Preventing Fraud In Community Organisations

Finance Check List?

- Do all committee members understand the term “not for profit”
- Do you have a transparent procedure for recording all income & expenditure
- Is all money received banked promptly
- Do you have credit card and/or EFT facilities
- Do you have a petty cash / reimbursement system
- Do you have a system for approving expenditure
- Do you keep a clear paper trail for all financial transactions and records
- Can all committee members read and understand your financial reports to an adequate level
Ask Any Time!

Why is all of this important?

Sentenced to 18 months in jail for stealing almost $100,000.
Former NSW RSL president Don Rowe fraud charges to go to hearing

NSW RSL leaders internally charged with cover up-over expenses scandal

An inquiry in 2016 found Rowe had withdrawn $200,000 in cash and spent $475,000 on the corporate credit card to pay for family phone bills, mortgage, flights and meals during his 12-year reign as president, which ended in 2014.

Former Brisbane netball leader Deborah Morton jailed for fraud

A Brisbane netball association badly hit by the city’s flood disaster suffered a double blow when its president stole more than $100,000 to feed a gambling addiction, a court has heard.

Former Western Districts Netball Association president Deborah Morton, 47, was jailed for one year on Monday after pleading guilty in the Brisbane District Court to fraud.

Morton stole $105,000 from the association by forging cheques and invoices and using blank cheques that had been signed by the organization’s treasurer, the court heard.

Justice Leanne Cnen said most of the money - obtained in 61 transactions over about 12 months - was spent in poker machines.

The Graceville-based association received more than $400,000 in flood-recovery funding from Brisbane City Council and the state government in 2011 to fix its netball courts and clubhouse, according to council minutes.
Netball mum avoids jail after stealing hundreds of thousands from Indigenous co-op

By Derrick Krause
June 21, 2018 — 7:13pm

A former star netballer who was raised as an outsider in an Indigenous family before she tried to win their love by stealing hundreds of thousands of dollars from the Wadawurrung people has avoided jail time.

Kelly Howard, 45, who played for the Bungaree Football Netball Club, repeatedly broke down in tears in the County Court in Bellarine on Monday as she pleaded guilty to defrauding the Wadawurrung Aboriginal Corporation of more than $333,000.

She was volunteering as a bookkeeper in 2011 when she started to take advantage of the "vulnerable organisation" she helped found, transferring money into her own account and paying for a deposit on a house for her mother in Horsham and dance classes for her daughter until an audit caught her red-handed in 2016.

Crown prosecutor David O’Doherty read out a victim impact statement from Uncle Bryon Powell, who said the co-op relied on donations and was set up to look after the interests of the Wadawurrung people.
Envious footy mum jailed for fraud

By Karin Percy

The mother of a New South Wales footballer's child was convicted of fraud after stealing thousands of dollars from the South Coast Trust and was sentenced to two years in prison.

The 38-year-old woman, who cannot be named for legal reasons, was convicted of one count of fraud over $10,000 and one count of common assault in the Wollongong Local Court on Friday.

She was ordered to pay $43,000 in compensation and was fined $5,000.

The prosecutor told the court the woman had stolen money from the trust, which supports people with disabilities, in order to fund her own expenses.

The trust, which has been in operation for more than 20 years, has a budget of about $2 million and is funded by the state government.

The woman was sentenced to two years' imprisonment, but was granted full parole after one year.

She will be eligible for parole after serving six months, which may lead to her deportation under section 41 of the Currency Act 1985.

Geelong Football Club takes fundraising firm to court over 'misleading' promotions

By Karen Percy

The Geelong Football Club has taken court action against a former fundraising contractor for alleged misleading and deceptive behaviour involving members-only benefits.

During a hearing in the Federal Court of Australia this week, lawyers for the Cats argued that the Enfield-based sports fundraising firm Loyalty Pty Ltd was offering club members corporate hospitality products when it should not have.

The products relate to The Points club, a members-only experience run by Loyalty which includes gourmet dining, premium seats and access to training sessions.

Loyalty was contracted to The Points club as part of fundraising campaigns from mid-2015 until early 2016.

According to its website, Loyalty offers its clients scratch-it tickets, raffles and other products, offering prizes and access to loyalty schemes.

The case centres on a number of complaints by Cats members who thought they were supporting the club through Loyalty — when, in fact, the company no longer had a formal affiliation with the club.

