



# **TREASURERS HANDBOOK FOR WORSHIPPING COMMUNITIES**

## CONTENTS

<b>1</b>	<b>GENERAL CONSIDERATIONS .....</b>	<b>4</b>
<b>2</b>	<b>THE PARISH TREASURER .....</b>	<b>4</b>
2.1	General .....	4
2.2	Appointment & Qualifications.....	5
2.3	Role & Responsibilities .....	5
<b>3.</b>	<b>FUNDS OF ECCLESIASTICAL DISTRICTS .....</b>	<b>6</b>
<b>4.</b>	<b>RECORDS &amp; REPORTING .....</b>	<b>6</b>
4.1	Financial Records .....	6
4.2	Financial Reports .....	6
4.3	Permanent Records .....	7
4.4	Retention of Records.....	7
<b>5.</b>	<b>RECEIPTS .....</b>	<b>7</b>
5.1	Offerings .....	7
5.2	Other Income.....	8
<b>6</b>	<b>PAYMENTS .....</b>	<b>8</b>
6.1	General .....	8
6.2	Stipend Remittances.....	9
6.3	Other Remittances to Diocese.....	9
6.4	Worshipping Community Contributions - Assessments.....	10
6.5	Mission Payments.....	11
<b>7.</b>	<b>PAYG.....</b>	<b>11</b>
<b>8.</b>	<b>ASSET REGISTER .....</b>	<b>12</b>
<b>9.</b>	<b>AUDIT BY AUDITOR OR INDEPENDENT EXAMINER .....</b>	<b>12</b>
<b>10.</b>	<b>ANNUAL FINANCIAL RETURNS .....</b>	<b>13</b>
<b>11.</b>	<b>THE ANNUAL MEETING OF PARISHIONERS.....</b>	<b>13</b>
<b>12.</b>	<b>BUDGET .....</b>	<b>13</b>
<b>13.</b>	<b>BORROWINGS .....</b>	<b>14</b>
<b>14.</b>	<b>LEGACIES AND BEQUESTS .....</b>	<b>15</b>
<b>15.</b>	<b>INCOME TAX .....</b>	<b>15</b>
15.1	Income Tax Exemption .....	15
15.2	Deductible Gift Recipients.....	15

<b>16.</b>	<b>GST .....</b>	<b>15</b>
16.1	Taxable Supplies .....	16
16.2	Tax Invoices .....	16
16.3	GST-free supplies .....	17
16.4	Input-taxed supplies .....	17
16.5	GST Religious Groups.....	18
<b>17.</b>	<b>AUSTRALIAN CHARITIES AND NOT FOR PROFIT COMMISSION .....</b>	<b>18</b>
<b>APPENDIX A .....</b>	<b>Guidelines to Assist Auditors/Independent Examiners of Worshipping Community Accounts</b>	<b>19</b>

Legend

*Statute – The Ordering of Worshipping Communities Statute*

*Trustees – The Perth Diocesan Trustees*

INFORMATION IN THIS HANDBOOK IS REGULARLY UPDATED

UP TO DATE VERSIONS ARE AVAILABLE BY VISITING [www.perth.anglican.org](http://www.perth.anglican.org)

## **1 GENERAL CONSIDERATIONS**

- 1.1** There are certain basic differences between commercial accounting and accounting for churches –
- (a) in the church, money is only a means to an all-important end. The aim is to marshal and utilise resources in the most effective way. This differs from business, where the aim is to show a profit.
  - (b) Assets such as buildings and land are not normally considered as realisable assets. They are not part of “capital” which is bought and sold or used to produce profits.
- 1.2** Worshipping Community accounts should be kept in such a way as to provide for –
- (a) Control – to ensure
    - (i) all transactions are clearly and accurately recorded;
    - (ii) all income due to the Worshipping Community is paid into the parish bank account;
    - (iii) payments are properly authorised and supported by adequate documentation;
    - (iv) funds given for a particular cause are correctly utilised for that cause.
  - (b) Information – to ensure that adequate information is readily available to the Parish Council as to the financial position of the Worshipping Community.
  - (c) Reporting – to ensure that the accounts are kept in such a way that an accurate statement can be prepared for the annual meeting and the accurate completion of returns or statements required by the Diocese and regulatory authorities.

## **2 THE PARISH TREASURER**

### **2.1 General**

The ministry that a treasurer offers a Worshipping Community is a vital one and it is fundamental to the effectiveness of the church’s mission in that area. Without good stewardship of the financial resources of the Worshipping Community, it will be severely restricted in what it can do.

The Treasurer will desirably be a person who is very much involved in the life of the Worshipping Community, particularly its vision for the future and the financial implications of that vision.

The Treasurer, along with the other members of Parish Council, has to be in a position to be able to appreciate the church's needs and resources, and to know that needs and resources are not only measured in money terms. The needs of the church include the need to proclaim the Gospel to the whole world. The resources of the church can be defined so as to include the abilities and depth of commitment of the church members and supremely in terms of the infinite resources of God, who calls us, and who enables us to respond to his call.

The treasurer is a vital person to the health of every Worshipping Community, and the debt which the church owes to the devoted service of its many thousands of treasurers is known to God alone.

## 2.2 Appointment & Qualifications

The treasurer is appointed by the Parish Council from amongst its own number under Section 42.2(c) of The Ordering of Worshipping Communities Statute 2007 <http://www.perth.anglican.org/wp-content/uploads/2015/10/Ordering-of-Worshipping-Communities-Statute-2007-PAGE-199.pdf> (the Statute). While the Treasurer does not necessarily have to be a qualified accountant or a trained bookkeeper he or she would need to like and be comfortable with figures.

The appointment of a Treasurer is one of considerable importance to the effective working of a Parish Council so careful consideration needs to be given to the selection of the right person prior to any meeting at which appointments will be made.

