

FINANCE

3

FINANCE

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 Departmental requirement that council makes sure that monies coming into the school are being properly expended and authorised.

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

- 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 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.

Most school councils have a finance sub-committee which handles many of council's routine financial responsibilities. The convenor of the finance committee, as elected from council members, is preferably a non-Department parent member or a community member. The business manager/bursar should not hold this position.

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.

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 resources (staff, programs, services and equipment) to support the goals and priorities in the school strategic plan. Proper and adequate oversight of the school's finances, in line with Departmental 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 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 (done by the finance sub-committee if council has one)
<ul style="list-style-type: none"> • evaluates program outcomes, prepares and prioritises budget submissions 	<ul style="list-style-type: none"> • reviews and approves the budget
<ul style="list-style-type: none"> • communicates the budget to staff 	

Most schools have finance sub-committees and this unit is written as if your school has one. If it doesn't, council will undertake the tasks described.

Budget process and timeline

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



Finance sub-committee monitors financial results against budget regularly, and decides any action to be taken.

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 such as Commonwealth National Partnerships funding
- locally raised funds
- funds left over from the current and previous years.

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

The funding is provided in two parts: credit and cash. Broadly speaking, the credit part of the funding (which accounts for approximately 95% of the SRP) is money allocated to the school but held by the Department and used to pay school salaries and professional development costs.

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 funding, it must repay the overspent amount in the next year. Its budget must allow for this.

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

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

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

Reviewing budget submissions

Council is encouraged to have a finance sub-committee to review budget submissions in detail on behalf of council. The finance sub-committee checks that each submission provides enough information for it to make a decision to recommend it for funding or not. Each submission should include:

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

Guided by the strategic priorities decided by council, the finance sub-committee should 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 finance sub-committee discusses expenditure estimates in the budget submissions with the business manager or principal to determine whether these estimates are reasonable. The business manager 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.

Recommending, approving and revising the budget

The finance sub-committee, after discussion with the principal, determines:

- 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 finance sub-committee then recommends the final prioritised list of submissions to council as the school's program budget. Council reviews and approves the budget and the principal communicates the budget to school staff.

There may be more than one version of the budget during the year. The finance sub-committee recommends changes to the budget, in line with the priority list, if:

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



Resources and links

[School Finance Manual for Victorian Government Schools](#)

[A Guide to Budget Management in Schools](#)

Documents can be accessed under the heading School Financial Policy and Guidelines at
 → <http://www.education.vic.gov.au/management/financial/>

3.2 Financial reports



Why is this topic important?

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

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

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

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

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

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

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

The main financial reports

The Department provides CASES21 software to government schools to support their administration, finance and central reporting. The software generates the reports in the following table. The principal would typically provide these reports to the finance sub-committee and council would usually see only the operating statement and balance sheet. Note that the investment register and cash flow forecast report are not generated through CASES21.



Report	Details
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)
Annual program budget (GL21158)	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 (such as trading operations, administrative services and curriculum programs, for example Art). Calculates the percentage of the annual budget earned and spent to date
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
Bank reconciliation	Matches the bank statement to the school's banking records and shows and explains any variances
Journal (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	Shows estimated cash balances for coming months based on expected cash in and out
Sundry debtor trial balance (DR21101)	Shows debtors (those who owe the school money) and the age of amounts owed
Family trial balance (DF21102)	Shows debtors (those who owe the school money) and the age of amounts owed by families
Sundry debtor credit notes (DR21309)	Gives details of credit notes generated for specified debtors
Family credit notes (DF21309)	Provides details of any credit notes or reversed charges which have been issued for families
Invoices awaiting payment (CR21118)	Lists invoices received but not yet paid
Balance sheet (GL21160S)	Lists the value of the school's assets and liabilities at a point in time
Investment register	Where the school has investments other than the high yield investment account, shows amounts invested, terms of investment, types of investment, where invested and interest rates to be earned
Cancelled payments (GL21005)	Lists cancelled cheques
Cancelled receipts (GL21004)	Lists cancelled receipts



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 monies or pays bills. This is normal accounting practice.

A sample of each of the CASES21 reports is attached to this unit, with notes to help councillors understand the reports.

The following table shows some other reports to which the finance sub-committee may refer.

Report	Details
Student Resource Package (SRP) management	Calculates the likely surplus or deficit in SRP funding at the end of the year
YTD additions – accounting (AR21122S)	Shows new assets (such as equipment)
YTD disposals – accounting (AR21131S)	Shows assets sold or of no value
Cash payments greater or equal to \$1,000 (GL21007)	Lists payments made which were greater than or equal to \$1,000
Creditors trial balance (CR21101)	Shows creditors (those to whom the school owes money) and the age of amounts owed

Reviewing reports and taking action

Generally speaking, the finance sub-committee at each meeting receives copies of the main reports from the principal or business manager with advice about any issues that require council action. It discusses the issues with the principal or business manager to achieve a shared understanding and makes recommendations to council. For example:

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

Council makes decisions which are then implemented by the principal.

People often don't understand financial reports but don't feel confident to say so. For good governance, councillors must understand what the reports are saying and ask questions, especially if they don't have a financial background. The principal or business manager will help clarify any aspect of the reports, using language and concepts understandable to councillors.

The following describes typical review and action steps on each main report.

Operating statement

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

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

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



Annual program and sub-program budget

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

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

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

Bank reconciliation

The bank reconciliation shows cheques issued but not yet presented (which will be in the school's records but not in the bank's) and monies received by the school but not yet banked. The finance sub-committee:

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

Journal

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

Cash flow statement

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

Cash flow forecast

The finance sub-committee reviews the forecast of cash availability over the coming months to monitor cash balances and inform investment decisions.

Sundry debtor trial balance and family trial balance

The finance sub-committee uses these reports to check how long the school has been waiting for payment of amounts owed to it and to discuss action with the principal or business manager.

Sundry debtor credit notes and family credit notes

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



Invoices awaiting payment

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

Balance sheet

When reviewing the balance sheet, the finance sub-committee and council:

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

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

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

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

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

Cancelled payments and cancelled receipts

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

Resources and links

Operating Statement: A practical example and explanation

Financial Reporting for Schools

Documents can be accessed under the heading CASES21 Finance Publications at
 → <http://www.education.vic.gov.au/management/financial/>

3.3 Internal controls

Why is this topic important?

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

- monies coming in to the school are being spent as planned
- the school's assets are safe
- council can rely on the accuracy of the financial information it receives.

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

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 appointing one councillor (normally the president or a delegated councillor) to: <ul style="list-style-type: none"> » approve payments and sign cheques » approve an investment policy if appropriate » approve trading operations and ensure issues raised by the auditor are addressed
<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 to approve the purchase order • getting quotes or tenders for purchases over specified amounts
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 2 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 2 approved signatories approve payments
Accounting for assets	<ul style="list-style-type: none"> • recording all assets valued at \$5,000 or greater on an asset register • tagging / engraving assets with identification matching that on the asset register • conducting an annual stocktake of assets • having and following a process to dispose of assets
Receiving money	<ul style="list-style-type: none"> • issuing receipts immediately for all revenue • storing cash in a safe and not leaving cash at school during term holidays • ensuring that all bank accounts and investments: <ul style="list-style-type: none"> » are in council's name (except for the high yield investment account) » have a principal and a delegated councillor as signatories; the business manager must not be a signatory » are used for all monies received » are never overdrawn
Investing	<ul style="list-style-type: none"> • having an investment policy approved by council
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 • requiring all non-teaching school-based employees to have a current working with children check • requiring all employees who handle cash to have a criminal records check

Function	Common internal controls
Recording and reporting	<ul style="list-style-type: none"> • keeping up-to-date accounting records that are supported by documentation • reconciling bank accounts with bank statements • reconciling petty cash • reporting to each council meeting about receipts, payments and financial commitments • reporting to the finance sub-committee and council about financial performance, including comparing actual revenue and expenditure to budget
Budgeting	<ul style="list-style-type: none"> • including in the budget: <ul style="list-style-type: none"> » all revenue sources and funds carried forward from the previous year » any committed funds » any deficit (to be repaid) or surplus from SRP funding in the previous year • approving a budget before the start of the new year • regularly reviewing actual financial performance against 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
Auditing	<ul style="list-style-type: none"> • having the financial statements audited by an external auditor nominated by the Department at least once every three years



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. It is also responsible for ensuring that any issues the auditor raises are addressed through changes to internal controls.