Key points:

- Geelong says Loyalty misled supporters, promising they would get tickets to a Geelong home game.
- A court has heard one customer gave $1,500 to the company, thinking she would get tickets to a Geelong home game.
- Loyalty has said people get what they paid for, and what was being offered was "quite clear."
Disability charity manager stole $1 million to gamble, take holidays and watch TV, court hears

By Timothy Baden
Updated 23 Jun 2018, 7:09am

A long-time charity manager used most of the $1 million she drained from a disability support centre to pay for her gambling habit, holidays, pay TV account and her husband’s business expenses, the District Court in Brisbane has heard.

Conna Healey was today sentenced to eight years in jail after she pleaded guilty to using her position as an administrative officer at Horizon Reablement and Rehabilitation Association to transfer money on 996 occasions into her own bank account.

Ms Healey was sucked in 2013 when the fraud was detected, but had utilised all the not-for-profit centre’s $4.3 million for 15 years, the last four as an administration manager.

The court heard the care organisation based in Redcliffe, north of Brisbane, helped families and individuals with severe disabilities and was unable to purchase important communications equipment because of the money the 54-year-old siphoned into her account.

In sentencing, Judge Deborah Richards said Ms Healey’s actions were “calculated and callous”.

“The people involved were very vulnerable members of our society that you’ve taken money from,” Judge Richards said.

“Victim impact statements tendered indicated that as a result of the fraud, funds were not available for essential equipment, particularly equipment which enabled some of the more severely disabled people to communicate.”

“The fraud was calculated and it was over a long period of time.”

The ACCC has seen horrific examples of charity scammers taking advantage of high profile tragedies like the Black Saturday bushfires and following last year’s Bourke Street tragedy,” she said.

“We’ve also seen some recent examples of charity scammers using the current drought to rip off people.

“The scammers have no shame. If they’re not creating fake charities, they will impersonate real ones like the Red Cross, RSPCA, or Rural Fire Service.”

A spokesperson for the RSPCA told Pro Bono News that to avoid succumbing to bogus callers, Australians should always ask for the caller’s name, reference number and call back details.

“If they are hesitant to provide details, don’t donate,” the spokesperson said.

Rickard’s warning comes during Charity Fraud Awareness Week (22 October to 26 October), and the ACCC has encouraged donors look up charities on the Australian Charities and Not-for-Profits Commission’s charity register before donating.
Guide Dogs Victoria ex-manager avoids jail after stealing $200k from charity for home renovations

By Karen Peng
Updated: 19 Dec 2018, 9:15pm

A Melbourne man has avoided jail after defrauding a guide dogs charity of more than $200,000 so he could renovate his home and install a pool.

LAW AND ORDER
Accused Catholic Church thief Kerry Keen "set-up" by colleague, District Court trial told

Jordanna Schriever, The Advertiser
May 24, 2019 9:14pm

A WOMAN accused of stealing more than $300,000 from the Catholic Church to fund a lavish lifestyle has told the District Court the real thief was actually a colleague.

Defence lawyers for Kerry Ann Keen, 55, told a District Court trial she was "set up" by a colleague who collected the money parishioners donated during Catholic Church services across Adelaide.

Keen, pictured, has been charged with two counts of theft, one of which is aggravated, while employed by an Adelaide organisation to count money for other businesses, including the Catholic Church, between September 2010
Melbourne’s leading women at war inside exclusive club

Lyceum Club manager pleads guilty to stealing furniture and $354,820

The former manager of Melbourne’s exclusive Lyceum Club has pleaded guilty to stealing furniture and defrauding the club of more than $350,000 since 2015, a sentence understood to have involved stealing cash from tax receipts.

Peter Sartore pleaded not guilty in Magistrates Court on Thursday, when a magistrate refused the former manager to stand in his presence intended to a pre-sentence hearing in December.

Sartore, who managed the club from 2005 until 2015, and has been charged with obtaining property by deception

The trial started in January 2019 and continued until about four of last year when it was discontinued.

Victorian Police initially charged Sartore with 177 counts, but the charges had been reduced to just four charges under a plea deal.

Thirty passers-bys have done their bit for Australian tourism.

It’s a stunning peak between some of Melbourne’s most connected women, appealing for the couture, with a brief group of Lyceum Club members proposing legal action to force a spill of the current board and expose the full extent of a $300,000 fraud perpetuated against club members.