Normally the Treasurer would have at least some of the following qualities:

- methodical and precise in recording and providing information on funds received and expenditures incurred, budgeting and preparation of financial statements;
- timely in ensuring prompt banking of all moneys and payment of accounts and other commitments subject to approval by the Parish Council;
- able to think ahead, foresee problems and to suggest clear ways for the Parish Council to deal effectively with its financial resources and to rise to any financial challenge;
- able to present a realistic picture of the Worshipping Community's financial position

## 2.3 Role & Responsibilities

The Parish Council as a whole is charged under the Statute with the responsibility of managing and overseeing the financial resources of the Worshipping Community. Section 66 of the Statute stipulates that the Parish Council must ensure that:

- (a) adequate financial records are maintained to correctly record and explain the financial transactions and financial position of the Worshipping Community;
- (b) a satisfactory system of internal control is maintained that must include effective financial management, safeguarding of assets and segregation of duties.

The duties of the treasurer as defined in section 67 is primarily of keeping such accounts as the Parish Council determines and ensuring the annual accounts are rendered as required by section 64.1(i). To properly carry out these duties a treasurer would have to see that the income of the Worshipping Community is regularly paid into Worshipping Community's funds and is accounted for properly, ensure that the bills and accounts of the Worshipping Community are paid in time with proper documentation, and provide timely and relevant financial information to Parish Council.

The role of the treasurer does not involve policy making powers about what expenditures are appropriate for the Worshipping Community – that is the role of the whole Parish Council but the treasurer does contribute to that as one member of Parish Council.

Sections 64.1 (i) of the Statute provides that accounts be made up and closed on 30 April each year and that the duly audited/examined statements and a budget for the ensuing financial year are laid before the annual meeting of parishioners and a copy forwarded to the Diocesan Registrar.

These accounts form the basis for preparation of annual financial returns to the Diocese.

### **3. FUNDS OF ECCLESIASTICAL DISTRICTS**

Section 65.2 of the Statute highlights the requirements to lodge funds with the Anglican Community Fund (ACF) for day to day running of Worshipping Community's accounts.

Section 65.3 emphasises the fact that surplus funds of an ecclesiastical district must also be deposited with the Anglican Community Fund in the name of the ecclesiastical district. This also relates to legacies and bequests received by Worshipping Communities subject to specific trusts.

Section 65.6 highlights the need for two signatories for withdrawals from bank accounts who must be either churchwardens or members of Parish Council.

### **4. RECORDS & REPORTING**

#### **4.1 Financial Records**

The Worshipping Community should maintain adequate financial records. These could be a computerised accounting package, spread sheets or manual books of account but the following key features should be present:

- (a) the records maintained should be appropriate for the purposes of accurately recording the Worshipping Community's income and expenditure taking into account the frequency, size and complexity of the Worshipping Community's transactions.
- (b) the records should be maintained on a timely basis with bank reconciliations carried out at least monthly for all Worshipping Community accounts.

#### **4.2 Financial Reports**

The Parish Council should be provided with financial reports for consideration at each of its regular meetings. Typically, depending on the composition of each Council such reports could include:

- (a) income and expenditure account for the previous month and year to date and perhaps comparison with budget and/or the previous financial year and comments on significant variations.
- (b) copy of bank statements since the previous meeting and bank reconciliation.
- (c) summary of outstanding accounts and commitments.

Treasurers should ensure that in their monthly report to Parish Council they also invite any questions that other members may have and respond to them fully. If information is sought that is not at hand a commitment should be given to follow up and report back on that information. Treasurers should expect that members of Parish Council may have questions and encourage them to feel the freedom to ask them.

Parish Council members in turn should always feel free to exercise their right to have the financial information needed to carry out their responsibilities to ensure that the Worshipping Community's financial resources are well managed.

The annual financial statements must be prepared and audited/examined on a timely basis as required by the Statute.

#### **4.3 Permanent Records**

Certain information of a permanent nature and a check-list diary of matters which need attention at particular times of the year should be maintained either in a book or on computer. Such a record would greatly simplify the task of handing-over and taking-over the treasurers position, as well as being a useful aid to the person who has compiled it.

This would contain such information as:

- name and address of bank;
- full title(s) and account number(s) of Worshipping Community accounts;
- details and whereabouts of investment documentation, loan documents, etc;
- names and addresses of persons authorised to sign cheques drawn on Worshipping Community accounts (or as signatures online);
- how many signatures are needed on cheques (or for online);
- name and address of auditor/independent examiner
- names and address of stewardship recorder (if any);
- names and addresses (and telephone numbers) of diocesan personnel whom it has been found useful to consult indicating the subject matters for each person;
- names and addresses of charities customarily supported by the Worshipping Community;
- copies (with dates) of any relevant Parish Council minutes authorising opening of bank accounts or relating to treasurer's procedures, etc;
- details of any items held in safe custody by the bank;
- details (with amounts and due dates) of any periodical payments made by the bank.

#### **4.4 Retention of Records**

For tax purposes, Worshipping Communities must keep records for at least 5 years after the completion of a transaction or the acts to which the records relate. For example, a lease agreement for 5 years cannot be destroyed until 5 years after the lease has expired. These records would include tax invoices, receipts, bank deposit slips, bank statements, cheque stubs, estimates, calculations etc.

However, it is recommended that all cash books and ledgers (whether computerised or manual) should be kept permanently. The current ones and the immediate past ones will be needed for use and reference while the older ones should be kept in the church safe or other place of custody.

### **5. RECEIPTS**

#### **5.1 Offerings**

Offerings at services should as far as possible be counted by at least two people who should record their count in the Worshipping Community register and initial same.

