

## FINANCIAL MANAGEMENT POLICY

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## SECTION 1: FINANCIAL MANAGEMENT FRAMEWORK

### 1.1 Policy statement

**Financial Counsellors Association Queensland Inc. ABN 15 695 450 735 (FCAQ)** is committed to transparent, comprehensive, and secure management of its finances, ensuring all financial obligations are addressed, and that there are sufficient resources to support the organisation in working towards its mission and objectives.

### 1.2 Purpose and scope

This policy aims to provide FCAQ with guidance in managing finances of the organisation.

The Management Committee ensures that the purposes and objectives of FCAQ are carried out effectively, whilst also acting ethically and prudently, operating within the law and meeting obligations set out in its funding agreements.

The Management Committee is responsible for ensuring that FCAQ has an appropriate financial management structure and systems in place to ensure proper financial accountability and control. This document explains FCAQ's commitment to sound financial management.

This policy applies to all the organisation staff, Management Committee members and volunteers.

### 1.3 Principles

FCAQ's financial policies are underpinned with the primary obligation to the public, our profession, the association we serve, the board and staff as to maintain the highest standards of "ethical" and "professional conduct." This includes the following financial principles:

- » Sustainability
- » Objectivity
- » Integrity
- » Governance

FCAQ's Financial Policies influence the principles and process of this policy as it is applied to financial management decisions of FCAQ. In particular, this policy focuses on the following principles:

- » Effective financial management is a priority of the Management Committee and the appointed Executive Officer/Manager.

- » The Management Committee holds ultimate accountability for the financial management of the organisation.
- » Financial management responsibilities of the Management Committee, staff and volunteers are clearly defined.
- » Resources are provided to support good financial management.

#### 1.4 Outcomes

The outcomes of implementing this policy are:

- » Finances are effectively managed and support the organisation in its mission and objectives.
- » Accurate, complete and transparent financial records are kept.
- » All financially related contractual and legislative requirements are met.
- » Assets are managed to support the organisation.

#### 1.5 Delegations

<b>Management Committee</b>	<ul style="list-style-type: none"> <li>» Endorse and ensure compliance with the Financial Management Policy.</li> <li>» Contribute to the review and development of the Financial Management Policy.</li> <li>» Review and approve financial statements (balance sheets, income statements, cash flow statements) on a regular basis at Management Committee meetings.</li> <li>» Ensure an approved auditor conducts an annual audit of the organisation's accounts.</li> </ul>
<b>Business services/management</b>	<ul style="list-style-type: none"> <li>» Compliance with the Financial Management Policy.</li> <li>» Contribute to the review and development of the Financial Management Policy.</li> </ul> <p><b>Executive Officer/Manager</b></p> <ul style="list-style-type: none"> <li>» Lead the development and regular review of budgets</li> <li>» Ensure accurate, complete and transparent financial records are kept.</li> </ul>
<b>Program services/clinical</b>	<ul style="list-style-type: none"> <li>» Compliance with the Financial Management Policy.</li> <li>» Contribute to the review and development of the Financial Management Policy as appropriate.</li> <li>» Provide advice to management on budgets to ensure compliance with expected delivery of services</li> <li>» Ensure accurate, complete and transparent financial records are kept.</li> </ul>

#### 1.6 Policy implementation

This policy is developed in consultation with the Management Committee and staff members, and is approved by the Management Committee.

All staff, Management Committee members and volunteers are responsible for understanding and adhering to this policy.

Specific monitoring and support activities undertaken include staff, volunteer and Management Committee member orientation.

The terms of this Policy will be reviewed at least once every 2 years.

This Policy should be read in the context and should have regard to the Board Charter and the constitution of the FCAQ.

### **1.7 Risk management**

Risk management actions are identified in Section 2: Financial Security.

### **1.8 Budgets**

The Executive Officer will:

- » prepare a comprehensive draft annual budget supporting FCAQ's strategic plans comprising a detailed statement of income and expenditure and a projected balance sheet at the end of the budget period (i.e., 30 June) for the Board to review and approve by 1 July each year; and
- » provide financial reports showing actual performance and position against the adopted budget to the Board at each of its ordinary meetings.

## SECTION 2: FINANCIAL SECURITY

Financial security is about protecting the organisation's financial and other assets from irregular and fraudulent behaviour. The organisation implements a range of financial security strategies.

