Ensure provisions seem appropriate.	
Take a sample of payroll from the bank statement and follow back to source documentation such as timesheet.	

## Grants (if applicable)

<p><b>Review grant terms and supporting documentation.</b> Ensure funds were used according to grant conditions. (Check invoices)</p>	
---	--

## Debtor and Creditors

<p><b>Debtors:</b> Confirm total of the debtor's ledger matches the financial statements to ensure all outstanding amounts owed to the association are recorded.</p>	
<p>Assess the recoverability of overdue debts by:</p> <ul style="list-style-type: none"><li>• reviewing their age,</li><li>• checking for recent payments, and</li><li>• considering the likelihood of collection.</li></ul> <p><i>This helps identify potential bad debts and manage financial risks.</i></p>	
<p><b>Creditors:</b> Verify that all invoices related to the financial year but unpaid by year-end are recorded as liabilities. <i>This ensures the financial statements accurately reflect the association's obligations.</i></p>	

## Handling errors

1. Take a larger sample size to try to determine if this is a regular occurrence and there is a pattern or if it is just once-off error.
2. If there are recurring errors, discuss controls with the treasurer or president.
3. If you don't feel comfortable signing off the review, please contact Council for further advice.