There should be adequate procedures for the physical security of monies between receipt and banking. This could include:

- (a) removing the offering from the worship area before the congregation begins to move after the service.
- (b) counting the offering in a locked room. Not allowing visitors into the room during counting.
- (c) locking the money up in a safe. If the church does not have a safe in the Church, a responsible officer should take the offering from the premises after worship. Never leave the offering at the church when unattended other than in a locked safe.
- (d) depositing the offering at the Bank at the first opportunity. Night safe facilities are available and should be considered by Churches with large weekly offerings.

To the extent practical, there should be adequate segregation of duties between persons receiving monies on behalf of the Worshipping Community (e.g. the counters), those depositing monies into the bank and those maintaining the accounting records.

There should be procedures for ensuring all monies are promptly banked intact [eg. a person independent of the persons responsible for counting or banking may agree counters' records to bank deposit slip or bank statements]. Cash receipts should not be used for making any payments.

## **5.2 Other Income**

Adequate controls shall be established over the handling of other receipts (e.g. fund raising) particularly where cash is received, with a view to ensuring such monies are receipted and banked at the earliest opportunity but at least within a week of receipt.

Any income which is subject to GST should be identified and the GST recorded for subsequent recording on the BAS.

## **6 PAYMENTS**

### **6.1 General**

Two signatories should be required for all cheques and withdrawals. This is mandatory in terms of the Statute section 65.6. Signatories should never sign blank cheques.

All payments should be supported by proper documentation such as suppliers' invoices, Diocesan correspondence, statements or invoices etc which should be sighted and initialled by signatories at the time of signing cheques or withdrawals.

As far as possible all payments should be made by cheques crossed "Not Negotiable" or payments made online. The Anglican Community Fund will if requested, provide cheque books pre-printed with a "Not Negotiable" crossing. Where a float is required for minor cash payments (for example in connection with a Worshipping Community fete), a cash cheque may be drawn. The recipient of the float should provide invoices, receipts etc supporting payments made and return any balance float monies as soon as the event is completed.

Significant payments of an unusual or non-recurrent nature should be approved by the Parish Council.



There should be adequate controls in place to ensure payments are not duplicated, e.g. invoices are marked "Paid" and the cheque number and date noted thereon.

Adequate procedures should be instituted for recording of the GST input credits recoverable, ensuring that the relevant tax invoices have been received.

Worshipping Communities who employ staff directly and have their own PAYG registration are required to have adequate payroll records.

## **6.2 Stipend Remittances**

Stipends, allowances, salaries and honorariums of all Worshipping Community clergy and lay staff in excess of \$75 need to be paid through the Diocesan payroll. No such payments should be made directly by a Worshipping Community to a member of the clergy or a lay employee.

Treasurers are sent a schedule of the monthly remittance required for their Worshipping Community clergy stipends, allowances, superannuation and long service leave from 1 January each year, being the effective date at which clergy stipends and allowances are reviewed by Diocesan Council. Should any changes occur between these periods (e.g. due to a change from part time to full time ministry), a revised schedule will be prepared and sent to Treasurers. Where the Diocese pays lay employees, details of the amounts to be remitted by the Worshipping Community in respect of their employees are also included on the schedule.

A Remittance Form (available from Diocesan Office) should accompany all remittances. All the items shown on this form may still be paid by a single cheque made payable to The Perth Diocesan Trustees.

All clergy and staff are paid centrally from Diocesan Office on the 15<sup>th</sup> of each month for that calendar month and remittances covering these stipends should be received at Diocesan Office no later than this date.

Facilities are available for Worshipping Communities if they so wish, to pay monies due for stipends, allowances and associated costs (in accordance with the current remittance schedule applicable to the Worshipping Community) and also fixed assessment payments (see Method B in paragraph 6.4 below), by direct debit, (if the direct debit option is selected please contact the Finance Department for the relevant authority). If the Worshipping Community opts for this method of payment, cheques to Diocesan Office will be required only to pay non-fixed assessment instalments and other infrequent invoices (see 6.3 below).

## **6.3 Other Remittances to Diocese**

From time to time Worshipping Communities will receive invoices for:

(a) Insurance premiums.

Insurances are arranged centrally through the Anglican National Insurance Program (except for workers compensation insurance) based on information on insured values received from Parishes. The premiums are invoiced to Worshipping Communities by Diocesan Office.

(b) Copyright licences.

The Diocese pays the licence fees relating to Australian Performing Rights Association (APRA), Copyright Agency Ltd (CAL) and Christian Copyright Licensing International (CCCI) and advises the Parishes of their share of the licence fees.

(c) Anglican Messenger supplies

(d) Diocesan Resource Centre supplies

Payment in respect of the above charges and any other invoices such as for the cost of Synod meals or Year Books may be made by inclusion on the Remittance Form referred to in paragraph 6.2.

#### 6.4 Worshipping Community Contributions - Assessments

Contributions from Worshipping Communities by way of assessment is the major source of Diocesan Council's income and is used to fund the mission of the Diocese including Worshipping Community grants, chaplaincies, youth ministry, theological and religious education and professional standards.

The Synod Assessment Determination provides that all Worshipping Communities make contributions to the Diocese based on the Worshipping Community's current working income less a standard deduction, commercial income and other deductions allowed by the Determination. For the current financial year two significant changes have occurred with regards to the Assessment calculations.

a) From the 1 May 2013, income shall be separated into two categories, being, Commercial Income and Current Working Income.

- *Commercial Income* is defined as rent and other income (net of operating expenses) from **commercial** properties (eg industrial, office, retail). The income earned from such activities (net of operating expenses relating specifically to the commercial income) shall be assessed at 35% and shall not have the standard deduction applied to it.
- *Current Working Income* relates to all other income which does not fall into Commercial Income i.e. is not earned from commercial properties. The income in this category will be assessed at 15% and the standard deduction will be applied to this income.

b) The Standard Deduction has increased from \$10,000 to \$15,000 for the financial year ended 30 April 2014. The Standard Deduction shall be applied to the "Current Working Income Component" of the Assessment.