### 2.1 Quality improvement

The organisation maintains currency of this Financial Management Policy which is informed by current best practice and sector standards, and complies with contractual and legislative obligations.

The organisation makes improvements to financial management by:

- » Conducting a bi-annual review of financial management practice against this Financial Management Policy and making improvements as required
- » Conducting spot checks of financial files per year
- » Engaging an external review of financial management
- » Delegating decisions of expenditure to an expenditure committee

### 2.2 Scheduling of financial management activities

A schedule of financial management activities is maintained by the Management Committee which details:

- » budget development planning, drafting and approval timeframes
- » internal and external reporting
- » internal reviews
- » external reviews
- » auditing

### 2.3 Roles and responsibilities

Financial management roles and responsibilities are assigned to specific staff and Management Committee positions and are identified in organisation policies, position descriptions and a delegation chart. It is the Management Committee's responsibility to ensure effective financial management of the organisation.

#### 2.3.1 Management Committee' roles and responsibilities

The Management Committee as a whole, together with individual members will:

- » Comply with all contractual and legislative requirements
- » Develop and monitor financial plans and budgets
- » Use organisation funds solely for approved organisation purposes and priorities
- » Use restricted funds for their designated purpose only

- » Ensure all financial transactions and decisions of the organisation are recorded using standard accounting practices
- » Ensure an approved auditor conducts an annual audit of the organisation's accounts
- » Ensure separation of financial duty practices are adhered to
- » Prevent the organisation from incurring unauthorised debts
- » Ensure debts are settled within the agreed time period
- » Not approve or incur debt that is beyond the organisation's ability to meet
- » Ensure internal and external financial reporting requirements are met
- » Allocate financial authorities and delegations
- » Monitor and respond to irregular and fraudulent behaviour of staff and/or other Management Committee members.

The Executive Officer will:

- » present audited annual financial statements in accordance with Australian Accounting Standards, the *Associations Incorporation Act* and the *Australian Charities and Not-for-profit Commission Act* for the Board to approve no later than 30 September each year
- » ensure annual financial statements are audited by the Auditor appointed by Members
- » cause the audited financial statements to be tabled at:
  - a meeting of the Board to be reviewed and discussed with the Auditor
  - following adoption by the Board, at the next annual general meeting of FCAQ Members
- » provide a signed copy of the audited financial statements to the ACNC, the State Government funding body and other stakeholders as required by legislation or pursuant to funding and other arrangements.

### **2.3.2 The Treasurer**

The Treasurer is responsible for providing leadership and oversight of the organisation's financial management in addition to general financial responsibilities of all Management Committee members.

### **2.3.3 The Executive Officer/Manager**

The Executive Officer/Manager is responsible for working with the Treasurer and Management Committee in implementing effective financial management of the organisation. The Executive Officer/Manager will:

- » Provide leadership and action financial management
- » Develop and work with the Management Committee in developing financial plans and budgets
- » Ensure accurate, appropriate and timely financial reporting as required internally and externally
- » Delegate and supervise financial management positions and activities as required.

#### **2.3.4 Financial officer**

The finance officer position is responsible for:

- » maintaining accounting books and records
- » processing all approved income and expenditures
- » managing petty cash
- » preparing financial statements and reports
- » assisting in financial plans and budget preparation
- » preparing for and assisting the annual external audit
- » preparing staff salaries and other payments, and maintaining required records
- » maintaining asset register
- » maintaining insurance register

#### **2.4 Signatories**

The organisation maintains a record of current cheque and on-line signatories in the Bank Register.

Any changes to signatories are to be advised to the relevant banking institution.

Any adding or removing of cheque and on-line signatories must comply with the following:

- i. No cheque signatories are to be related or living in the same premises
- i. No cheque signatories are to ever have been bankrupt or convicted for fraud
- ii. Signatories are not to authorise payments involving a conflict of interest, including authorising reimbursement for own expenses
- iii. Two signatures/electronic funds transfer authorisations are required for approved expenditure.

#### **2.5 Delegation authorities**

Authority for expenditure of the organisation's funds is permitted within the Management Committee' approved budget/s and within the financial delegation limits.

Authority for Executive Officer/Manager expenditure of the organisation's funds outside of the approved budget/s and/or over the limits of delegation must be provided by the Management Committee in writing for each occurrence.

