

Annual Financial Audit

Every School Association needs to have their finances audited once a year. **It's not optional.** It's part of the rules under Secretary's Instruction.

At the AGM, you need to:

- Present the auditor's report and financial statements
- Have them received and ratified at the meeting.

Who can audit the financial books?

The auditor cannot be a member of your committee, they can be member of the association who is:

- A CPA (CPA or FCPA)
- A Chartered Accountant (CA or FCA)
- A member of the Institute of Public Accountants (MIPA or FIPA)
- Someone working in the public sector with suitable financial experience
- Someone working in a financial institution, insurance company or other commercial organisation with suitable financial experience.

Finding an auditor

Auditors are usually unpaid (honorary). If you do need to pay a fee, the committee must agree to this by majority vote before appointing them.

Some tips for finding an auditor:

Call out to your school community: There may be parents, grandparents, teacher, or community members with the right qualifications. A short notice in the newsletter or on social media can work well.

Swap with another School Association: A nearby School Association might review your books while you review theirs. This can be a simple, free option.

Approach a local business: Some accounting firms or financial institutions may be willing to donate their services to support the school community. Be clear about what you need and when you need it.

What will an auditor need access to?

To complete the audit, the auditor will need access to your full financial records for the year.

This usually includes:

- A summary of income and expenses for the year
- Bank statements
- Copies of invoices and receipts
- Details of any fundraising activities
- A list of any assets (for example, equipment or cash on hand)
- A list of any unpaid bills or liabilities
- Minutes showing that payments were approved by the committee

Good record keeping makes this process much easier. If your records are clear, organised and up to date, the audit is usually straightforward and low stress.

Even if you don't have a bank account - you still need an audit!

Even if your School Association doesn't operate a bank account, you still need to present an audited financial statement at the AGM.

It might simply show: No bank account. No income. No spending. No assets or debts.

The audit requirement applies to every School Association, even if there hasn't been any financial activity.