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

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

Resources and links

Internal Controls for Victorian Government Schools

School Finance Manual for Victorian Government Schools

Documents can be accessed under the heading School Financial Policy and Guidelines at
→ <http://www.education.vic.gov.au/management/financial/>

Making the Partnership Work

→ http://www.eduweb.vic.gov.au/edulibrary/public/schacc/make_partnerships_work.pdf

3.4 Investing and fundraising

Why is this topic important?

Councils are responsible for how the school raises revenue (over and above the funding provided by the government) to fund improvements to the learning environment. Many schools engage in investing and fundraising activities and it is part of council's role to consider and manage any financial and reputational risks that could arise, and to ensure that all legal requirements are met.

On completing this unit school councillors should be able to:

- assess and decide on proposals from clubs and groups to raise funds for the school
- develop an investment policy and decide on the amount to be invested
- develop a parent payments policy, in line with Departmental policy.

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

The following table shows the typical responsibilities of school council and the principal in terms of investing and fundraising.

The principal ...	The school council ...
<ul style="list-style-type: none"> • assists with the review of fundraising proposals 	<ul style="list-style-type: none"> • approves fundraising activity on the school's behalf
<ul style="list-style-type: none"> • advises council about available cash and recommends investments 	<ul style="list-style-type: none"> • develops an investment policy • approves amounts to be invested
<ul style="list-style-type: none"> • develops a parent payments policy • implements policies 	<ul style="list-style-type: none"> • contributes to and approves the parent payments policy



Assessing fundraising proposals

Members of parent clubs or other members of the school community may want 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 sub-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
- 2 representatives of the club or group who have proposed the fundraising activity
- the principal.

The *Education and Training Reform Regulations 2007* require that:

- council and the parents' club 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 or by the parents' club.

Council decisions about investments should be minuted for action by the principal or business manager.

Investment policy and amounts to be invested

Council is responsible for making policy about investments. If council decides only to invest in the high yield investment account which the Department makes available to each school, then the council meeting minutes stating this become the school's investment policy.

If the school wants to hold other types of investments (such as term deposits or bills of exchange) then council must approve an investment policy. Department guidelines and regulations allow the school to invest only in certain types of low-risk products and only with regulated financial institutions. Council is responsible for minimising risks when school funds are invested and ensuring the school has internal controls to safeguard its investments.

Council is also responsible for deciding how much of the school's funds will be invested. The principal or business manager will give council an estimate of funds available for investment, typically using a cash flow budget to estimate likely fund balances in upcoming months. Schools usually keep aside (either in the official bank account or in an at-call bank account, such as the high yield investment account) enough money to fund expenditure for the next two months or \$10,000, whichever is greater. Council approves the amount to be invested.

Council decisions about investments should be minuted for action by the principal or business manager. Transfers of monies between the official bank account and investments should be approved by the principal and a delegated councillor.

Council can keep track of amounts invested by reviewing the balance sheet, cash flow statement and investment register; interest earned will be shown in the operating statement. Council should monitor investments other than those in the high yield account regularly for compliance with the school's investment policy.

Parent payments

The school must have a policy for parent payments, including voluntary contributions, following Departmental guidelines and reached through informed and transparent decision making processes. The school must apply the principle that no student will be disadvantaged in any way if their parent/guardian does not make payments or give a voluntary contribution.

The school may charge parents/guardians for essential educational items such as text books or uniforms, offer 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/guardians to fund buildings or specific equipment or services.

When deciding to request payments from parents/guardians council should consider:

- the importance of a clear reason for requesting payment
- an assessment of what is a reasonable payment to request parents/guardians to make (that is, what the school community expects and will think is reasonable). In the case of a voluntary contribution, an amount cannot be specified
- the importance of fully communicating what the school wants to do with the payment to all parents/guardians.

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)
- other purposes to be determined by the school (the invitation being for a general contribution or donation).

Parents may be invited to donate to the school but cannot be required to do so.





Resources and links

School Finance Manual for Victorian Government Schools

This document can be accessed under the heading School Financial Policy and Guidelines at
→ <http://www.education.vic.gov.au/management/financial/>

Student Materials and Service Charges and Voluntary Financial Contributions

→ <http://www.education.vic.gov.au/management/schooloperations/schoolcharges.htm>

Financial reports



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

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

General Ledger

Operating Statement - Detail for the period ending 31 August 2010

GL Code	Account Title	Current Month		Year to Date		Annual Budget	Last Year Actual		
		Actual	Budget	Variance	Actual			Budget	Variance
REVENUE									
Dep't Grants									
70001	Cash Grant	20,712	21,529	-817	198,614	258,350	-59,736	300,000	293,123
70002	Ed'n Maintenance Allowance	1,540	-	1,540	7,270	-	7,270	-	6,901
70080	Other Dep't Grants	-	-	-	48,164	60,006	-11,842	75,000	37,805
70090	Capital Works	-	-	-	-	-	-	-	1,650
		22,252	21,529	723	254,048	318,356	-64,308	375,000	339,479
Commonwealth Government Grants									
71060	C'wealth Maintenance Grants	-	-	-	-	-	-	-	200,000
71080	Other C'wealth Gov't Grants	-	-	-	-	-	-	-	50,000
		0	0	0	0	0	0	0	250,000
State Government Grants									
72080	Other State Government Grants	-	-	-	3,504	-	3,504	-	-
		0	0	0	3,504	0	3,504	0	0
Other									
73001	Reimbursements	-	-	-	15,715	8,000	7,715	12,000	50,504
73002	Interest Received	210	500	-290	6,554	6,000	554	9,000	10,233
		210	500	-290	22,269	14,000	8,269	21,000	60,737
Locally Raised Funds									
74002	Sale of Class Materials	-1,358	-	-1,358	45,797	46,000	-203	48,000	46,818
74101	Fundraising Activities	20,898	15,705	5,193	45,270	36,800	8,470	36,800	78,081
74102	Donations	882	3500	-2,618	25,849	18,650	7,199	20,000	34,384
74103	Commission	-	-	-	10,819	17,000	-6,181	17,500	715
74201	Hire School Facilities/Equip	-	-	-	60	-	60	-	-
74301	Camps/Excursions/Activities	182	-	182	105,511	87,515	17,996	92,000	87,426
74402	Trading Operations	391	574	-183	11,874	16,000	-4,126	24,000	16,058
74403	Non Profit Trading Operations	-	-	-	19	2,500	-2,481	2,500	84,181
74404	Special Events	-	-	-	1,484	-	1,484	-	-
74580	Other Locally Raised Funds	1,534	-	1,534	133,562	115,000	18,562	115,000	53,617
		22,529	19,779	2,750	380,245	339,465	40,780	355,800	401,280
	Total Operating Revenue	44,991	41,808	3,183	660,066	671,821	-11,755	751,800	1,051,496

A negative number generally means that more revenue has been removed (eg via credit notes) than has been earned. This should be explained by the principal or business manager.

