

FACT SHEET 18: FINANCIAL REPORTING

Mandatory monthly and annual reporting provide a means for assuring the necessary checks and balances are in place and ensuring your P&C is in a sound financial position.

Proper accounting procedures have two purposes:

- i) They prevent loss and fraud. You might trust everyone in your organisation, but accounting procedures remove temptation and the procedures will tell you if the wrong thing is happening and where.
- ii) They protect the P&C executive. Good accounting of P&C funds removes any basis for accusations of financial impropriety against your executive members.

P&C accounts must be submitted for audit every year. The audited statement of income and expenditure and Annual Report must be presented at your Annual General Meeting.

The person appointed to audit your books must not be an office-bearer of the association. This person must possess appropriate skills and experience in auditing and financial record management together with an appreciation of the issues of probity as they relate to the role of association auditor. In particular, the auditor must not have or appear to have any conflict of interest arising, for example, from a personal or business relationship with an officer of the association.

It is not essential for the auditor to be a Chartered Accountant; however, P&C Associations that receive government child care subsidies for an Out of School Hours (OOSH) Care Program would be better protected if they use the services of a professional accountant.

Appoint your auditor at the Annual General Meeting.

Incorporated P&C Associations are required to send a copy of their audited statement of income and expenditure, certified by the auditor, to the Federation of Parents and Citizens' Associations of New South Wales. By undertaking to send the records to the Federation the need for incorporated P&C Associations to publicly record their financial statements is fulfilled.

The financial report must be sent to Federation's office within one month of the Annual General Meeting at which it is adopted.

This instruction can be found in the *Prescribed Constitution for Incorporated Associations*, Clause 7. Annual General Meeting.