The battle for control of the 117-year-old women’s-only club, prompted by revelations that the club’s long-serving general manager funnelled $335,000 into his wife’s bank account and filled his Richmond home with designer furniture bought with club money, has bitterly divided leading women in business, law and the arts.

Luxury cars bought as part of multi-million NDIS fraud, police claim

Updated 27 May 2019 | 10:10

NSW Police have arrested an organised criminal syndicate they claim defrauded more than 70 people of National Disability Insurance Scheme (NDIS) payments to buy items such as luxury cars.

A complex transnational fraud on NDIS fraud amounted to a quarter of homes in Lismore and Coffs Harbour, to Sydney’s south-west, on Wednesday morning.

Key points:
- The five were arrested at separate homes in Sydney’s south-west on Wednesday morning.
- Police were assisted at separate homes in Sydney’s south-west on Wednesday morning.
COMMITTEE.com.au  
“successful committees - thriving clubs”

Fake charities

Suspects impersonate genuine charities and ask for donations or contact you claiming to collect money for natural disasters or major events.

How this scam works

Fake charities try to take advantage of your generosity and compassion for others in need. Suspects will steal your money by posing as a genuine charity. Not only do these scams cost you money, they also divert much needed donations away from legitimate charities and causes.

Fake charity approaches occur year round and often take the form of a response to real disasters or emergencies, such as floods, wildfires, earthquakes and floods.

Suspects will pose as either agents of a fictitious well-known charities or create their own charity name. This can include charities that conduct medical research or support disease sufferers and their families. They may also pose as individual soliciting donations for health or other causes.

Suspects may also place on emulations for charities to help aid children who are...

COMMITTEE.com.au  
“successful committees - thriving clubs”

NEWS

Woman lived high life on $46k of sporting group money

KOURTNEY Ellen Grace Turner lived the high life on more than $46,000 she siphoned from community-run sport groups.

Now the Fraser Coast woman will spend at least four months behind bars after being sentenced at the Fraser Coast Magistrates Court.

Turner, 33, pleaded guilty to four counts of fraud on Thursday.

The court heard Turner made hundreds of transfers to her personal banking account while she was treasurer of the Gayndah Gladiators Rugby League Club and the Gayndah Jockey Club between November 2016 and October 2017.

Police Prosecutor Kathryn Stagoll said Turner transferred $29,066.43 from the Gladiators’ club account to her personal one while treasurer.

“It appears that poor record keeping and accepting verbal treasurer’s reports ensured she was able to continue with the offending,” Sgt Stagoll said.

“The offending only stopped when the club’s funds ran out.”
Senior Citizens Group

- Cash bingo game with income in excess of $1M per year
- Treasurer “paying” volunteers $30 / hour to help (claimed it was expenses reimburse)
- Evidence collected that large amount of cash were never banked and lifestyle of treasurer was lavish for a retiree
- General meeting called to dismiss treasurer who refused to resign after criminal charge
- Members who were paid & others secured proxies
- Motion defeated
- Rest of management committee had to resign instead

Worst Football Club In The World

- Financial reports not submitted to meeting for six months
- Always excuses why information or statements could not be provided
- Move to insist on information defeated
- Two months later cheque bounced
- Theft of $36,000
- Long term treasurer (12 years) going through divorce, began taking small amounts of cash, then larger until they couldn’t be repaid.
Why is all of this important?

The most common categories of concern related to fraud and financial mismanagement, including poor financial controls, inadequate due-diligence of employees and partners and a failure by the charity's responsible persons to act in the best interest of the charity...
How Much & By Who?

- A total of $1,071,851 of fraud was suffered by organisations, surveyed representing an average of $14,291 per fraud in 2010 (Extrapolates to over $1B per annum)
- 36% of organisations in the development & housing category suffered fraud
- The largest number of frauds occurred in the Social Services grouping
- The most common type of fraud reported was cash theft (24%)
- The average duration of the fraud was ten months.

Responding

- The majority of respondents did not report the fraud to police
- 36% of organisations did not terminate the employment of the person who committed the fraud
- 67% of organisations that suffered fraud did not recover any of the funds from the perpetrator
Cyber Fraud - An Emerging Menace

When To Contact Police

What evidence will they need to take action?

Good afternoon,

Our Account Department has gone through a software update and I would like to ask if you can kindly forward all due invoices [Contract Title: G3161401/9413 SECURITY SERVICES] as per your earliest convenience so I can update our records and submit them for payment in timely manner.

Thank you.