Last year's revenue for the full year

This year's approved revenue budget for the full year

Less income has been earned than expected

Budget revenue for the year to date

Actual revenue earned for the year to date

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

Budgeted revenue for the month

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

Operating Statement - Detail for the period ending 31 August 2010

GL Code	Account Title	Current Month		Year to Date		Annual Budget	Last Year Actual
		Actual	Budget	Variance	Actual		
EXPENDITURE							
A							
Salaries and Allowances							
80050	Teaching Support Staff	9,727	9,900	-173	77,816	120,000	102,374
80051	Teacher Aides	-	-	-	1,221	5,250	1,259
80052	Other Non Teaching Staff	-	-	-	905	-	2,175
80071	Casual Relief Teaching Staff	-	-	-	-	12,000	-
80080	Superannuation	875	892	-17	7,113	10,800	9,215
80081	WorkCover	-	-	-	-	-	959
		10,602	10,792	-190	87,055	148,050	115,982
Bank Charges							
82801	Bank Charges	132	375	-243	3,837	6,000	4,520
		132	375	-243	3,837	6,000	4,520
Consumables							
86101	Office/Teacher Requisites	1,931	1,268	663	8,696	20,000	13,762
86102	Photocopying	1,144	1,026	118	8,037	16,352	12,636
86103	Printing	-	-	-	510	-	-
86104	Class Materials	905	1,000	-95	31,606	47,110	42,714
86105	Computer Software < \$5000	-	-	-	1,792	3,500	1,266
		3,980	3,294	686	50,641	86,962	70,378
Books and Publications							
86201	Library Books	534	717	-183	6,670	10,000	-
86202	Class Sets < \$5000	-	-	-	3,980	7,970	5,523
86203	Reference Materials	500	265	235	865	4,000	2,066
		1,034	982	52	11,515	21,970	7,589
Communication costs							
86301	Postage	-	85	-85	280	2,000	1,519
86302	Telephone	437	375	62	3,913	6,500	4,779
86303	Internet	-	-	-	-	-	2,919
		437	460	-23	4,193	8,500	9,217



General Ledger

Operating Statement - Detail for the period ending 31 August 2010

GL Code	Account Title	Current Month		Actual	Year to Date		Annual Budget	Last Year Actual
		Budget	Variance		Budget	Variance		
Equipment/Maintenance/Hire								
86401	Furniture/Fitt'gs <\$5000	292	1,713	5,116	20,563	-15,447	22,000	6,386
86402	Repairs/Maint-Furniture/Equip	-	-	1,778	10,183	-8,405	12,375	5,132
86403	Leased/Hired Equipment	-	-	-	-	-	-	941
86404	Computer Equipment <\$5000	-	-	35,926	2,966	32,960	4,500	1,640
86405	Office Equipment <\$5000	-	-	-	1,000	-1,000	1,000	27
86406	Audio Visual Equip <\$5000	180	248	1,688	2,980	-1,292	2,980	1,072
86407	Other Plant and Equip <\$5000	-	-	2,151	2,000	151	2,000	9,312
		472	1,961	46,659	39,692	6,967	44,855	24,510
Utilities								
86452	Electricity	-	1,250	11,112	15,000	-3,888	22,500	15,924
86453	Gas - Mains	-	250	1,219	3,000	-1,781	4,500	2,352
86455	Water incl Water Rates	-	439	4,473	5,266	-793	6,000	1,809
86456	Sewerage	-	35	54	423	-369	635	144
		0	1,974	16,858	23,689	-6,831	33,635	20,229
Property Services								
86500	Security/Safety/Fire Prev'tion	1,455	1,455	7,250	5,200	2,050	7,800	6,006
86501	Sanitation	-	-	2,315	2,500	-185	3,750	1,972
86502	Contract Cleaning	4,415	4,833	35,320	58,000	-22,680	87,000	49,811
86503	Refuse and Garbage	251	175	2,023	2,100	-77	3,150	2,463
86504	Building Works	1,682	9,637	33,355	115,644	-82,289	200,000	115,642
86505	Ground Works	1,459	489	2,218	5,868	-3,650	5,868	196,917
		9,262	16,589	82,481	189,312	-106,831	307,568	372,811
	Total Operating Expenditure	B 25,919	C 36,427	E 303,239	F 451,531	G -148,292	H 657,540	I 625,236
	Net Operating Surplus/-Deficit	J 19,072	K 5,381	M 356,827	N 220,290	O 136,537	P 94,260	Q 426,260
	Outstanding Orders:	R 436						

The net result: revenue less expenditure

Operating Statement - Detail for the period ending 31 August 2010

- 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 2010

GL Code	Account Title	Current Month			Year to Date			Annual Budget
		Actual	Budget	Variance	Actual	Budget	Variance	
	CAPITAL EXPENDITURE							
26202	Books and Libraries	-	-	-	3,321	-	3,321	-
26205	Computers/ IT equipment > \$5000	7,152	8,600	-1,448	143,086	56,008	87,078	75,000
26207	Printers/scanners etc > \$5000	-	-	-	7,977	14,300	-6,323	14,300
26208	Computer Software > \$5000	5,864	-	5,864	-	-	-	-
26210	Furniture and Fittings > \$5000	-	-	-	51,765	37,000	14,765	45,000
26211	Musical Equipment > \$5000	6,711	5,000	1,711	43,279	-	43,279	-
26212	Office Equipment > \$5000	-	-	-	29,684	-	29,684	-
26214	Communications Equip > \$5000	7,596	7,550	46	22,949	-	22,949	-
26215	Plant & Equipment > \$5000	-	-	-	8,751	-	8,751	-
26216	Sporting Equipment > \$5000	-	-	-	-	-	-	-
26220	Other Assets > \$5000	-	-	-	87,890	-	87,890	-
	Total Capital Expenditure	27,323	21,150	6,173	398,702	107,308	291,394	134,300
	Outstanding Orders:	12,132						
	ASSET WRITE-DOWNS							
89591	Asset Write-Downs	-	-	-	2,900	-	2,900	-
	Asset Sale Proceeds	-	-	-	1,300	-	1,300	-
	Total Asset Write-Downs	0	-	0	1,600	-	1,600	-

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

Amount received for sold assets

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

Equipment ordered but no invoice received yet

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



General Ledger

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

Revenue

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

Program	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
130	Info & Comm Technology	2,850			6,000	0.00
400	The Arts	732				0.00
420	Health and Physical Education	1,254				0.00
430	Lang Other Than English (Lote)	100				0.00
440	Mathematics	135			105	0.00
480	Library	365				0.00
490	Integrated Studies	205				0.00
520	Student Welfare	3,512	1,042	1,800	1,224	67.98
700	Administrative Services	102,823	112,095	8,000	13,960	174.50
730	General Trading	16,058		18,500	11,780	63.67
800	Building Fund	19,427	18,417	6,000	6,247	104.11
810	Library Fund	10,011	736	12,650	17,365	137.26
830	Camps				-150	0.00
840	Excursions	340			680	0.00
860	Casual Relief Teachers	22,262			3,850	0.00
870	School Community Associations	77,542	77,550	35,000	46,664	133.32
930	General Purpose	138,643	240,426	115,000	131,353	114.21
940	Unallocated	449,238	453,276	474,871	420,990	88.65
960	Commonwealth Programs	200,000	200,000			0.00
Revenue Totals		1,045,496	1,103,541	671,821	660,067	98.25