The Determination stipulates that the contribution shall be paid in monthly instalments. There are two methods by which a Worshipping Community might calculate the monthly instalments for remittance to the diocese.

Method A is based on an actual assessment calculation of working income of the preceding month less the standard deduction at \$1,250 (one-twelfth of \$15,000) and other allowable deductions at 15% plus any net commercial income at 35%.

Method B is based on one-twelfth of budgeted annual working income less standard and other allowable deductions at 15% plus any net commercial income at 35%.

At the end of each year, following submission of the Worshipping Community's annual financial returns, the actual contribution due for the year is calculated and any adjustment made by either payment of the balance due or crediting any overpayment to the following year's contribution.

Details of income attracting assessment and certain non-assessable income items and deductible expenditure are set out in The Assessment Statute.

Assessment dues should also be included with monthly remittances mentioned in 6.2 above indicating which month the assessment remittance applies to.

Any overdue assessment payments can also attract interest at the overdraft rate applicable to the diocese. However, arrears are not determined until after receipt of the Worshipping Community Annual Financial Returns and interest will not apply till after 1 November of each year following notification to Worshipping Communities of their standing as regards assessments due to the diocese and allowing one month's grace from the statutory date of 30 September.

## **6.5 Mission Payments**

Payments to missions and charitable bodies must be made directly to those bodies, eg. Anglican Board of Mission (ABM), Church Missionary Society (CMS), Bush Church Aid, Council of Churches (Christmas Bowl), Parkerville Children & Youth Care, St Bartholomew's House, Anglicare, Anglican Homes, National Home Mission Fund, etc. Addresses of these organisations are listed in the Year Book.

## **7. PAYG**

In terms of PAYG (pay as you go) regulations, anyone carrying on an enterprise should quote their Australian Business Number (ABN) in relation to goods or services they supply to the Worshipping Community. If the supplier does not quote their ABN, the general rule is that the Worshipping Community must withhold 48.5% from the payment to the supplier and send the withheld amount to the Australian Taxation Office (ATO). In this case the Worshipping Community needs to register with the ATO as a PAYG withholding tax entity. The withholding of 48.5% of the payment is not required if:

- the payment is to the supplier for an amount of \$75 or less, excluding GST;
- the payment is made to an individual under the age of 18 years where the payment does not exceed \$120 per week; or
- the supplier provides a completed Statement by a Supplier to the Worshipping Community. A Statement by a Supplier need only be obtained once from the supplier provided the supplier is carrying on the name type of supply.

To minimise compliance costs it is suggested that the Worshipping Community only deals with suppliers who have an ABN.

Similarly, as any stipends, allowances, salaries or honorariums exceeding \$75 payable to clergy or lay employees are subject to PAYG withholding regulations, no such payments should be made directly by a Worshipping Community to a member of the clergy or a lay

employee. It should be noted that all contracts for employment are to be prepared in consultation with the Diocesan Personnel Consultant and signed by the Diocesan Secretary on behalf of The Perth Diocesan Trustees.

Stipends/salaries of such staff are paid through the Diocesan payroll, and Worshipping Communities then remit these amounts (and any related superannuation where applicable) to Diocesan Office on a monthly basis as set out in 6.2 above.

## **8. ASSET REGISTER**

An adequate record of the Worshipping Community's assets should be maintained. Typically such records could be a register in which the description, date of purchase, supplier and cost of Worshipping Community assets over a certain value are recorded.

## **9. AUDIT BY AUDITOR OR INDEPENDENT EXAMINER**

Section 21 of the Statute provides that the Worshipping Community auditor/independent examiner are appointed at the annual general meeting of parishioners. Section 21 also outlines that if the current working income exceeds \$250,000 then there must be an Auditor, and if the current working income does not exceed \$250,000 then an Independent Examiner can be appointed instead.

The auditor/independent examiner cannot be a member of the Parish Council and an independent examiner should have some experience in book-keeping or accounting.

Section 68 of the Statute sets out the Auditor's/Independent Examiner's duties which in summary are to examine the annual accounts and report to the annual meeting on whether the accounts give a true and fair view of the Worshipping Communities income and expenditure for the financial year and its financial position at the year end and report any irregularities to the Diocesan Council and annual meeting of parishioners. Section 64.1(i)(i) states that accounts be made up to 30 April in each year and that the duly audited/examined statement of income and expenditure and a statement of assets and liabilities (or at least a statement of uncollected revenue and outstanding liabilities) be laid before the annual meeting of parishioners.

As soon as the books for the year have been closed, the treasurer will need to send or take to the auditor/independent examiner all the papers that will be needed in order to carry out the audit/examination. This will include:

- a) A receipts and payments account and statement of outstanding debtors and creditors (if accounts are on a cash basis) or income and expenditure account and balance sheet (if accounts are on an accruals basis);
- b) the accounting records eg ledgers, cash books, journals etc whether computerised or manual;
- c) tax invoices, receipts, cheque stubs and other documentation supporting payments made;
- d) counters' records, deposit books and other documentation supporting receipt of monies;
- e) bank statements, deposit account statement, interest statements, statements from Diocesan Office etc.

When the auditor/independent examiner is satisfied that the accounts are correct and complete, and in accordance with the vouchers and receipts examined, he or she will sign an audit/examination report. Auditors/independent examiners are independent and free to carry out whatever audit procedures they deem necessary in each Worshipping Community's circumstances. Should they do, they may obtain some useful information from the "Guidelines for Worshipping Community auditors/independent examiners" included in Appendix A.

The audited/examined accounts are then presented to the annual meeting of parishioners. The Parish Council will have seen copies of these accounts and should have discussed them and their implications with the treasurer at a meeting between the end of the financial year and the public presentation of the accounts. The Parish Council should formally adopt the accounts for presentation to the annual general meeting.