#### **2.6 Delegation limits**

Delegation limits allow an employee to spend organisation funds up to the limit before requiring approval from the Executive Officer/Manager with higher delegation to exceed the limit.

### **2.6.1 Delegation limits of staff**

The Management Committee determines the Executive Officer/Manager level of financial delegation and, along with the Executive Officer/Manager, determines the level of financial delegation for all other staff.

### **2.6.2 Purchase and expenditure limit requirements**

Purchases or expenditure up to **\$2,000** (being a single or in aggregate) may be incurred without prior approval of the Management Committee.

Purchases or expenditure over **\$2,001** (being a single or in aggregate) requires prior written approval of the Management Committee.

Purchases or expenditure over **\$5,000** requires **2** independent quotes.

Purchases or expenditure between **\$5,001** and **above** requires **4** independent quotes.

In the event an item of expenditure is urgent, the Executive Officer may request the Chair to:

- » convene a special meeting of the Management Committee; or
- » seek approval from the Management Committee by email, such decision to be ratified at the next meeting of the Management Committee.

## **2.7 Accounting authority**

The Management Committee determines the Executive Officer/Manager level of accounting authority.

The Executive Officer/Manager accounting authorities are:

- » Opening accounts
- » Bank accounts
- » Ledger, general accounts
- » Sign payment summaries
- » Variation and Authorisation of accounts payable
- » Cheque signatures (all accounts)

## **2.8 Cash disbursement authority**

All cheques, including payroll cheques, with the exception of direct deposit payroll items, are to be signed by designated member/s of the Management Committee or the Executive Officer/Manager AND one other signatory.

Voided cheques are to have 'VOID' written boldly in ink on the cheque face and have the signature portion of the cheque crossed out. Voided cheques are kept on file.

Signatories cannot sign a cheque made payable to themselves, or a blank cheque.

In no event will:

- » Invoices be paid unless approved by two authorised signatories
- » Blank cheques (without a date or designated payee) be signed in advance
- » Cheques be prepared on verbal authorisation, without an invoice and ABN provided by payee.

A list of all cheques issued each month, featuring amount, recipient, signatories, and explanation, will be provided to the Treasurer.

## **2.9 Insurance**

The Management Committee and Executive Officer/Manager ensures the organisation carries sufficient insurance cover to comply with contractual and legislative requirements, and to protect the organisation from financial impacts of mistakes, disasters and accidents.

Insurance policies are reviewed and renewed annually with significant changes to the organisation's assets, staff and volunteer numbers, or services and activities incorporated into new policies.

## **2.10 Bank accounts**

The Management Committee's approval is required to:

- » open and close bank accounts
- » appoint Authorised Officers

The Executive Officer will ensure:

- » debts and liabilities are paid within suppliers' terms
- » amounts owed to FCAQ are monitored and promptly received and banked

Payments from bank accounts require approval by two Authorised Officers who will review and be reasonably satisfied the expenditure is properly incurred.

## **2.11 Credit cards**

Board approval is required to issue a credit card to a Cardholder.

A Cardholder may only use a credit card for FCAQ business purposes in connection with their role and responsibilities and up to a value of **\$5,000**.

In the event a credit card is lost, stolen or compromised, the Cardholder must immediately notify the Executive Officer to arrange for it to be cancelled and notify the Board as soon as practicable.

A Cardholder (other than the Executive Officer) must return a credit card to the Executive

Officer on expiry of the credit card or on termination of employment. The Executive Officer will return his/her credit card to the Chair of the Board.

The Executive Officer will monitor credit card use and immediately report all breaches of this policy to the Board.

The person using a credit card for purchases that cannot be substantiated as a necessary purchase for official business will be subject to disciplinary action.

Report Requirements Credit card statements, along with receipts for all items to be paid by the FCAQ, will be reconciled on a monthly basis by the Executive Officer.

Receipts must show the date, purpose, and name(s) for which the expense was incurred. Monthly credit card statements will be reviewed at least quarterly by the Board Chair or Treasurer for accuracy.

The audit committee will annually review integrity of the credit card statements.

## SECTION 3: MANAGING FRAUD AND IRREGULAR PRACTICE

### 3.1 Fraud and irregular behaviour definition

Fraud is defined as “an act of deception intended for personal gain or to cause a loss to another person or organisation.” Fraud is a serious breach of trust.

