

# Financial Controls Policy



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Last Review 22 May 2014  
Next Review 22 May 2017  
Revision Number 1

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## 1 REVIEW POLICY

This policy shall be reviewed every three years.

## 2 PURPOSE

This policy document sets out procedures and policies to ensure that the parish's receipts and payments are properly processed and recorded so as to ensure that its financial affairs are properly administered, and seen to be properly administered.

## 3 CONTENT

### 3.1 Offertories

- 3.1.1 When the offertory is collected via collection bags during church, the sides-persons shall place the collection bags in a visible place at the front of the church immediately after the collection (during the service).
- 3.1.2 A secure bag and supply of tags shall be provided for the offertory at every service. A minimum of two unrelated persons shall take charge of the offertory immediately after each service, place it in the secure bag, record the tag number on the slip of paper, sign and counter-sign the slip (recording details of the service including attendance numbers) and seal the offertory money with the slip in the bag using the numbered tag.
- 3.1.3 A person nominated by the wardens shall take the sealed bag and see it placed into the safe at the Factory after each service.
- 3.1.4 The money counting team of at least three unrelated people is to be comprised of people approved by the wardens. It shall work on a roster basis with the combination of people changing each week. Count sheets shall be retained and made available to the auditor.
- 3.1.5 Neither ministry staff nor Treasurer are permitted to count or have custody of the offertory (unless transporting it to the Factory in a sealed secure bag). The Treasurer shall not count the offertory, or have custody of it prior to counting. This is because it is preferable that the same person not be responsible for dealing with both the physical receipt of cash and the subsequent recording and reporting of it. Ministry staff shall not be involved with the handling of money to avoid any suggestion that they are administering the church finances for their own personal benefit.
- 3.1.6 The total offertory and attendance numbers for each service shall be entered in the service register and one of the persons completing the count sheet shall sign the register.
- 3.1.7 The offertories shall be held in the safe at the Factory until they are banked without deductions for expenses.
- 3.1.8 All offertories shall be banked promptly by two people approved by the wardens, at least one of whom was not involved in the counting of the offertories.

### 3.2 Other Receipts

- 3.2.1 All other money received other than by electronic bank transfer shall be receipted and banked promptly without deduction for expenses.

### 3.3 Payments

- 3.3.1 Bank accounts must only be opened and signatories added and changed with the authority of Parish Council. Arrangements with banks and other financial institutions shall require 2 signatories for all transactions. Parish council approves the following persons as cheque signatories:

- The Churchwardens
- The Treasurer
- Mrs Kim Irwin

The people appointed as signatories for payments shall be unrelated persons, and typically are the Churchwardens and Treasurer.

- 3.3.2 There shall be a voucher for every payment and the voucher shall be authorised by an appropriate person to indicate that:
  - any goods and services supplied –
    - are as ordered/required
    - were received, and
    - the amount shown is the correct amount to be paid, or
  - any payroll payments –
    - are based on appointments made by the minister and wardens at pay rates approved by the Parish

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are supported by records of hours worked, leave taken, etc, where appropriate, and have resulted in appropriate PAYG payments.

- 3.3.3 Before effecting a payment both signatories shall review and initial the supporting voucher(s) and ensure that there is evidence of prior authorisation. The cheque or other reference number shall be written on every voucher and all vouchers made available for inspection by the auditor.
- 3.3.4 Payments must be submitted to Parish Council for special approval where their nature is outside the approved budget or the amount significantly exceeds budget.
- 3.3.5 As cheques are written they shall be crossed "not negotiable" (if not pre-printed). Blank cheques shall not be signed. Cancelled cheques shall be mutilated to prevent re-use and made available for inspection by the auditor.
- 3.3.6 Petty cash payments shall only be made from a cash float maintained on the imprest system (a signed voucher for every payment and the total of the vouchers and cash on hand must always equal the imprest amount). Reimbursements of petty cash shall be made against an itemised list of payments supported by signed vouchers.

### 3.4 Internet Banking

- 3.4.1 Parish Council authorises internet banking access with Commonwealth Bank of Australia. The following persons are authorised to have access to internet banking and to make transactions:

The Treasurer

The Parish Wardens

The Parish bookkeeper, Mrs Carol Storm (to access accounts, set up transactions, but not approve transactions)

Commonly these people will be the same as the cheque signatories.

- 3.4.2 All transactions require the authorisation of two persons. Authorised users undertake not to divulge their password to other persons, and to change their password periodically.

### 3.5 Keeping Books of Account

- 3.5.1 Parish Council has determined that its financial records will be maintained using MYOB. Day to day transactions will be entered into the system by the Parish Bookkeeper, Mrs Carol Storm, and then reconciled by the Treasurer on a monthly basis.

- 3.5.2 Every month the Treasurer will present to the Churchwardens for review the following:

Profit and Loss account for the month and year to date with comparisons to last year and budget

Balance sheet

Bank reconciliation and copy of month end bank statement

A listing of bank receipts and payments for the month

- 3.5.3 Every month the Treasurer will present to the Parish Council for review the following:

Profit and Loss account for the month and year to date with comparisons to last year and budget

### 3.6 Business Activity Statements (BAS)

- 3.6.1 The Treasurer will prepare on a timely basis BAS for the Parish. The BAS and supporting documentation will be submitted to the Churchwardens for approval prior to lodgement with the Tax Office.

### 3.7 Other Statutory Lodgements

- 3.7.1 The Churchwardens will ensure that all other statutory lodgements and payments including PAYG Withholding, Superannuation, Fringe Benefits Tax and Workers Compensation are lodged and remitted as required.

## 4 REVISION AND REVIEW HISTORY

Revision Number	Date	Changes/Comments
1	22 May 2014	Initial adoption