Any weaknesses in the Worshipping Community's system of accounting and internal controls which came to the auditors/independent examiners notice in the course of the audit/examination together with any recommendations for improvements should be included in a letter to the Parish Council.

Any irregularities should be reported to the Diocesan Council and the Annual Meeting.

## **10. ANNUAL FINANCIAL RETURNS**

A blank financial return and supporting notes are circulated to all treasurers in April each year and are required to be completed by 31 July and returned to Diocesan Office. The return needs to be accompanied by a copy of the Worshipping Community's accounts for the financial year and a budget for the following year. It is emphasised that these returns should not be held up if audit certificates/independent examination are not available as this could follow at a later date.

## **11. THE ANNUAL MEETING OF PARISHIONERS**

The presentation of accounts by the treasurer at the annual meeting is governed by Section 64.1 (i)(i) of the Statute.

The statement should show all moneys received and expended by or on behalf of the Worshipping Community during the preceding year to 30 April and a statement of the assets and liabilities of the Worshipping Community. Statements should be certified as correct by the treasurer and the auditor/independent examiner, together with a report by the treasurer setting out the budget of the Worshipping Community in the following year.

## **12. BUDGET**

Parish Council needs to prepare a realistic budget for a year knowing the pattern of income and expenditure in the previous year.

The budget would normally be drafted by the treasurer and probably discussed with the rector and the committees of Parish Council before going to the full Parish Council and should reflect the mission priorities of the Worshipping Community. The budget should

ideally also make an appropriate allocation for long term maintenance of buildings e.g. a certain amount could be put aside each year into a special account to prepare for major repair items such as re-carpeting and repainting of buildings

If the receipts and payments cannot balance without budgeting for a deficit, this must be resolved. Providing there are reserves, which can be called upon, a small deficit in one year is tolerable; but unless there are exceptional reasons, to budget for a deficit is unwise. It means that the parish plans to spend money it does not expect to receive. In that case, expenditure must be contained until such time as income improves, and the budget should reflect this.

A budget should be regularly monitored over the course of the year and a supplementary budget may be considered if it becomes obvious that the budget expectations are not being met.

### **13. BORROWINGS**

From time to time Worshipping Communities need to borrow money for a capital purpose such as a new building or a major renovation.

Any project requiring borrowings needs to be carefully costed and preliminary figures from the Anglican Community Fund regarding interest rates, repayment terms etc need to be obtained.

There needs to be a clear resolution by Parish Council to proceed and if appropriate, consultation with Worshipping Community members.

It is important to note that a Worshipping Community is not an incorporated body and must therefore make an application to Diocesan Council and the Trustees to borrow money. In effect, the Trustees are the borrower notwithstanding that a Worshipping Community is responsible for the repayment of a loan.

Once the decision to borrow is taken by Parish Council, the Worshipping Community should contact the Archdeacon to commence the approval process. The Worshipping Community also needs to submit a five year budget to demonstrate that it will be in a position to meet the interest and repayment commitments in respect of the borrowings. This budget has to be reviewed by the Director of Finance who, if satisfied, will report to the Diocesan Secretary on the Worshipping Community's ability to meet the loan commitments. Refer to Policy 30 – Borrowing Guidelines on the Diocesan Website at [www.perth.anglican.org/wp-content/uploads/2015/11/Policy-30-Parish-Borrowings.pdf](http://www.perth.anglican.org/wp-content/uploads/2015/11/Policy-30-Parish-Borrowings.pdf)

Where the loan amount is more than \$50,000 approval will need to be considered by Diocesan Council. Once the loan has been approved by the Regional Archdeacon, Bishop and Diocesan Secretary as delegates of Diocesan Council or DC the application will be referred to the Trustees for their approval.

## 14. LEGACIES AND BEQUESTS

Any legacies or bequests identifying Worshipping Communities as beneficiaries, and subject to specific trusts, must also be deposited with the Trustees. These monies are invested in the Trustees' Pool at rates determined from time to time and administered in terms of the particular trust. Legacies of a general nature may be retained for use by the Worshipping Community. However details of any bequests or legacies received directly by a Worshipping Community must be notified to the Diocesan Trustees via the Diocesan Secretary. It should be noted that unless the will specifies that the bequest is to be used for a specific purpose, the bequest would form part of the Worshipping Community's working income and be subject to assessment.

## 15. INCOME TAX

### 15.1 Income Tax Exemption

The Anglican Diocese of Perth and each Worshipping Community are eligible to be exempt from income tax. However, to achieve this exempt status, a Worshipping Community must apply to the Australian Charities and Not-for-profit Commission (ACNC)/Australian Taxation Office (ATO). Every Worshipping Community that has this exemption will need to hold an endorsement for income tax charitable entity (ITEC) and be registered as a charity with ACNC.

### 15.2 Deductible Gift Recipients

Generally donations to either a Worshipping Community or Diocese do not qualify for income tax deductibility in the hands of the donor. Only donations to special appeals or charitable bodies which have received endorsement from the ATO/ACNC as Deductible Gift Recipients for this purpose will qualify (eg. Archbishop's Appeal for Anglicare, Parkerville Children's Home, St Bartholomew's House). It should be noted that donations to these bodies must be made direct to them and **NOT** through Diocesan Office.

Tax deductions may also be available where extensions to Worshipping Community buildings are used for education purposes. If a Worshipping Community is considering such extensions, it is important that endorsement from the ACNC/ ATO be obtained prior to advising prospective donors that donations will be tax deductible.

## 16. GST

The Good and Services Tax (GST) introduced from 1 July 2000 is complex, particularly for Religious Institutions, and will require much attention by Wardens and Treasurers. The complexity arises as each activity requires consideration of the opportunities provided by the application of GST.

GST is a broad-based 10% tax on most supplies of goods and services in Australia.