Fraudulent behaviour includes:

- » theft of goods or property
- » falsifying financial expense claims
- » falsifying or destroying financial and related records to conceal an improper action
- » not declaring a conflict of interest

Irregular behaviour includes unauthorised activities for private gain, such as:

- » ‘borrowing’ from petty cash
- » unauthorised use of vehicles or equipment for personal use

### 3.2 Fraud risk assessment

The organisation conducts a formal fraud and irregular behaviour risk assessment every two years to identify fraud and irregular behaviour as well as potentially vulnerable areas.

The fraud risk assessment includes review of:

- » adequacy and application of information technology and information security
- » electronic commerce and internet transactions
- » use of electronic signatures
- » outsourced and contracted functions
- » grants and other payments, benefits or programs
- » tendering processes, and purchasing and contract management
- » revenue collection
- » use of credit cards

Findings of the assessment are reported by the Executive Officer/Manager to the Management Committee for review, and response actions are incorporated into preventative, control and monitoring practice.

Specific vulnerable risk areas for this organisation are:

- » irregular use of fuel cards due to part-time use of motor vehicles for personal use
- » conflict of interest

### **3.3 Reporting**

Reporting of suspected or actual fraud and irregular behaviour is the responsibility of all staff, volunteers and Management Committee members of the organisation.

Actual or suspected fraudulent and irregular behaviour is to be reported to Secretary immediately.

Any person receiving a report of suspected or actual fraud and irregular behaviour is to make a written record of the report.

Actual or suspected fraudulent and irregular behaviour by the Executive Officer/Manager is to be reported to the Treasurer and/or President of the Management Committee.

### **3.4 Whistleblowing**

A whistle-blower is a Management Committee member, Executive Officer/Manager, employee, contractor or volunteer – who reports known or reasonably suspected misconduct within the organisation. The disclosure may be reported openly or anonymously. Whistle-blower protection refers to protecting whistle-blowers against reprisals following reporting.

Both internal and external reporting pathways should be available to whistle-blowers.

A strategy for supporting and protecting staff who raise concerns is available and covers:

- » procedures for assessing risks upon receiving a report
- » methods for reporting victimisation
- » processes for handling victimisation complaints

### **3.5 Investigation**

The Executive Officer/Manager and the Management Committee are responsible for initial investigation of the report of actual or suspected fraudulent and irregular practice to assess if a formal investigation by, and reporting to, external parties is warranted.

External parties may include the organisation's auditor, investigative consultant, Australian Tax Office, government funders and regulators, and the police.

A written record of all investigative activities and outcomes is made by the Executive Officer/Manager and/or Management Committee.

### **3.6 Post-incident**

Following a suspected or confirmed incident of fraudulent or irregular practice, the organisation's financial risks and control measures are reviewed and amended where necessary.

## SECTION 4: INCOME GENERATION

All income is recorded in the organisation's financial statements.

### 4.1 Fundraising and donations

The organisation is proposing to register as a deductible gift recipient (**DGR**) endorsed by the Australian Taxation Office.

### 4.2 Funding and Sponsorship

FCAQ relies on third party funding from a variety of sources including:

- » QLD State Departments
- » Grants from and partnership arrangements with industry
- » Project funding
- » Conference sponsorship

FCAQ will enter into a contractual arrangement with third parties under which it receives funding in the form of a grant, as part of a project or as sponsorship, only in the event it meets the following criteria:

- » it provides an acceptable return for the risk assumed
- » FCAQ's obligations can be reasonably delivered
- » it supports FCAQ's purpose and strategic plans
- » it does not present a conflict of interest for FCAQ
- » it meets the sectors ethical standards

The Executive Officer:

- » has authority to commit FCAQ to a funding or sponsorship arrangement provided it is for a term not more than 12 months and/or for **a value greater than \$30,000**; and
- » will report regularly to the Board on the performance of all funding and sponsorship agreements.