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

Year to date revenue for each program — total revenue will agree to the operating statement

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

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

Expenditure commitments

Program	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget Expended	Outstanding Orders	Uncommitted Balance
130	Info & Comm Technology	33,155	57,606	40,500	41,541	102.57		-1,041
400	The Arts	5,546	4,660	4,831	2,073	42.90		2,758
410	English	6,836	6,900	38,150	14,957	39.20		23,193
420	Health and Physical Education	11,082	9,937	12,673	5,518	43.54		7,155
430	Lang Other Than English (Lote)	2,982	3,100	3,160	2,419	76.55		741
440	Mathematics	7,117	7,035	6,000	3,865	64.42	341	1,794
480	Library	4,547	4,931	4,250	2,628	61.82		1,622
490	Integrated Studies	26,319	29,005	30,000	23,663	78.87		6,337
510	Integration Support	2,149	1,960	3,110	2,084	67.01		1,026
520	Student Welfare	12,825	7,637	11,508	4,574	39.75		6,933
550	Employee Health Management	2,134	3,250	4,150	2,914	39.75		1,236
600	Building Services	66,974	77,910	73,350	41,755	56.92	5	31,590
610	Urgent Works	11,424	7,919	30,374	30,216	99.48		157
620	Planned Maintenance		7,919	62,414	1,445	2.31		60,969
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
870	School Community Associations	51,134		16,700	9,428	56.45		7,272
880	Accountability and Reporting	3,302	1,500	1,000		0.00		1,000
930	General Purpose	269,170	329,984	171,486	155,347	90.58		16,140
960	Commonwealth Programs	206,773	200,000			0.00		0
Expenditure Totals		1,170,327	1,191,332	806,036	555,397	68.90	436	250,203

Unspent and uncommitted budget available

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

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

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

General Ledger

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

Revenue

Each sub-program with revenue at the school this year (for last)

Sub Prog.	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
1301	Info & Comm Technology	2,850		8,000	6,000	75.00
4001	The Arts	732				0.00
4206	Physical Education	1,254				0.00
4322	Japanese	100				0.00
4400	Mathematics	135		150	105	70.00
4801	Library	365				0.00
4923	Class Budget Team 3	205				0.00
5250	Junior School Council	2,694	1,042	1,800	1,224	67.98
5253	Choir	173				0.00
5254	Grade Six Transition	645				0.00
7053	Student Teacher Supervision	7,810		8,000	3,960	49.50
7055	Executive Principal Grant	12,580		12,000	10,000	83.33
7056	Teacher Professional Leave	5,080				0.00
7058	Workforce Bridging Support	10,000				0.00
7302	Uniform Sales - New	16,058		16,000	11,816	73.85
7350	General Trading			2,500		0.00
8001	Building Fund	19,427	18,417	6,000	6,247	104.11
8101	Library Fund	10,011	736	12,650	17,365	137.26
8321	Camp #1 - 3 Day	340		525	400	76.19
8423	Excursions Team 2			525	280	53.33
8423	Excursions Team 3	11,093		15,000	550	3.67
8650	Teaching Support	11,169			3,300	0.00
8651	Casual Relief Teachers -Recoup	41,899	42,000			0.00
8751	Fete				6,289	0.00
8752	Trivia Night					0.00
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/Fathers 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				593	0.00
9353	Concert	1,183				0.00
9354	Music Camp			1,500	038	202.55
9360	Soundhouse Tuition Fees	80,168	80,000	70,000	2,010	122.87
9380	Holding Account	16,258				0.00
9499	Revenue Control	449,238	453,276	474,871	420,990	88.65
Revenue Totals		737,111	631,021	664,521	617,949	93.00

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

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

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

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

Each sub-program with expenditure at the school this year (for last)

Expenditure

Sub Prog.	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
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
6101	Urgent Works	11,424	7,919	8,368	4,776	57.07		3,592
6199	2010 Relocatable Program			22,006	25,441	115.60		-3,435
6201	Planned Maintenance		7,919	12,414	1,445	11.64		10,969
6250	Planned Maint – Build Program			50,000		0.00		50,000
6501	Grounds and External Signage	3,536	6,950	5,000	2,069	41.38	91	2,840
6902	Tech Support General	2,170	6,000	4,500	330	7.33		4,170
9353	Concert	1,183				0.00		
9354	Music Camp			1,500	1,127	75.12		373
9360	Soundhouse Tuition Fees	71,373	60,000	70,000	41,665	59.52		28,335
9380	Holding Account	22,176	132,164		36,824	0.00		-36,824
9390	Previous Year's Commitments			52,103	50,905	97.70		1,198
Expenditure Totals		293,527	434,883	457,573	312,574	68.31	437	144,563

Unspent and uncommitted budget available

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

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

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

Bank Reconciliation 10002 – Official Account

Date	Ref	Detail	Amount	Balance
Bank statement closing balance as at 31/08/2010				\$51,658.55 A
Plus outstanding deposits				
30/08/2010		Parent Payment	\$250.00	
Subtotal (outstanding deposits)				B \$51,908.55
Less unrepresented cheques				
14/05/2010	12229	Transpacific Waste Management	-\$232.00	
14/08/2010	12356	Australia Post	-\$220.00	
29/07/2010	12357	Macmillan Education	-\$31.99	
29/07/2010	12358	TRUenergy Pty Ltd	-\$1,677.50	
Subtotal (unrepresented cheques)				C -\$2,161.49
Adjusted bank statement balance				D \$49,747.06
G/L bank account balance as at 31/08/2010				E \$49,747.06
Difference				F \$0.00

This bank reconciliation is done at the end of each month

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 monies 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 Report for the period 01/01/2010 to 30/08/2010

Date	Batch	User	Reference	Sub-Program	GL Code	Initiative	Detail	GST Type	Debit	Credit	Tax Amt	Gross Amt
01/01/2010	4417	HAR	GLJ0000714	0000	12002	000	BAS Clearing Journal [200912]		3,054.00			
01/01/2010	4417	HAR	GLJ0000715	0000	33000	000	BAS Clearing Journal [200912]		48.00			
01/01/2010	4417	HAR	GLJ0000716	0000	38005	000	BAS Clearing Journal [200912]		815.47			
01/01/2010	4417	HAR	GLJ0000717	0000	89309	000	BAS Clearing Journal [200912]		0.34			
01/01/2010	4417	HAR	GLJ0000713	0000	12001	000	BAS Clearing Journal [200912]			3,917.81		
Total									3,917.81	3,917.81		
01/02/2010	4424	HAR	GLJ0000720	0000	38005	000	BAS Clearing Journal [201001]		148.97			
01/02/2010	4424	HAR	GLJ0000721	0000	89309	000	BAS Clearing Journal [201001]		0.67			
01/02/2010	4424	HAR	GLJ0000718	0000	12001	000	BAS Clearing Journal [201001]			2.64		
01/02/2010	4424	HAR	GLJ0000719	0000	12002	000	BAS Clearing Journal [201001]			147.00		
Total									149.64	149.64		
04/02/2010	4437	HAR	GLJ0000723	0000	10002	000	Funds Transfer		100,000.00			
04/02/2010	4437	HAR	GLJ0000722	0000	10001	000	Funds Transfer			100,000.00		
18/02/2010	4482	HAR	GLJ0000725	0000	10003	000	Monies rec'd to date - Feb 18t		3,545.00			
18/02/2010	4482	HAR	GLJ0000724	0000	10002	000	Monies rec'd to date - Feb 18t			3,545.00		
18/02/2010	4483	HAR	GLJ0000727	0000	10004	000	Monies Rec'd to date 19th Feb		8,975.00			
18/02/2010	4483	HAR	GLJ0000726	0000	10002	000	Monies Rec'd to date 19th Feb			8,975.00		
24/02/2010	4501	HAR	GLJ0000728	9360	74403	000	S/House 2010 Invoices		90,012.00			
24/02/2010	4501	HAR	GLJ0000728	9360	74580	000	S/House 2010 Invoices			90,012.00		