The general rules, or starting point is that if a Worshipping Community receives income from any source, including barter transactions, it needs to consider whether the transaction is subject to GST. If the Worshipping Community should have charged GST, but

did not, the Worshipping Community must still forward 1/11<sup>th</sup> of the funds received to the Australian Taxation Office (ATO). The liability remains with the Worshipping Community, even if it does not collect the GST.

## 16.1 Taxable Supplies

GST is only charged on taxable supplies. To be a taxable supply, on which a Worshipping Community must remit GST, the following criteria must be met:

- The Worshipping Community must be GST registered,
- There must be a supply of goods and services,
- The supply must be connected with Australia,
- There must be consideration paid or payable by the buyer,
- The supply must not be GST Free, and
- The supply must not be input taxed.

Most goods and services supplied in Australia by a registered business will be taxable supplies. Certain Worshipping Community transactions, the most common of which are offerings, donations, proceeds of bequests, payment of stipends, wages, allowances, superannuation and long service leave are not subject to GST.

Worshipping Communities registered for GST will generally charge 10% GST when making a taxable supply. Worshipping Communities will also be charged GST by suppliers on goods and services purchased. The difference between the GST charged on supplies made and GST paid on purchases is reported to the ATO on a Business Activity Statement (BAS) on either a monthly or quarterly basis.

Typical taxable supplies of a Worshipping Community would include: (unless for “nominal consideration”)

- Monies received in return for goods and services eg for use of premises,
- Bookshop sales
- Rent from non-residential premises
- Sale of property or equipment, except for the sale of rectories used as residences (other than those properties being sold as residential property for the first time).
- Grants received in order to carry out an agreed activity.
- Hire of Parish Hall

The above are only some examples and Worshipping Communities in doubt whether a particular transaction would attract GST should contact Diocesan Office.

## 16.2 Tax Invoices

In order to claim the GST input tax credits on purchases of goods and services, it is essential that the suppliers provide a tax invoice (except for purchases of not more than \$75). A valid tax invoice for supplies of between \$75 and \$1,000 must contain the following seven features:

- (a) name of supplier
- (b) the words “tax invoice” stated prominently
- (c) the Australian Business Number (ABN) of the supplier



- (d) the date of issue of the tax invoice
- (e) a brief description of each item/service supplied
- (f) the GST inclusive price
- (g) where GST payable is exactly 1/11<sup>th</sup> of the total price, either a statement along the lines of “total price includes GST,” or the GST amount.

For taxable supplies in excess of \$1,000 the tax invoice must include the following three additional features:

- (a) the name of the recipient (i.e. the Worshipping Community)
- (b) the address or the ABN of the recipient
- (c) the quantity of the goods or the extent of services supplied.

### **16.3 GST-free supplies**

If a supply you make is GST-free, then

- you do not charge GST, and
- you can claim input tax credits for GST included in the price you paid for the things you acquired to make the supply.

GST-free supplies include: basic food, exports, sewerage, water, drainage, most education, childcare, and health services.

Activities of churches that are GST-free include:

- religious services such as baptisms, weddings and funerals
- charitable activities provided for no cost
- non-commercial supplies, that is those charged at “nominal consideration”, being for less than 50% of the GST-inclusive market value of the item or less than 75% of the cost of the supply
- supplies of accommodation provided for less than 75% of the market value of the accommodation or less than 75% of the cost of providing the accommodation.
- sale of donated second-hand goods, for example by Opportunity Shops.

### **16.4 Input-taxed supplies**

Input-taxed supplies include most financial supplies, most supplies of residential rent and residential premises and also irregular fund raising activities. If supplies you make are input taxed then:

- you do not charge GST on the supply, and
- you are not entitled to input tax credits for anything acquired to make the supply.

If the Worshipping Community owns a house which it leases to someone else, the Worshipping Community will not have to pay GST on the rent received, however, the Worshipping Community will not be able to claim an input tax credit for the GST on any goods and services purchased for the purpose of making the supply. Therefore, the Worshipping Community will not be able to claim a credit for GST charged by an estate agent or his management fees, or charged when maintenance work is carried out on the residence.

Similarly Worshipping Communities may avail themselves of the concession which allows supplies in connection with irregular fund raising events to be input taxed. Such events

include fetes, balls, gala shows, dinners, performances or similar events, provided that such events do not form part of a series or regular run of events. The decision by the Worshipping Community to avail themselves of the concession should be recorded with justification in the Parish Council minutes. An example of such a minute is available from Diocesan Office.

## **16.5 GST Religious Groups**

The following rules apply to members of the National Anglican GST Religious Group:

- members of the group report individually to the ATO i.e. lodge business activity statements individually;
- no GST on transactions between group members;
- group members have reporting periods of their choice (depending upon turnover);
- liability to GST rests with individual members of the group; and
- all group members must be registered for GST and hold an Endorsement as an Income Tax Exempt Charitable Entity (ITEC).

It is important to note that the provisions relating to GST Groups are more flexible than the standard group provisions.

In practice this means that any transactions between members of the GST Religious Group will not be subject to GST. For example transactions between a Worshipping Community and the Diocese, between Parishes, and between Worshipping Communities and certain Anglican entities, who are members of the group are not subject to GST.

## **17. AUSTRALIAN CHARITIES AND NOT FOR PROFIT COMMISSION**

Significant development has occurred in the current year with regards to the ACNC and their reporting requirements for all charities.

Each Parish and other entities under the Anglican Diocese of Perth were registered with the ACNC and a "Substitute Accounting Period" applied for. This is as a result of the Diocese having a 30 April year end while the ACNC assumes that entities will have a 30 June year end.