### 4.3 Fundraising

The organisation may undertake fundraising activities when appropriate charity status certification is up-to-date and provided the activity:

- » Is assessed for financial and other risks
- » Is not or could not be perceived as being either unethical or illegal
- » Does not contravene the organisation's mission, objectives or values
- » Does not risk the organisation's reputation in any way
- » Does not involve a person known to have been associated with or prosecuted for any form of embezzlement
- » Does not require expenditure of funds equal to or more than those that are expected to be raised

- » Is approved by the Management Committee

#### 4.4 Donations

The organisation accepts financial and gift donations from individuals, private trusts, foundations and companies, provided that:

- » The donation is made directly to **Financial Counsellors Association Queensland Inc. ABN 15 695 450 735**
- » Receipts are provided for all donations
- » Acceptance of the funds does not compromise the organisation's mission, objectives, values or reputation.

#### 4.5 Sponsorship

The organisation accepts sponsorship offers of cash, products and services in return for association with the organisation as a whole and for specific projects, events or activities, provided that:

- » The agreement does not compromise the organisation's mission, goals, values or reputation
- » A record is made of all sponsorship relationships and agreements
- » Agreements over **\$30,000** are bound by a contract
- » The organisation retains the right to withdraw from the sponsorship agreement at any time
- » The sponsorship agreement is approved by the Management Committee

#### 4.6 Grants and funding contracts

The organisation seeks and accepts grants and funding contracts for the provision of services, provided that the requirements of the grant or funding contract do not conflict with, compromise, deter, or alter the organisation's mission, objectives, values or reputation.

Grants and funds are accepted and entered into, providing there is a signed agreement by all parties that details the funds' purpose, requirements, and restrictions.

The Financial Management Policy is reviewed to ensure it complies with the terms and conditions of funding contracts. Terms of the contract may be negotiated with the funders, and/or the Financial Management Policy is updated.

Grant and fund agreements are authorised by Management Committee member and signed by Executive Officer/Manager and treasurer.

#### 4.7 Funds transferred from previous years

Unexpended funds from previous years are represented as funds transferred from previous years in their relevant budgets.

Use of unexpended funds must be used in accordance with any contractual requirements which the funds relate to.

#### 4.8 Membership fees and charges

The Management Committee will review and set fees for Members each year.

When considering the fees, the Management Committee will consider the following factors when setting annual membership fees:

- » FCAQ's strategic plan;
- » cost of living increases as measured by movements in CPI; and
- » Employed / volunteer status of membership.

#### 4.9 Procurement

The Executive Officer will:

- » apply the following principles when selecting suppliers of goods or services:
  - value for money
  - transparency, accountability and ethical practices
  - social and environmental sustainability
  - supporting local suppliers where practicable
  - compliance with workplace safety requirements
  - fitness for purpose
- » test the market and obtain written quotes for all items of expenditure **above \$5,000**
- » ensure the procurement of goods and services is adequately documented

## **SECTION 5: BUDGETING**

Budgeting is undertaken to manage resources for the achievement of strategic goals and sustaining the organisation.

### **5.1 Annual budgeting**

The organisation develops budgets for 12-month periods depicting planned income and expenditure to undertake activities in working towards organisational and project goals.

Where the organisation develops separate budgets based on program areas, projects or specific activities, a consolidated budget is developed to monitor overall financial state of the organisation.

Annual budget development commences approximately two to three months before the beginning of the upcoming financial year and endorsed budgets provide the basis for control of the organisation's financial operations for the budget period.

### **5.2 Roles and responsibilities**

Primary responsibility for developing budgets is delegated to the Executive Officer/Manager.

The Management Committee is to endorse annual budgets prior to the commencement of the financial year.

### **5.3 Developing budgets**

Budgets are developed based on informed estimates, rather than guesses, of the income and expenditure items. Income may be informed by funding contracts and grants, membership subscriptions, donations, training and event fees, and interest earned. Expenses may be informed by actual quotes, previous years' amounts adjusted, or comparative amounts from outside the organisation. All budgets are to:

- » Present a true cash flow position that does not confuse or mislead an audit trail
- » Be inclusive of all known and planned income and expenditure
- » Allocate funds solely for the organisation's purpose and approved strategies
- » Allocate restricted or tagged funds for designated purposes only
- » Ensure projected income meets projected expenditure
- » Be developed using the organisation's approved budget template
- » Include explanatory notes as required.

#### **5.4 Monitoring and Reporting Budgets**

All budgets and performance against budgets are reported to, and reviewed by, the Management Committee on a bi-monthly basis.