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

Cash Flow Statement as at 31/08/2010 Bank Accounts 10001 to 10004

Bank account to which the information in the table below applies

Bank Account: 10001 High Yield Investment Account

	January	February	March	April	May	June	July	August	September	October	November	December	Opening Balance	YTD Total
Receipts	\$65,960	\$4,192	\$7,211	\$107,494	\$1,382	\$15,886	\$66,040	\$2,430	-	-	-	-	December	\$243,308
Payments	-	\$100,000	-	-	-	\$100,000	\$50,000	-	-	-	-	-	December	\$270,595
Surplus/(Deficit)	\$65,960	(\$95,808)	\$7,211	\$107,494	\$1,382	(\$84,114)	\$16,040	\$2,430	-	-	-	-	Closing Balance	\$20,595
														\$263,904

Bank Account: 10002 Official Account

	January	February	March	April	May	June	July	August	September	October	November	December	Opening Balance	YTD Total
Receipts	\$3,925	\$181,792	\$100,487	\$21,663	\$70,953	\$134,639	\$115,927	\$46,413	-	-	-	-	December	\$675,800
Payments	\$144	\$142,653	\$81,453	\$63,997	\$41,518	\$182,293	\$72,894	\$75,106	-	-	-	-	December	\$660,057
Surplus/(Deficit)	\$3,782	\$39,139	\$19,033	(\$42,334)	\$29,435	(\$47,654)	\$43,033	(\$28,692)	-	-	-	-	Closing Balance	\$15,743
														\$20,555

Bank Account: 10003 Building Fund

	January	February	March	April	May	June	July	August	September	October	November	December	Opening Balance	YTD Total
Receipts	-	\$3,545	-	-	\$2,700	\$2	-	-	-	-	-	-	December	\$11,225
Payments	-	-	-	-	-	-	-	-	-	-	-	-	December	\$6,247
Surplus/(Deficit)	-	\$3,545	-	-	\$2,700	\$2	-	-	-	-	-	-	Closing Balance	\$6,247
														\$17,472

Bank Account: 10004 Liberty Fund

	January	February	March	April	May	June	July	August	September	October	November	December	Opening Balance	YTD Total
Receipts	-	\$8,975	-	\$13	\$7,995	\$2	\$34	-	-	-	-	-	December	\$17,020
Payments	-	\$2,292	\$1,183	\$1,482	-	\$1,090	\$338	\$1,244	-	-	-	-	December	\$7,629
Surplus/(Deficit)	-	\$6,683	(\$1,183)	(\$1,482)	\$7,995	(\$1,088)	(\$350)	(\$1,244)	-	-	-	-	Closing Balance	\$9,392
														\$9,550

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

Opening Balance \$158

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

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

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

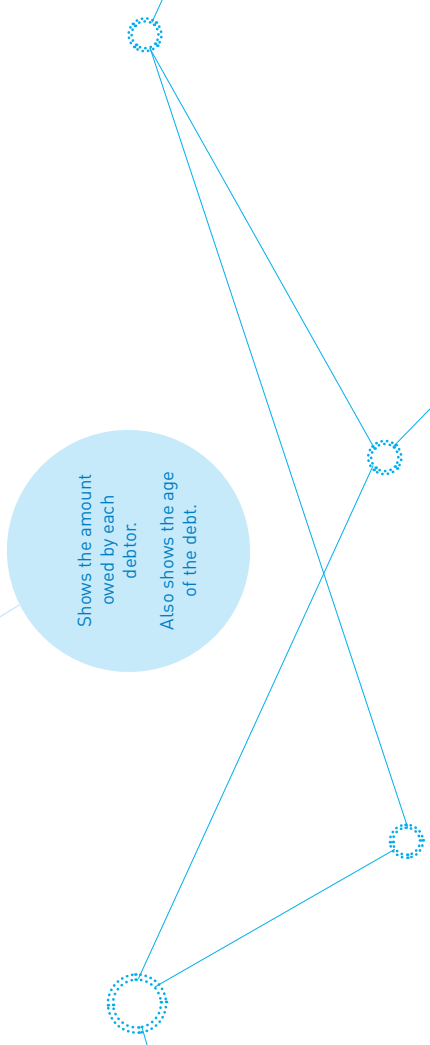
Note: this report shows the bank balances in the school's financial records for each of the school's bank accounts. These are reconciled to the bank statement in the bank reconciliation.

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

Accounts Receivable
Sundry Debtors Trial Balance Sundry Debtors from 00001 to SFYAT
 As at 31 Aug 2010

Debtor key	Title	Contact	Balance	Unallocated	Current	30 days	60 days	90 days	120 days
SFALL	Barry Allan	03 1111 1111	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFBRO	Gail Brown	03 2222 2222	\$224.10	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$24.10
SFCOL	Jimmy Collins	03 3333 3333	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFDVA	Joyce Davies	03 4444 4444	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFFRE	Fred French	03 5555 5555	\$224.10	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$24.10
SFGIB	Caroline Gibbs	1234 567 789	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFHAM	Harry Hamilton	987 654 321	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFJON	Jade Jones	07 1111 1111	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFKEM	Kelly Kemp	07 2222 2222	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
SFLES	Tom Lesley	07 3333 3333	\$200.00	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00	\$0.00
00001	YMCA	08 1111 1111	\$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