Kind Regards,
Preventing Fraud

- Internal controls are absolutely vital
- Money should be managed in an atmosphere of suspicion
- No-one should have 100% trust .. Everyone makes mistakes
- Cash handling & banking are the biggest areas of risk
- NEVER sign blank cheques
- NEVER give your club’s banking details out

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Policy Bank

FRAUD RISK MANAGEMENT POLICY

1. Upon receipt of information or communications, all complaints relating to fraud should be referred to the appropriate management level.
2. Where a concern or instance of fraud has been reported, the matter shall be referred to the relevant authorities. If further action is required, the matter shall be referred to the relevant authority.
3. If any member of the management team is found to have committed the fraud, he or she shall be relieved of his or her duties immediately.
4. The organisation will make every effort to ensure the confidentiality of the investigation, but will ensure the appropriate level of management is informed.
5. The organisation will make every effort to ensure the investigation continues, but will ensure the relevant authorities are informed of any action taken.
Poor Governance Is A Risk

The company’s downfall follows a rocky period marred by disappointing ambassadors and a revolving door of chief executives.

Anti domestic violence White Ribbon Australia enters liquidation

Anti domestic violence charity White Ribbon foundation has announced the company has entered liquidation and will “close its doors”.

Financial reports released in February showed the charity was in the red by more than $840,000.
The Cardboard Box

Legal Aspects Of Club Money
Who Is The Regulator For Fundraising

**Association**
- Fair Trading

**Charity**
- ACNC
- See OFT

We must give approval before you can fundraise. It is an offence to fundraise in Queensland without our approval.

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**Profit For Purpose**

- Increasing changes to the NFP business environment and even more to come (ACNC)
- Volunteer status doesn’t protect you from failing to abide by relevant legislation
- Non profit doesn’t mean you shouldn’t make one
- Good committees understand they need to ensure the future of the business
- Volunteers need to consider where they are best suited to volunteer
- Reluctance to ask “hard” questions and insist on answers
Methods of Incorporation

- Incorporation
  - Incorporated Association
  - Unincorporated Association***
  - Company Limited by Guarantee or With Shares (ASIC)
  - Charitable Trust***
  - Co-operative
  - Special Act of Parliament or Letters of Patent
  - Union of Employers or Employees
  - Church or Religious Group
  - Indigenous Group

Who’s Money Is It Anyway?

Your Committee responsibilities in managing finances.

Corporations Law
- Duty to act in the interest of the members, so should operate independently and free from influence
- Act in good faith
- Exercise due care & diligence
- Ensure solvency
Who’s Money Is It Anyway?

Your Committee responsibilities in managing finances.

Associations Incorporation Act (Queensland)
- Ensure all documents show Association’s name, including internal documents (Sec 32)
- Have a bank account and keep all property in the club’s name (Sec 24)
- Obtain public liability insurance (Sec 70)
- Present financial reports according to level (Reg 9 & Sec 59)
- Control the Business and operations (Sec 60)
- Ensure financials are submitted to members at the AGM (Sec 59)

Incorporated Association Levels
(After 15 June, 2007)

<table>
<thead>
<tr>
<th>Level Details</th>
<th>Audit Requirements</th>
<th>Insurance Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Full Audit To The AIA</td>
<td>Must have public liability insurance</td>
</tr>
<tr>
<td>Turnover or Assets Over $100,000 per annum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 2</td>
<td>Accountant to confirm accounts (not full audit)</td>
<td>May choose not to have public liability</td>
</tr>
<tr>
<td>Turnover or Assets Between $20,000 and $100,000 per annum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 3</td>
<td>Treasurer’s Statement only (check with your organisation first)</td>
<td>May choose not to have public liability</td>
</tr>
<tr>
<td>Turnover or Assets Under $20,000 per annum</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Insurance, Risk & Disaster

Public Liability
- May be required by incorporation (Level?)

Association Liability
- May be included in affiliation
- **Check!**

Cash Handling
- May not be covered

Fraud
- Is not automatically covered

Volunteers
- May not be covered by affiliation or insurance, even if affiliated

Assets
- May be under or over insured

Risk
- Formal risk assessment is vital for every day operations & disasters

Disaster Recovery
- Recent events prove a great club will have a disaster recovery plan and disaster mitigation plan!

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Tax Law

Setting up Business
- Banking & trialling
- Force of Public Authority
- Allowing a PFP is your
- Whether connections are available?