In addition to monitoring and tracking, all budgets are formally reviewed, and adjusted, if necessary, at the six-month period, allowing for any major miscalculations or changes to the budget to be amended. A record of the changes and their rationale is maintained.

## SECTION 6: ASSET MANAGEMENT

### 6.1 Asset acquisition

Only assets that support the organisation in working towards its mission and objectives are to be purchased.

Asset acquisition is based on consideration of whether the asset:

- » will provide significant, direct and tangible benefit to the organisation
- » does not exist or could not be upgraded or adapted to meet the same purpose
- » is appropriate and cost-effective over its life
- » is compatible with existing equipment and will not lead to unwarranted additional expenditure
- » can be accommodated in existing space and facilities
- » is the most suitable and appropriate type, brand, and model

### 6.2 Asset register

The organisation maintains an up-to-date and accurate register of all physical assets that have **monetary value equal to or above \$1,000** and a life longer than 12 months.

Assets that are to be recorded on the asset register include:

- » Computer equipment, e.g., laptops, desktops, routers, servers, and back-up power generators.
- » Furniture and fixtures, i.e., office desks, storage infrastructure, air conditioning unit, alarm system
- » Office equipment, e.g., copiers and video equipment
- » Software that is organisation-wide (and greater than the capitalisation limit), i.e. enterprise planning or accounting software.
- » Real estate/property, i.e. cost of acquiring a building
- » Cultural collections, e.g. art works and cultural artefacts

The asset register is to record the following information for each asset:

- » date of purchase
- » purchase cost
- » item serial number
- » make and model
- » description of the item, i.e. colour, size, etc.
- » location where the asset is/is stored
- » disposal date and method of that disposal.

Records of all asset purchase orders, invoices, receipts, delivery dockets and warranty details are to be maintained in a central online or hardcopy filing system.

All assets are to be checked at least annually to confirm they exist, are locatable, and are in good working order.

### **6.3 Asset disposal**

The disposal of all assets is to be done in a safe and clean manner, with consideration given to methods of selling, donating, reusing or recycling.

The Executive Officer must ensure adequate security and safety of FCAQ's assets, including plant and equipment, financial assets, data and information, intellectual property and its reputation.

All asset disposals are to be recorded in the Asset Register.

Any proceeds from the sale of an asset are recorded in the organisation's financial records.

All asset disposals must be approved by Treasurer in writing.

No asset of a **value of \$1,000 or greater** may be disposed of without the prior written approval of the Management Committee.

## SECTION 7: MONITORING AND REPORTING

### 7.1 Financial statements

The organisation demonstrates its financial position through reporting of accurate, complete, relevant and transparent financial statements to the Management Committee and stakeholders, as required.

Financial statements are a true representation of all financial transactions undertaken in the stated period.

Financial statements are prepared:

- » in line with recognised good practice and in such a manner that they may be audited at any time if required.
- » in a timely manner and are provided to the Management Committee and external stakeholders within required timeframes.
- » around the financial year commencing 1 July and ending 30 June.

### 7.2 Cash Flow Statements

The organisation maintains monthly cash flow statements showing the organisation's actual cash inflows, outflows and balances.

Cash flow statements are used to determine the short-term viability of the organisation, particularly its ability to pay bills.

### 7.3 Balance Sheets

The organisation maintains a monthly balance sheet (also known as a statement of financial position) which provides a snapshot of the organisation's financial position or 'net worth' at a specific point in time.

The balance sheet is to detail the organisation's assets (what is owned), liabilities (what is owed), with the outcome of both collectively known as net assets.

### 7.4 Income and expenditure statements

The organisation maintains income and expenditure statements (also known as statements of financial performance) to determine the balance on both a monthly and/or annual period.

Income and expenditure statements are used to determine if current income is sufficient to sustain the organisation's operation, given the current amount of debt.

## 7.5 Accounting records

The organisation maintains relevant principle and subsidiary records to support financial statements.

Principle accounting records maintained by the organisation are:

- » Cash flow books – hard copy or electronic with record of all cash receipts and payments
- » General ledger record of all assets, liabilities, income and expenditure
- » General journal to record one-off transactions, especially at balance date
- » Register of members – both financial and non-financial, and detailing names, addresses and other information as required by relevant legislation
- » Petty cash records
- » Payroll records
- » Statutory records – including minutes of all Management Committee meetings
- » Asset register

## 7.6 Annual Report

The organisation prepares an Annual Report at the end of each financial year for distribution to all members and stakeholders.