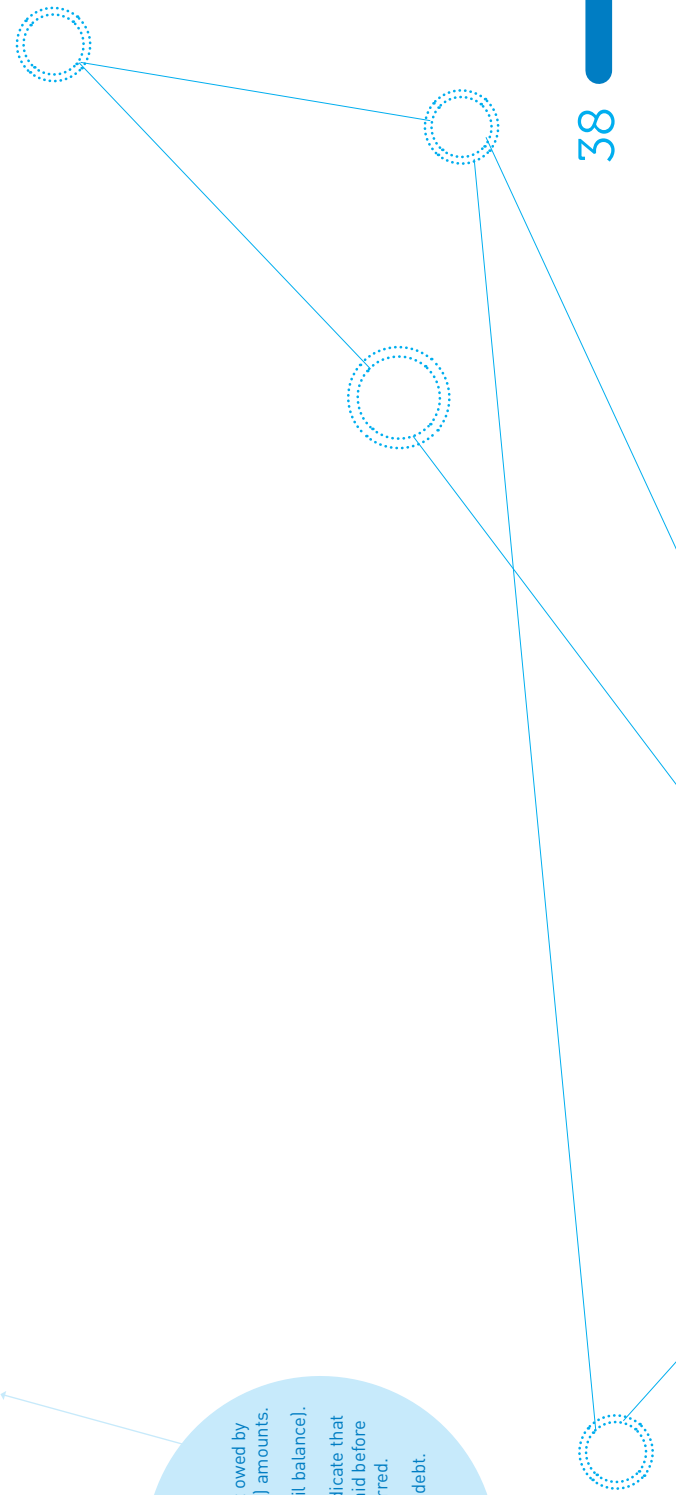
Family Trial Balance Families from ABS0050 to ZUN0050

As at 31 Aug 2010

Family key	Surname	Contact	Balance	Unallocated	Current	Last Month	2 Months old	3 Months old	4 Months and more
ALL0005	ALLAN	03 1111 1111	\$0.00	\$250.00(CR)	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00(DR)
BRO0024	BROWN	03 2222 2222	\$140.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140.00(DR)
COL0009	COLLINS	03 3333 3333	\$110.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$110.00(DR)
DAV0002	DAVIES	03 4444 4444	\$170.00(CR)	\$170.00(CR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FRE0011	FRENCH	03 5555 5555	\$200.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00(DR)
GIB0052	GIBBS	1234 567 789	\$420.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$420.00(DR)
HAM0077	HAMILTON	987 654 321	\$220.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$220.00(DR)
JON0045	JONES	07 1111 1111	\$140.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140.00(DR)
KEM0007	KEMP	07 2222 2222	\$280.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280.00(DR)
LES00001	LESLEY	07 3333 3333	\$220.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$220.00(DR)
MATT0072	MATTHEWS	08 1111 1111	\$140.00(DR)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140.00(DR)
Totals:			\$1,700.00(DR)	\$420.00(CR)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,120.00(DR)

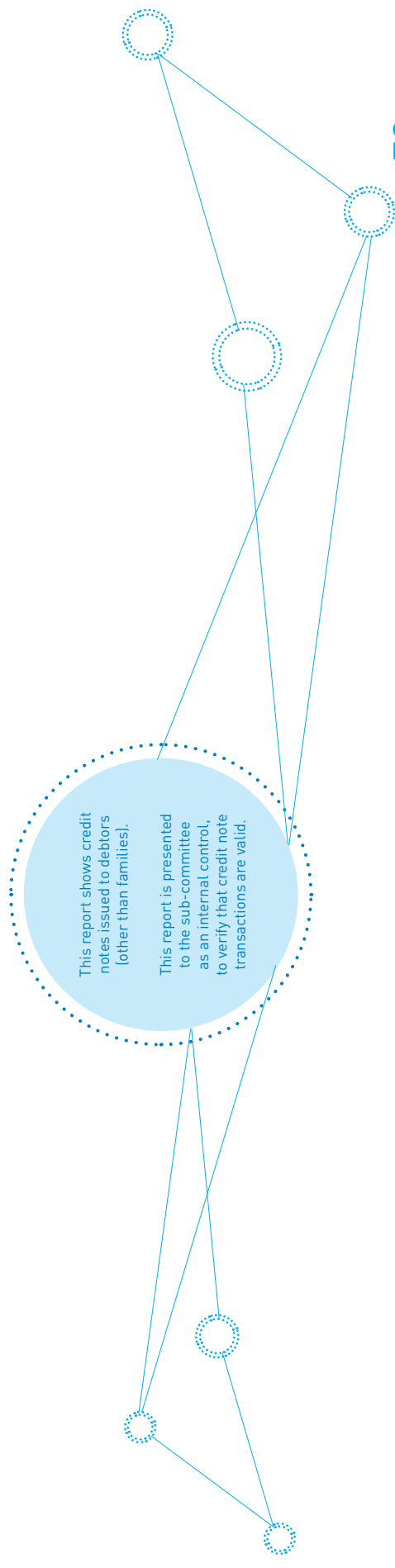
Number of families: 11

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.



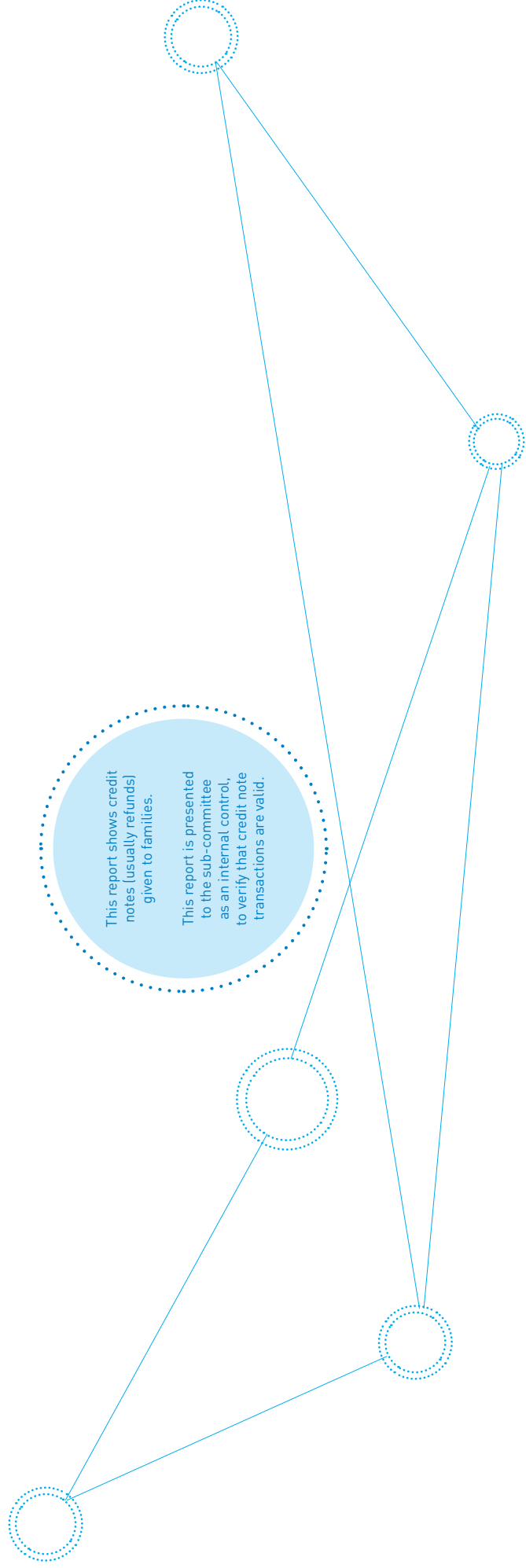
Sundry Debtor Credit Notes Report Sundry debtors from 00001 to SFYAT