Register your PFP
- Other regulations
- Dating assessment

Your website
- Your mitigation in your and
- Costed and insurance

Gifts and Endowing
- Receiving non-remittable gifts
- Ending for Indigence
- Funding for initiatives
- Funding for events
- Permission to connect a support
- Taxi and transport
- Mining in a disaster

Your organization
- Are you in an income tax
- GST
- Financing with suppliers
- Management, sales and others
- Reports, charging and doing the

Key links
- Supporting your service
- Contacting your
- What data for help

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Australian Consumer Law

Fundraising in an “organised, continuous and repetitive way”:
• the fundraising activities are continuous and repetitive
• the fundraising activities are organised and managed (through the use of business plans or fundraising strategies, measurement of fundraising goals and outputs, processes, policies and procedures, for example)
• the organisation that is fundraising uses resources (assets and employees, for example)
• the fundraising activities are promoted or marketed
• financial or other records of the fundraising activities are maintained.

Obligations under the ACL:
• it must not engage in misleading or deceptive conduct or unconscionable conduct; and
• if its fundraising activities also involve supplying goods or services, it must not make false or misleading representations or engage in unconscionable conduct in relation to the supply of those goods or services.

WHISTLEBLOWING

• Not for profits incorporated organisations that meet the definition of a trading or financial corporation must comply.

May include organisations incorporated under state or territory legislation if trading or financial corporations:

• Incorporated associations
• Other bodies corporate,
• Incorporated organisations registered with ASIC as Australian registered bodies
• Incorporated organisations registered with the ACNS as charities

• All not-for-profit orgs structured as public companies limited by guarantee must already comply with the whistleblower protection provisions
Can We Raise Funds?

WHISTLEBLOWING

• It is not always clear if an org falls within the definition
• Depends on activities falling within financial or trading activities
• ASIC released guidance on August 7 2019 asking for public comment as to whether public companies that are small not-for-profits or charities should be exempted from the requirement to have a whistleblower policy;
  18 September is the due date to ASIC for submissions and then ASIC will provide their decision in October
• Note: if an exemption applies it only says the company does not have to have a whistleblower policy, they still have to comply with other parts of the law (ie not allowing whistleblowers to be victimised etc).
• ASIC changed the definition of what is a large private company effective July 1 2019. This means some not for profits and charities may not have to have a whistleblower policy depending on their size.
WHISTLEBLOWING

• ASIC is beginning audits on whistleblower policy compliance beginning 1 January 2020

• Its looking for processes and training embedded in the organisation. Evidence of processes and training can be used as part of a legal defence in criminal prosecutions.

• the International Standard on Whistleblowing will be launched in June 2021. The standard is consistent with the new requirements.

• ASIC released detailed guidance on August 7 in terms of what it expects companies to have documented in their policy and how staff should be trained. Companies need to pay attention to these requirements and ensure their policy and training meets the standards expected by ASIC.

• whistleblower policies should not be overly legalistic

Financial Monitoring & Reporting
Its Not Just The Treasurer’s Job

We know the organisation is fine financially, besides we have the books audited, it not our responsibility...

...that’s up to the Treasurer

Treasurer’s Job Description

- Maintain working level of petty cash
- Ensure money is receiving & promptly banked
- Invoice members, uniforms etc
- Prepare budgets
- Present monthly reports
- Prepare annual audit documents & liaise with accountants
- Maintain accurate records
- Be the signatory on club cheques
- File tax returns if required
- Manage club investment programs
- Arrange for necessary insurances
Recording Transactions

- Use: Use either computerised or manual system
- Cash: Cash book to record payments & banking
- Produce: Produce a profit & loss each month to show performance
- Record: Carefully record what you owe & what people owe you
- Use: Use Year To Date reporting
- Make: Make sure new purchases are added to the asset register if necessary
- Keep: Keep a “loan out” register of who has what equipment, uniforms etc
- Get: Get volunteers to sign a list of what they have
- Prepare: Prepare a policy on use of club resources

Income

- Anything that earns money
  - Memberships
  - Game Fees
  - Canteen
  - Equipment Sales
  - Insurance
  - Membership Benefits
  - Other ?????

