

Internal Control Considerations for:
Voluntary Organisations Small Incorporated Entities

1. All income and expenditure items should be individually detailed in the minutes or in a financial report which is appended to the minutes and passed at Committee or General Meetings and these minutes made available to the Auditor.
2. (a) Where possible, segregation of duties should be followed so that situations are avoided where one person carries out all financial transactions and/or is responsible for the recording and filing of the invoice/documentation and completed the banking of funds or the payment of accounts.
(b) Also avoid the situations where only one person is responsible for/capable of carrying out a particular function (only one person knowing how to operate computer, make a report/roster etc).
3. All monies received should be receipted in a pre-numbered receipt book. When the monies are then deposited in the bank, notations can be made to show that the bank deposit represents receipt numbers 45 to 36 etc.
4. A bank reconciliation should be carried out each month and shown in the cash book. If the account does not reconcile, write a note explaining why.
5. Paying expenses direct from cash received should be avoided for record keeping purposes and general safety of fund, 100% of cash received should be deposited and then cheques drawn to pay any expenses (or use petty cash book for small items).
6. (a) All invoices relating to the substantiations of cash or cheque payments should be kept and:
 - Filed in an orderly manner
 - Adequately cancelled and signed by person/s approving payment
 - Notated with the date and cheque number of the payment.

(b) For larger organisations these invoices should be periodically reviewed by an "Independent Person" to check for purchases which may be "out of character" with the organisations activities.
6. Fundraising reconciliations should be carried out i.e. reconcile number of tickets sold to those on hand, the difference being the raffle proceeds, door taking, etc. If X tickets are sold, then Y represents the costs, then where is the profit.
7. Ensure that two (2) signatures are required on all cheques e.g. Treasurer, President, Secretary.
8. If the organisation acquires a significant value of assets then a register of these assets should be maintained and:
 - Checked periodically to ensure the assets are still physically on hand (particularly if moveable items).
 - Used as a record for noting repairs and maintenance, pest control checks, workplace health and safety requirements and other useful information.

Each year the auditor will require:

1. Bank statements, passbooks, term deposit notices for all accounts used by the club/company during the past year.
2. Reconciled cash book.
3. Copy of minute book
4. Details/reconciliation of fundraising activities
5. Invoice files.