The ongoing reporting requirements of Charities have been defined by the ACNC and can be found on their website.[www.acnc.gov.au](http://www.acnc.gov.au)

The first reporting requirement applicable to the Diocese will be the 31 October 2014 when the Annual Information Statements (AIS) will need to be submitted. In order to streamline the process, the Diocese will be providing the ACNC with bulk submission of the information required. In order to perform the bulk mission, the Diocese will require certain information to be provided by the Parishes. The Annual Financial Return to be completed by 31 July 2014 for the year ended 30 April 2014 will contain an additional section to be completed by the Parishes which will enable the Diocesan Office to complete the bulk AIS lodgement with ACNC.

## APPENDIX A

### ANGLICAN DIOCESE OF PERTH

#### GUIDELINES TO ASSIST AUDITORS/INDEPENDENT EXAMINERS OF WORSHIPPING COMMUNITY ACCOUNTS

##### **1. BACKGROUND TO AUDIT/EXAMINATION REQUIREMENTS**

- 1.1** The Ordering of Worshipping Communities Statute (the Statute) of the Anglican Diocese of Perth (section 21) provides that every Parish shall have an auditor/independent examiner, who **shall not be** a member of the Parish Council and who shall be elected annually by the Annual Meeting of Parishioners or appointed annually by the Parish Council. The Statute provides that in the event of a vacancy in the office of auditor/independent examiner due to death, resignation or failure to act, the Parish Council has the power to fill the vacancy. The Statute also allows for a firm of auditors to be appointed.
- 1.2** While the Statute does not prescribe any qualifications required by a Worshipping Community auditor/independent examiner, it does state that suitable experience in book-keeping or accounting.
- 1.3** Section 68 of the Statute sets out the duties of auditors/independent examiners which are:
- (a) to examine the annual accounts and report to the Annual Meeting giving an opinion on whether the accounts give a true and fair view of the Worshipping Community's income and expenditure for the financial year and its financial position at the end of the year; and
  - (b) to report to the Diocesan Council and to the Annual Meeting anything that the Auditor/Independent Examiner considers to be irregular or illegal in the expenditure.
- 1.4** The duties of the Treasurer of a Worshipping Community (section 67) include the requirement to render audited/examined statements of account to 30 April in each year to the Annual Meeting of Parishioners. Section 29.1 of the Statute specifies that the Annual Meeting be held during the months of May or June.
- 1.5** The minimum requirements for the accounts as specified in section 64.1(i)(ii) of the Statute are statements of income and expenditure and a statement of uncollected revenue and outstanding liabilities including bank loans. In addition a statement of cash/bank balances at the yearend should be included along with a budget of anticipated income and expenditure for the ensuing financial year.
- 1.6** A copy of the audited/examined statements are also required to be forwarded to the Diocese [Section 64.1 (i) (iii) p 220].
- 1.7** In most instances, Worshipping Community accounts are prepared on a receipts and payments basis with significant debtors and creditors at year end disclosed by way of notes. These guidelines therefore assume the preparation of accounts on this basis and

auditing/examining procedures will have to be modified in the cases of those Worshipping Communities who operate their accounts on an accruals basis.

## **2. RECORDS**

### **2.1 Consider the adequacy of the Worshipping Community's financial records.**

In particular consider:

- (a) whether the records maintained are appropriate for purposes of accurately recording the Worshipping Community's income and expenditure taking into account the frequency, size and complexity of the Worshipping Community's transactions.
- (b) the frequency and timeliness with which the records are updated.
- (c) the frequency and adequacy of financial reports provided to the Parish Council.  
Typically such reports would include:
  - (i) income and expenditure account for the previous month and year to date and perhaps comparison with budget and comments on significant variations.
  - (ii) bank statements and bank reconciliation statements.
  - (iii) summary of outstanding accounts and commitments.
- (d) the processes in place, filing system etc. to retain all accounting records and documentation for at least 5 years.

### **2.2 Peruse the minutes of the Parish Council and relevant sub-committees for the financial year and note any matters of financial relevance.**

## **3. BANK ACCOUNTS**

### **3.1 Background**

All Worshipping Communities operate a cheque account with the Anglican Community Fund ('ACF', Section 65 of The Worshipping Community Statute). Additionally monies in excess of that necessary for the ordinary expenses of a Worshipping Community must also be deposited by the Worshipping Community with the ACF. It is essential that all Worshipping Community accounts are subject to audit/examination.

### **3.2 Control Procedures**

Consider the adequacy of bank reconciliation procedures. Bank reconciliations should be carried out at least monthly for the main Worshipping Community accounts, with other accounts (eg ACF investments) reconciled in the months when there are transactions.

Inquire into reporting procedures. Treasurers' reports to the Parish Council [usually on a monthly basis] should include information on balances of all Worshipping Community accounts.

### **3.3 Audit/Examination Procedures**

Obtain statements for all bank and ACF accounts operated by the Worshipping Community during the year.

Obtain bank reconciliation at year end and check as follows:

- (a) agree bank balance to bank statement.
- (b) agree cash book balance to cash book [or equivalent computerised records].

- (c) agree and trace outstanding cheques and deposit to cash books and bank statements subsequent to year end.

For at least the last month of the year agree entries [cheques and deposits] in cash book to the bank statement. Unmatched items should appear in the bank reconciliation.

Review entries in other accounts e.g. deposit accounts and inquire into any unusual entries.

Review transfers between the Worshipping Community accounts and ensure both sides of the transactions have been appropriately recorded.

Check that the cash/bank balances have been disclosed in the accounts.

## **4. LIABILITIES**

### **4.1 Background**

The Worshipping Community borrowings are in the name of The Perth Diocesan Trustees being the legal entity for the Diocese. Requests from the Worshipping Community for bank loans or interest free loans from parishioners have to be approved by Diocesan Council and The Perth Diocesan Trustees.

Significant liabilities need to be disclosed in the accounts, and where the Worshipping Community operates a receipts and payments system the disclosure would be by way of note.