28/10/2019
Expenses

- Insurance
- Maintenance
- Food & Beverage
- Telephone
- Postage
- Fees

Monthly Financial Reports

- At least original bank statement & cash book report
- Best option
  - Profit & Loss Year to Date Vs Budget
  - Balance Sheet
  - Outstanding Debtors
  - Outstanding Creditors
  - Bank Reconciliation
  - Cash Flow
## YTD VS BUDGET P&L

### Budget Variance

<table>
<thead>
<tr>
<th>Income</th>
<th>Actual</th>
<th>Budget</th>
<th>Var A/D</th>
<th>Var %</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>Var A/D</th>
<th>Var %</th>
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<tr>
<td>AENA Membership</td>
<td>9,058</td>
<td>9,000</td>
<td>55</td>
<td>0.6%</td>
<td>5,058</td>
<td>5,000</td>
<td>55</td>
<td>0.6%</td>
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<tr>
<td>AENA Secretariat</td>
<td>950</td>
<td>900</td>
<td>50</td>
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<td>450</td>
<td>400</td>
<td>50</td>
<td>5.5%</td>
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<td>Insurance Comm.</td>
<td>116</td>
<td>125</td>
<td>(78)</td>
<td>-6.2%</td>
<td>58</td>
<td>62</td>
<td>(78)</td>
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<td>Interest Received</td>
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<td>500</td>
<td>474</td>
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<td>474</td>
<td>244</td>
<td>474</td>
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<tr>
<td>Receiver Office</td>
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<td>225,000</td>
<td>958</td>
<td>0.4%</td>
<td>225,958</td>
<td>225,000</td>
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<tr>
<td>Sale of Technical Resources</td>
<td>32</td>
<td>32</td>
<td>0.0%</td>
<td>0.0%</td>
<td>32</td>
<td>32</td>
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<tr>
<td>Website Advertising</td>
<td>14,000</td>
<td>11,000</td>
<td>3,000</td>
<td>27.3%</td>
<td>14,000</td>
<td>11,000</td>
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<td><strong>Total Income</strong></td>
<td>245,750</td>
<td>241,523</td>
<td>4,227</td>
<td>1.7%</td>
<td>245,750</td>
<td>241,523</td>
<td>4,227</td>
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<tr>
<td><strong>Gross Profit</strong></td>
<td>240,523</td>
<td>241,523</td>
<td>4,227</td>
<td>1.7%</td>
<td>240,523</td>
<td>241,523</td>
<td>4,227</td>
<td>1.7%</td>
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</table>
YTD VS BUDGET P&L

Budget Variance

<table>
<thead>
<tr>
<th>Account</th>
<th>Budget Actual</th>
<th>Var %</th>
<th>Var AB</th>
<th>Var %</th>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>Var %</th>
<th>Var AB</th>
<th>Var %</th>
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</thead>
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<tr>
<td>Foreign Currency Gains and Losses</td>
<td>336</td>
<td>-28%</td>
<td>1.00%</td>
<td>250%</td>
<td>508 (605)</td>
<td>608</td>
<td>-12%</td>
<td>1.00%</td>
<td>250%</td>
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<tr>
<td>Germany (B2B)</td>
<td>184</td>
<td>-6.9%</td>
<td>0.4%</td>
<td>0.0%</td>
<td>184</td>
<td>184</td>
<td>0.0%</td>
<td>0.4%</td>
<td>6.9%</td>
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<tr>
<td>Interest Revenue</td>
<td>32</td>
<td>104%</td>
<td>0.6%</td>
<td>0.0%</td>
<td>32</td>
<td>32</td>
<td>0.0%</td>
<td>0.6%</td>
<td>104%</td>
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<td>Interest Revenue &amp; Fees</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Meeting Expenses</td>
<td>51</td>
<td>126%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>51</td>
<td>51</td>
<td>0.0%</td>
<td>0.0%</td>
<td>126%</td>
</tr>
<tr>
<td>New Zealand Salary</td>
<td>1,106</td>
<td>131%</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>1,198</td>
<td>1,198</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>131%</td>
</tr>
<tr>
<td>Office Fees</td>
<td>1,106</td>
<td>131%</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>1,198</td>
<td>1,198</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>131%</td>
</tr>
<tr>
<td>Property</td>
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<td>0.0%</td>
<td>0.4%</td>
<td>-100%</td>
</tr>
<tr>
<td>Property &amp; Finance</td>
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<td>0.0%</td>
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<td>0.0%</td>
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<td>-100%</td>
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<tr>
<td>Software</td>
<td>2,630</td>
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<td>Telephone &amp; Internet</td>
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<tr>
<td>Wages &amp; Salaries</td>
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</tr>
<tr>
<td>Vehicles</td>
<td>88</td>
<td>207%</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>88</td>
<td>88</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>207%</td>
</tr>
<tr>
<td>Vehicle Licences</td>
<td>88</td>
<td>207%</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>88</td>
<td>88</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>207%</td>
</tr>
<tr>
<td>Vehicle Licences</td>
<td>88</td>
<td>207%</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>88</td>
<td>88</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>207%</td>
</tr>
<tr>
<td>Vehicle Licences</td>
<td>88</td>
<td>207%</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>88</td>
<td>88</td>
<td>-6.9%</td>
<td>1.4%</td>
<td>207%</td>
</tr>
<tr>
<td>Total</td>
<td>412,841</td>
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<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