Sundry Debtor	Credit Note No	Date	Detail	GST Amount	Credit Note Amount (Incl GST)
SFJOH	Mary Johnson DRI0000446	26/01/2010	Reversal of Charge	\$0.00 Debtor Total	\$100.00 \$100.00
SFSMI	Luke Smith DRI0000447	26/01/2010	Reversal of Charge	\$0.00 Debtor Total	\$100.00 \$100.00
SFWIN	Gladys Winter DRI0000448	26/01/2010	Reversal of Charge	\$0.00 Debtor Total	\$100.00 \$100.00
SFYAK	Pedro Yak DRI0000449	26/01/2010	Reversal of Charge	\$0.00 Debtor Total	\$100.00 \$100.00
Grand Total				\$400.00	



Family Credit Notes Report From family ABS0050 to ZUC0050

Family	Credit Note No	Date	Detail	GST Amount	Credit Note Amount (Incl GST)
BR000008	Ms BROWN				
	DFI0001575	21/05/2010	Didn't Attend ScienceWorks Exc	\$0.00	\$15.00
			Family Total		\$15.00
			Grand Total		\$15.00



Invoices Awaiting Payment – Detailed

From creditor 2FORTHHERD to ZZZZZZFTC | From Sub-program 1301 to 9601 | From Program 130 to 960 | From Initiative 000 to 000

The program/s which has/have incurred the expenditure

Invoice				Credit Note			WH Tax										
Number	Date	Due Date	GST Type	GST Rate	Amount	GST	Number	Amount	(incl GST)	Amount	Rate	Type	Order Number	GL Code	Program	Sub-program	Initiative
PSW		PSW					32604	39.50	3.59	39.50			89101	730	7302	000	
					0.00	0.00		0.00	3.59	39.50	0.00						
Net amount outstanding: -39.50																	
STATESUPPL		State Supply															
19530626	24/08/2010	04/09/2010	G11	10.00	1.20	13.18							86104	490	4923	000	
19535313	24/08/2010	05/09/2010	G11	10.00	50.08	550.93							86104	490	4922	000	
19535313	24/08/2010	05/09/2010	G11	10.00	3.90	42.90							86104	700	7001	000	
19550060	24/08/2010	09/09/2010	G11	10.00	1.39	15.31							86104	490	4923	000	
					56.57	622.32			0.00	0.00	0.00						
Net amount outstanding: 622.32																	
Total Nett Amount Outstanding For All Creditors: 582.82																	

Who payment is owed to i.e. the creditor

When payment is due

The amount owing (before any payments have been made or credit notes applied)

Total amount owing

General Ledger
Balance Sheet As at 31 August 2010

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

	Current	Last Year
Accumulated Funds		
Accumulated Funds	-759,476.51	-1,083,925.11
Total Funds	-759,476.51	-1,083,925.11
Represented by:		
Non Current Assets		
Books and Libraries	146,952.00	150,273.36
Computers/ IT equipment > \$5000	11,410.00	154,495.58
Printers/scanners etc > \$5000	13,000.00	5,023.00
Computer Software > \$5000	8,299.00	10,429.00
Furniture and Fittings > \$5000	22,937.00	174,701.94
Musical Equipment > \$5000	0.00	44,579.00
Office Equipment > \$5000	55,379.17	25,695.00
Communications Equip > \$5000	0.00	22,949.35
Plant & Equipment > \$5000	47,771.00	56,522.15
Sporting Equipment > \$5000	18,757.60	21,063.60
Other Assets > \$5000	53,236.65	141,126.55
	377,742.42	806,858.53
Current Assets		
High Yield Investment Account	263,903.64	243,308.46
Official Account	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
	382,584.14	277,930.05
Total Assets	760,326.56	1,084,788.58
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		
Total Liabilities	-850.05	-863.47
Net Assets	759,476.51	1,083,925.11

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

**Amount invested
 to earn interest**

**Money held to
 pay bills over the
 next few months**

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

Total assets:
 what the
 school owns

Total liabilities:
 what the
 school owes

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

Cancelled Receipts Report From 01/01/2010 to 31/08/2010

From Bank Account: 10001 | To Bank Account: 10010

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

Bank Account 10002 Official Account

Date	Receipt Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
------	----------------	-------------	---------	---------	-------------	------------	--------	-------

Unallocated Cancellations

Mr & Mrs SMITH

15.00

Total Unallocated Cancellations for the period

15.00

Total Cancellations for Bank Account 10002 Official Account

15.00

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

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

Cancelled Payments Report From 01/01/2010 to 31/08/2010

From Bank Account: 10001 | To Bank Account: 10003

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

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

Bank Account 10002 Official Account

Date	Cheque Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
29/04/2010	CRP0004120	#CAN# The Friendly Company Pty Ltd - Incorrect Creditor cheque 12310					999.99	999.99
Total Cancellations for 29/04/2010								
25/05/2010	CRP0004141	#CAN# TRUenergy Pty Ltd - Overpmt - Cheq 12318 (1500.64)					173.55	173.55
Total Cancellations for 25/05/2010								
28/07/2010	CRP0004297	#CAN# Calculated Industries - Reverse Payment Cheque 12328					84,000.00	84,000.00
	CRP0004298	#CAN# Nice Neighbours Systems Group Pty Ltd - CRP0004283 Reversed					22.00	22.00
Total Cancellations for 28/07/2010								
Total Unallocated Cancellations for the period								
							84,022.00	84,022.00
							0.00	0.00
Total Cancellations for Bank Account 10002 Official Account							85,195.54	85,195.54

Bank Account 10003 Building Fund

Date	Cheque Number	Description	GL code	Program	Sub-Program	Initiative	Amount	Total
------	---------------	-------------	---------	---------	-------------	------------	--------	-------

No cancelled payments for Bank Account 10003 Building Fund



Handout A1

Budgeting: excerpt from school strategic plan

A primary school's strategic plan includes these goals:

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

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

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

School budget submissions

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

PROGRAM BUDGET 2011
PROGRAM TITLE: MATHEMATICS

BUDGET ALLOCATION: \$6,550

Objectives:

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

86101	Teacher requisites	\$150
86203	Teacher reference materials	\$200
86407	Equipment	\$5,500
86910	Professional learning	\$700

PROGRAM BUDGET 2011
PROGRAM TITLE: ADMINISTRATION SERVICES

BUDGET ALLOCATION: \$35,000

80081	Workcover	\$2,500
86101	Office/teacher requisites	\$22,000
86301	Postage	\$750
86802	Insurance	\$2,500
86407	Equipment	\$4,250
86402	Maintenance	\$1,200
86910	Professional learning	\$800
86920	Hospitality	\$1,000

PROGRAM BUDGET 2011
PROGRAM TITLE: IT (INFORMATION TECHNOLOGY)

BUDGET ALLOCATION: \$74,000

Objectives:

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

86403	Lease payments - current and proposed equipment	\$17,000
86407	Equipment	\$54,000
89204	Internet service provider	\$3,000

PROGRAM BUDGET 2011
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

86101	Teacher requisites	\$700
86102	Photocopying	\$500
86104	Class materials	\$2,500
86202	Class sets	\$6,000
86407	Equipment	\$2,000
86910	Professional learning	\$1,000



Handout A2

Budgeting: questions

Imagine that you are a councillor on the finance sub-committee for this school and consider:

- a) what information would you need to be able to review the program budget submissions?
- b) what would you discuss with the principal?
- c) what information would you use to evaluate the priority of the submissions (the principal being responsible for submitting a priority list of program budgets)?

