

QUALITY AREA 7:
LEADERSHIP AND SERVICE MANAGEMENT



Risk Management Financial Procedures

Review Date: 01/12/2027

Introduction

The Management Committee is responsible for the financial sustainability of the service.

In order to serve members it is necessary to identify, minimise and manage financial risks.

Goals – What are we going to do?

Evans Head Preschool Association Inc. is committed to ensuring financial accountability, transparency and minimizing risk factors.

Strategies – How will it be done?

The Approved Provider will:

- ▶ Oversee the financial records (Profit and Loss Statement) and Budget regularly at each Management Committee meeting developed by the nominated supervisor and Administration/Finance Officer.
- ▶ Oversee strategic planning to ensure the preschools sustainability into the future through strong enrolments, adhering to funding guidelines, monitoring of fees and strong fiscal management.
- ▶ Oversee any major capital spending.
- ▶ Nominate three signatories who, along with the Beneficial owners and Nominated supervisor, make up a pool of 4 signatories for bank transactions where dual signatures are required.
- ▶ Declare any conflict of interest and withdraw from related discussion or voting on decision-making around awarding tenders, recruitment, significant purchases or other financial matters.

- ▶ Follow our Constitution, Association Incorporation Act, manage risk and maintain transparency.
- ▶ Maintain appropriate current insurance or alternate contingency plans to ensure continuity after a crisis.
- ▶ Immediately declare bankruptcy proceedings, criminal charges or allegations of impropriety brought against an individual board member & step down until cleared.
- ▶ Ensure all police checks and other paperwork are current & lodged with the appropriate regulatory authorities.
- ▶ Review the auditor's recommendations to update policies and procedures or to carry out a risk assessment.
- ▶ Ensure confidentiality around all financial and personal records/details as per Governance Policy.
- ▶ Order an Annual Financial Audit and inform the Department of Education of the outcome.

The Nominated Supervisor will:

- ▶ Advise the Management Committee on matters to assist their decision making.
- ▶ Seek quotations for capital works as per Management Committee requests.
- ▶ Declare any conflict of interest and refrain from discussion pertaining to any related issues.
- ▶ Seek approval from the Management Committee/Approved Provider for any repairs, major capital works or purchases over \$4,000 from the preschool's budget.
- ▶ Liaise with the Finance/Administration Officer to fully understand Profit and Loss Statements and budget documents to advise the Management Committee enabling them to make informed decisions to protect the sustainability of the service and ensure value for all stakeholders.
- ▶ Provide all receipts/invoices for reconciliation purposes.
- ▶ Ensure procedures are followed in relation to credit cards, cash tins, banking transactions, fee collection, purchases, and any other financial activity.
- ▶ Report any financial anomalies immediately to the Approved Provider and the auditor. If warranted, oversee, or co-operate with a confidential investigation.
- ▶ Ensure that external business banking transactions are never approved by two staff members &, if possible, a mix of board & staff members.

The Finance/Administration Officer will:

- ▶ In liaison with the Nominated Supervisor, develop, monitor, and present financial records and budgets at Management Committee meetings.
- ▶ Perform day to day financial tasks such as bank reconciliations, lodging BAS statements and other regulatory and legal financial obligations as per job description.
- ▶ In liaison with the Nominated Supervisor, monitor fee collection and debt collection.
- ▶ Have "Read Only" bank access in order to perform their role effectively. The Administration/Finance Officer is not a bank signatory.
- ▶ Report any financial anomalies or concerns immediately to the Nominated Supervisor for investigation, or in the event the nominated supervisor is suspected of wrongdoing, report the anomaly to the auditor & the board.
- ▶ Oversee the audit process, prepare for the treasurer to present, and table the report at the AGM.
- ▶ Seek a seconder to count any cash from fundraising or a paid event.
- ▶ Invite the treasurer to look over the budget and profit and loss before board meetings & to examine the audit report prior to it being tabled at the AGM.
- ▶ Seek quotes annually for auditors & ensure an auditor is designated in the minutes for the following year.
- ▶ Ensure signatories are appointed in the AGM minutes.
- ▶ Ensure paperwork is completed by signatories in a timely manner to ensure a smooth transition to protect processes such as payroll and payment of invoices.
- ▶ Ensure that signatories have sufficient internet banking limits (internal & external) to cover organisation's needs.

Educators will:

- ▶ Report any financial transactions immediately to the Responsible Person or Administration/Finance Officer.
- ▶ Follow procedures around credit cards to ensure transparency and accountability.
- ▶ Report any concerns around financial matters to the Nominated Supervisor or Responsible Person for investigation.
- ▶ Have any proposed purchases approved by the Management Committee or Nominated Supervisor prior to expenditure. Then return any receipts to the Administration/Finance Officer

attached to a signed expense claim form or submit claim through Xero for approval by the Nominated Supervisor for reimbursement or reconciliation.