YTD vs Budget totals


Some clubs must be audited every year (Sec 59)
- Auditor should be appointed or confirmed every year at AGM
- Exclusions of Persons Who Can Audit (Sec 59 (2))
  - Member of committee
  - Employee of the club
  - Partner, employer or employee of the secretary or another member of the management committee
- Audit reports must be lodged within 30 days of adoption unless exempted by FTO.
- Auditor should provide an engagement letter prior to commencement.
Documents Required For Audit

- Receipt Book
- Receipt Book Register
- Bank Deposit Book
- Cheque Book
- Cash Book
- Wages Book (if required)
- Petty Cash Book
- Asset Register
- Minutes
- Register of Members

- Copies of invoices to and from the club
- Petty Cash vouchers & summary
- Payroll details
- Investment details showing interest payments
- Asset register
- Accounts receivable & payable
- Details of any other liabilities, leases, loans etc
- Stock take list for canteen and any items the club has for sale

What’s In Your Audit

Statement of Income & Expenditure shows if your club made a profit or loss during the year

Statement of Assets & Liabilities (Balance Sheet) shows if how much your club owes and how much other people owe the club & value of everything you own

General Ledger shows reports of all transactions during the year

Asset Register shows everything you own
Notes To The Accounts

- **Qualified Audit**
  - **Except For:** auditor disagrees with committee on accounting policies but doesn’t warrant adverse opinion.
  - **Adverse:** when effects of disagreement are material and there is misleading or incomplete information
  - **Disclaimer:** limitation is so material the auditor is unable to express an opinion.

Drafting & Implementing A Budget

- Start with last year’s audit
- Add about 3% to both income & expenditure
- Make some assumptions about what is likely to happen in the coming year eg membership up or down, expenses up.
- Report on Actuals to Budget every month
- Hold a half year review & adjust if necessary
- Consider approving all budgeted expenditure at the beginning of the year
- Leave it out of the drawer and use it every meeting!
Bank Accounts

- Lots of new options for non profits
- Can cater for multiple signatures online
- Cheque account plus term deposit is somewhat old fashioned solution
- Good management of bank accounts can reduce costs & save on fundraising
Get On The Cloud!

Keep records on “back end” of site or use group sites for storage! Google Drive and Dropbox can be accessed for free. iCloud has limited storage for free (Mac software only) (20GB) and OneDrive from Microsoft is part of your Office 365 subscription (100GB).

Do They Have Skills & Knowledge Or Just A Pulse?

Most clubs take anyone on the committee who steps forward (by attending the AGM)

Questionable results sometimes follow

A pulse shouldn’t be our only requirement

Like it or not ... life changes and some things are getting harder (especially committees)
Provide Comprehensive Plans & Reports To Meetings

- Prepare a budget at the beginning of every year & monitor income & expenses to the budget.
- Ensure financial obligations are able to be met each month.
- Profit & Loss, Balance Sheet, Bank Reconciliation to every meeting.
- Make bank statements available to all.
- At least two people to count cash & make sure banking happens quickly!
- Never sign blank cheques.

Managing Financial Risk

- Understand where financial risk lies in your club & address them in a systematic way.
- Money should be spent on appropriate things for the benefits of members.
- Consider using pre-paid Visa cards for managing cash or covering volunteer expenses.
- Electronic banking, use of mobile EFTPOS machines or phone apps can all reduce cash handling and while there may be some associated costs, it could dramatically reduce risk of theft or fraud.
- Track your finances year on year and look for strange trends or transactions.
- Be open & friendly about sharing financial reports & documents
- Be prepared to ask some tough questions about money in meetings
- Never respond to emails asking for bank details or approvals .. Only ever log on to your bank to approve payments
Questions