The Annual Report is prepared in time for presentation at the organisation's Annual General Meeting.

The Annual Report has the following content:

- » financial statements – statement of financial performance, statement of financial position, statement of cash flows
- » notes to the financial statements
- » details of assets and liabilities
- » treasurer's report on the financial statements
- » narrative summary of significant financial activities and outcomes

## 7.7 Reporting schedule

Monthly and quarterly financial statements are provided to the Management Committee for review and endorsement at each Management Committee meeting.

A record of all financial statements and reports provided to the Management Committee is maintained, along with any endorsements, amendments or other decisions.

The organisation prepares and submits financial statements and reports to meet all contractual and compliance obligations.

The organisation's financial management contractual and compliance obligations are identified as part of the organisation's Compliance Register, detailing the response, reporting and timing requirements.

## 7.8 Compliance – Financial reporting

The Executive Officer will:

- » present audited annual financial statements in accordance with Australian Accounting Standards, the Associations Incorporation Act and the Australian Charities and Not-for-profit Commission (**ACNC**) Act for the Board to approve no later than 30 September each year
- » provide a signed copy of the audited financial statements to the ACNC, the State Government funding body and other stakeholders as required by legislation or pursuant to funding and other arrangements.

## 7.9 Committee expense reimbursement

FCAQ will reimburse out-of-pocket expenses incurred by staff, volunteers and Board members, provided the expenses are incurred:

- » on behalf of FCAQ;
- » in the course of FCAQ's business
- » within persons designated role and responsibility; and
- » where practicable, supported by appropriate receipts and/or invoices.

The Executive Officer will review and approve all reimbursements.

## SECTION 8: FINANCIAL AUDIT

### 8.1 Audit of financial records

The organisation is required to undergo an audit of all financial records and processes for each financial year.

The financial audit must be carried out by an independent and qualified auditor who is authorised under the Act for complete the audit.

The financial auditor is given full and unhindered access at all reasonable times to all financial accounts, documents and records which the auditor considers necessary for audit purposes.

The organisation ensures the following in all audit reports:

- » Auditor's qualifications and registration number(s) of relevant professional body
- » Report is presented on the auditor's letterhead
- » Statement that examination of the organisation's records has been completed in accordance with Australian Auditing Standards and has included substantive testing of the organisation's systems
- » List of financial statements which formed the basis of the report
- » Findings of the audit
- » Auditor's signature and date which the report was certified

The Management Committee Treasurer presents the full and complete audit report for the previous year at the organisation's Annual General Meeting.

### 8.2 Selecting an auditor

The financial auditor is to be appointed each year at the organisation's Annual General Meeting.

The financial auditor must not be a member of the Management Committee or closely related to a member of the Management Committee.

The current auditor shall be entitled to attend the Annual General Meeting.

Notice of intention to nominate an auditor to replace the current auditor is to be given to the Management Committee's secretary at least 14 days before the scheduled Annual General Meeting.

## SECTION 9: FINANCE RECORDS

### 9.1 Record-keeping

The organisation maintains records of all financial transactions and related documentation, reports, decisions of the organisation and the Management Committee, compliance requirements met, and notices sent and received.

Financial record-keeping complies with all contractual and legislative requirements.

Record-keeping applies to any financial information on computers, network servers, back-up systems, hardcopy filing and electronic and hardcopy archiving systems. Financial records are maintained in an organised filing system which facilitates the easy placement and location of documents.

Financial records include:

- » Any financially related correspondence
- » Bank statements
- » Purchase documents
- » Sale documents
- » Donations
- » Outstanding bills
- » Paid bills and receipts
- » Asset records, including instructions and guarantees/warranties
- » Equipment and motor vehicle lease documents
- » Insurance
- » Cash book – record of receipts and payments
- » Statutory information – constitution, budget and minutes
- » Compliance records
- » Payroll
- » All contractual arrangements where there is a financial transaction

The organisation retains financial records for the required contractual and legislative period, prior to these records being securely destroyed.

### 9.2 Record security

Financial records are to be securely maintained, with measures in place to restrict access only to personnel with delegated authority.