- ▶ Ensure cash is never left unattended, is out of reach of children, and is passed onto the responsible person as soon as is practicable.
- ▶ Carefully monitor any cash during fund raising events for a charity or other third party.

Parents, Students and Volunteers will:

- ▶ Follow policies and procedures when assisting with events to ensure transparency and accountability.
- ▶ Clearly identify direct deposits and electronic transfers to ensure payments can be traced easily to their correct source.

Specific Financial Procedures

Bank Transactions

Are to be set up by the Administration/Finance Officer and then 2 signatories will:

- (a) Check the details of the transaction and ask questions. For example, if they are unsure of the purpose, amount or recipient.
- (b) If they understand the details of the transaction, they will approve the batch.
- (c) The signatory will inform the Administration/Finance Officer or Nominated Supervisor when they have completed their part in the task to ensure the processed batch is cleared from the queue.
- (d) Internal account transfers can be approved by Administration/Finance Officer and the Nominated Supervisor.
- (e) Transfers to the pre-school debit/credit card will be set up by the Nominated Supervisor.
 - Budget
 - Payment of invoices
 - Expense claims
 - Debit/credit cards

Fundraising

- (a) Where practical, a member of the Management Committee will handle cash and will hand over the responsibility at the end of their shift to another Management Committee member.
- (b) If a Management Committee member is not present, a staff member will handle cash unless neither is present.
- (c) Cash will never be left unattended.
- (d) The proceeds of the day will be reported back to all stakeholders.

Related Policies

- ▶ Payment of Fees Policy
- ▶ Fee Collection Procedure
- ▶ Governance and Management Policy

National Law

- ▶ National Regulations 2011 Regulation 180 & 181.

National Quality Standard

Area 7: Governance and Leadership, Standard 7.1.2

Sources

The guide to the National Quality Framework, pp. 28

Cash Events/ Fundraising for Charity

- ▶ Money will be collected in a cash tin or, where possible a lockable container.
- ▶ Cash will never be left unattended & will be locked in the cash tin for counting.
- ▶ Two people will count, record & sign a fundraising sheet and report all proceeds back to stakeholders.
- ▶ A receipt will be obtained when the proceeds are banked into the charity's account.
- ▶ The receipt will be filed for reference and transparency.

Budget

- (a) The budget is a living document which is monitored in collaboration with the Nominated Supervisor and the Administration/Finance Officer and adjusted according to need. Any alterations will be reported at the next management committee meeting.
- (b) The Management Committee oversee the budget at their regular meetings to ensure service sustainability, asking questions to ensure each board member's understanding.
- (c) As a not-for-profit organisation, profits are put back into the service to benefit our children and to maintain the building and resources to a high standard and to provide quality staffing and learning programs.

Fee Collection

See Policy and Procedure.

President's Name: Ashliegh Mtchell

President's Signature:

Date: 01/12/2025

REVIEW DATE: 01/12/2027

Annexure 1

Debit/ Credit Card

- ▶ The debit/ credit card will be issued in the Nominated Supervisor's name.
- ▶ The debit/ credit card will be returned to the Nominated Supervisor as soon as possible, if used by another person for specified purpose.
- ▶ Any use of the debit/ credit card will be authorised by the Nominated Supervisor for a specific purpose. Any change to this purchase must be cleared with the nominated supervisor prior to the transaction.
- ▶ Generally, educators will not use the card but will complete an expense claim form following the approved transaction- at the Nominated Supervisors discretion.
- ▶ Receipts must be photographed and emailed to the preschool as well as the paper copy being returned to the administration/ finance officer.
- ▶ The nominated supervisor will monitor the debit/ credit card balance topping the debit/ credit card up with \$5,000.00 increments as needed via online transfer in business banking.
- ▶ The number of direct debits attached to the debit/ credit card will be monitored to ensure the balance is not exceeded.
- ▶ The expiry date of the card will be tracked digitally to ensure direct debits are transferred in time.

Expense Claims

- ▶ Staff will clear any transactions with nominated supervisor PRIOR to purchase if they wish to be reimbursed.
- ▶ The nominated supervisor will approve purchases on a case-by-case basis.
- ▶ In order to be reimbursed, staff must complete an expense claim form & attach the paper receipt or proof of purchase to the back of the form or submit te claim via Xero. A screenshot of the receipt can also be sent to the preschool email address. The reimbursement form must be signed \ approved by the nominated supervisor prior to being processed in banking.
- ▶ Receipts are required by the auditor to reconcile bank accounts.

Annexure 1 cont....

Payment of Invoices

- ▶ The Nominated Supervisor will sight all invoices prior to payment.
 - a) Paper invoices will be initialled before being placed in the in-tray of the Financial Officer for payment.
 - b) Electronic invoices will be moved to the receipt/ invoices file in the preschool email folder.
- ▶ The administration/ finance officer will create a batch within online banking & will notify the nominated supervisor when the batch is complete and ready to be approved.
- ▶ The administrator will request a committee member to approve the batch & where possible the Nominated Supervisor will second the transaction.