Handout B1 Financial reports: sample annual sub-program budget report

General Ledger

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

Revenue

Sub Prog.	Title	Last year actual	Last year budget	Annual budget	YTD	% Budget received
1301	Info & Comm Technology	2,850		8,000	6,000	75.00
4001	The Arts	732				0.00
4206	Physical Education	1,254				0.00
4322	Japanese	100				0.00
4400	Mathematics	135		150	105	70.00
4801	Library	365				0.00
4923	Class Budget Team 3	205				0.00
5250	Junior School Council	2,694	1,042	1,800	1,224	67.98
5253	Choir	173				0.00
5254	Grade Six Transition	645				0.00
7053	Student Teacher Supervision	7,810		8,000	3,960	49.50
7055	Executive Principal Grant	12,580		12,000	10,000	83.33
7056	Teacher Professional Leave	5,080				0.00
7058	Workforce Bridging Support	10,000				0.00
7302	Uniform Sales - New	16,058		16,000	11,816	73.85
7350	General Trading			2,500		0.00
8001	Building Fund	19,427	18,417	6,000	6,247	104.11
8101	Library Fund	10,011	736	12,650	17,365	137.26
8321	Camp #1 - 3 Day					0.00
8422	Excursions Team 2	340		525	400	76.19
8423	Excursions Team 3			525	280	53.33
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
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/Fathers 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				593	0.00
9353	Concert	1,183				0.00
9354	Music Camp			1,500	038	202.55
9360	Soundhouse Tuition Fees	80,168	80,000	70,000	2,010	122.87
9380	Holding Account	16,258				0.00
9499	Revenue Control	449,238	453,276	474,871	420,990	88.65
Revenue Totals		737,111	631,021	664,521	617,949	93.00

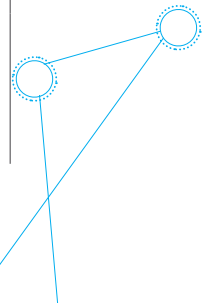
Each sub-program with revenue at the school this year (or last)

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

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

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

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





General Ledger

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

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

Expenditure

Sub Prog.	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
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
6101	Urgent Works	11,424	7,919	8,368	4,776	57.07		3,592
6199	2010 Relocatable Program			22,006	25,441	115.60		-3,435
6201	Planned Maintenance		7,919	12,414	1,445	11.64		10,969
6250	Planned Maint – Build Program			50,000		0.00		50,000
6501	Grounds and External Signage	3,536	6,950	5,000	2,069	41.38	91	2,840
6902	Tech Support General	2,170	6,000	4,500	330	7.33		4,170
9353	Concert	1,183				0.00		
9354	Music Camp			1,500	1,127	75.12		373
9360	Soundhouse Tuition Fees	71,373	60,000	70,000	41,665	59.52		28,335
9380	Holding Account	22,176	132,164		36,824	0.00		-36,824
9390	Previous Year's Commitments			52,103	50,905	97.70		1,198
Expenditure Totals		293,527	434,883	457,573	312,574	68.31	437	144,563

Unspent and uncommitted budget available

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

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

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

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: scenarios

Choose one of the following scenarios and consider the following questions.

Small school

In a small school with an enrolment of 45 or fewer students:

- a) what issues would likely be faced in putting effective internal controls in place?
- b) what do you think the roles of:
 - the principal
 - part time business manager
 - school councilcould be with regard to each internal control?

Large school

In a large school with more than 800 students:

- a) what issues would likely be faced in putting effective internal controls in place?
- b) what do you think the roles of:
 - the principal
 - business manager and
 - school councilcould be with regard to each internal control?

Handout D1

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. Both the finance sub-committee and the school council are responsible for reviewing the financial reports.	
3. An annual stocktake of all assets on the asset register must be conducted.	
4. It is okay for the chair of the finance sub-committee to be the school business manager, as long as they are not an employee of the Department.	
5. The school council approves a budget every three years.	
6. All payments require two signatories: the principal and a nominated councillor.	
7. 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 D2

Internal controls: answer sheet

Statement	Is this statement true or false?	Feedback to participants
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	Separating the approval and receipt of goods or services is an important internal control for purchasing.
2. Both the finance sub-committee and the school council are responsible for reviewing the financial reports.	True	Most school councils have a finance sub-committee. Both the finance sub-committee (where it exists) and school council review financial reports, and the finance sub-committee recommends action to be taken to school council.
3. An annual stocktake of all assets on the asset register must be conducted.	True	In line with annual reporting of the school's financial accounts, an annual stocktake of assets must be conducted.
4. It is okay for the chair of the finance sub-committee to be the school business manager.	False	The chair of the finance sub-committee cannot be the business manager.
5. The school council approves a budget every three years.	False	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 three years.
6. All payments require two signatories: the principal and a nominated councillor.	True	Payments, including those made online, must be approved by two signatories. The business manager cannot be a signatory.
7. 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	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.

Handout 1

Financial reports: reports typically provided to finance subcommittee

- GL21150 – operating statement (detail)
- GL21158 – annual program budget
- GL21157 – annual sub-program budget
- bank reconciliation
- GL210006 – journal
- GL21151 – cash flow statement
- cash flow forecast
- DR21101 – sundry debtor trial balance
- DF21102 – family trial balance
- DR21309 – sundry debtor credit notes
- DF21309 – family credit notes
- CR21118 – invoices awaiting payment
- GL21160 – balance sheet
- investment register
- GL21005 – cancelled payments
- GL21004 – cancelled receipts.

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. Finance sub-committee evaluate 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 action to take. Finance sub-committee evaluate 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 result for each sub-program with the budget. If there are significant variations the principal may advise action to take. Finance sub-committee evaluate 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 monies received by the school but not yet banked.

Review this report to:

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

Journal

This report:

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

Review this report to:

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

Cash flow statement

This report:

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

Review this report to:

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

Cash flow forecast

This report

- shows estimated cash balances for coming months based on expected cash in and out.

Review this report to:

- monitor cash balances
- inform investment decisions.

Sundry debtor trial balance

This report:

- shows debtors (those who owe the school money) and the age of amounts owed.

Review this report to:

- check how long the school has been waiting for payment of amounts owed to it
- discuss action with the principal or business manager.

Family trial balance

This report:

- shows debtors (those who owe the school money) and the age of amounts owed.

Review this report to:

- check how long the school has been waiting for payment of amounts owed to it
- discuss action with the principal or business manager.

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 monies owed to it
- monitor whether there is too much money in the official account, so that surplus funds can be invested, usually in the high yield investment account.

Investment register

The register:

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

Review the register to:

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

Cancelled payments

This report:

- lists cancelled cheques.

Review this report to:

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

Cancelled receipts

This report:

- lists cancelled receipts.

Review this report to:

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