### **4.2 Audit/Examination Procedures**

4.2.1 Ensure any new bank/ACF loans drawn during the year have received the approval of Diocesan Council and The Perth Diocesan Trustees.

4.2.2 Agree loan repayments to bank statements in a test basis.

4.2.3 Agree outstanding balance at year end to statement and ensure this has been adequately disclosed in the accounts or as a note thereto.

4.2.4 For any parishioner's interest free loans repaid or converted to a donation during the year, check that the parishioner has signed an acknowledgment of discharge.

4.2.5 Check that total parishioner's interest free loans outstanding at the end of the financial year have been disclosed in the accounts or as a note thereto. (note there should be no new parishioner loans as per Policy 12).

4.2.6 If the Worshipping Community has other liabilities outstanding of a significant value at the end of the financial year, check that these are disclosed in the accounts. Where these involve amounts due to the Diocese, e.g. arrears of stipends or assessment contributions, they should be confirmed with Diocesan Office.

## **5. RECEIPTS**

### **5.1 Background**

5.1.1 Income from most Worshipping Communities will consist of collections at the offertory, donations, hall hire, interest and income from fund raising activities [fetes, jumble sales, sausage sizzles, etc.]. Certain Parishes may receive income from rentals, bequests, op shops and grain donations.

5.1.2 Worshipping Communities registered for GST will generally charge or be deemed to have charged 10% GST when making a taxable supply.

Activities of churches that are GST-free include:

- religious services such as baptisms, weddings and funerals
- charitable activities provided for no cost
- non-commercial supplies, that is those sold for less than 50 percent of the GST-inclusive market value of the item or less than 75 percent of the cost of the supply. For example if the Worshipping Community hires out the church hall for less than 50% of the market rate, the supply is GST free.
- supplies of accommodation provided for less than 75 percent of the cost of providing the accommodation.

Input-taxed supplies include most financial supplies, most supplies of residential rent and residential premises and also irregular fund raising activities undertaken by a Worshipping Community.

Transactions between a Worshipping Community and the Diocese, between Worshipping Communities, and between Worshipping Communities and certain Anglican entities, are deemed to be within the 'Anglican GST Group' and are not subject to GST.

### **5.2 Control Procedures**

5.2.1 Consider adequacy of the procedures for recording offertory collections at services. Having regard to the practicalities involved, such procedures could include collections being counted by at least two people who record their count appropriately [eg. in a register or summary which is initialled by the counters].

5.2.2 Inquire into controls over the handling of other receipts particularly where cash is received with a view to ascertaining whether controls are adequate or could be improved.

5.2.3 Inquire into procedures for the physical security of monies [eg. in a safe] between receipt and banking.

5.2.4 Ascertain whether, to the extent practical, there is adequate segregation of duties between persons receiving monies on behalf of the Worshipping Community [eg. the counters] and those attending to banking procedures.

5.2.5 Inquire into procedures for ensuring all monies are promptly banked [eg. Treasurer (or where the treasurer is involved in banking the monies, a person independent of the counting and banking function), may agree counters' records to bank deposit slips or bank statements].

5.2.6 Consider whether GST payable on any income items is being adequately recorded.

### **5.3 Audit/Examination Procedures**

5.3.1 For each major category of income, compare current year figures with budget and previous year and obtain explanations for significant fluctuations.

5.3.2 Collections – In respect of a sample of service collections, check from the offertory records to bank deposit slips and subsequent entry into the cash book to ensure that receipts have been correctly banked.

5.3.3 Check rental income to lease agreements, real estate agents' statements or other correspondence.

5.3.4 Check interest received to advices from bank, ACF or Diocesan Office.

5.3.5 Check receipts from Grain Pool or Wheat Board to relevant remittance advices.

5.3.6 For other categories of income apply relevant audit/examination procedures eg. check to correspondence, counterfoil receipts, etc.

## **6. PAYMENTS**

### **6.1 Background**

6.1.1 All cheques or withdrawals from a Worshipping Community account require the authority of two signatories who shall be churchwardens or members of the Parish Council [the Statute section 65.6].

6.1.2 Stipends, salaries and allowances to clergy and staff are paid through the Diocesan payroll with Worshipping Communities reimbursing the Diocese on a monthly basis. Other payments are usually made direct by the Worshipping Community to suppliers and will generally include GST.

6.1.3 Assessment contributions are to be made monthly to the Diocese in terms of the Assessment Determination which allows Worshipping Communities to make the monthly contribution based on either:

- (a) an actual calculation of the assessment due for the month based on actual income; or
- (b) one-twelfth of the budgeted assessment for the year.

In either case an adjustment for any under or overpayment is made at the end of the financial year following finalisation of the Worshipping Community accounts.

6.1.4 New buildings or improvements to existing buildings need the approval of Diocesan Council and The Perth Diocesan Trustees prior to commencement of the work.

## **6.2 Controls**

6.2.1 Consider adequacy of controls to ensure payments from Worshipping Community accounts are valid. Such controls would include:

- (a) two signatories being required for all cheques and withdrawals.
- (b) all payments being supported by proper documentation such as suppliers' invoices which are presented to signatories at the time of signing cheques or withdrawals.
- (c) Significant payments of an unusual or non-current nature being approved by the Parish Council.

6.2.2 Consider adequacy of controls in place to ensure payments are not duplicated, eg. invoices are marked paid and the cheque number and date noted thereon.

6.2.3 Inquire into procedures for recording of the GST input credits recoverable.

6.2.4 Inquire into the routine for making payments to the Diocese for stipend related costs and assessment contributions.

## **6.3 Audit/Examination Procedures**

6.3.1 For each major category of expenditure, compare figures for current year with budget and previous year and obtain explanations for significant fluctuations.

6.3.2 For payments to the Diocese for stipends and associated costs, check a sample of payments to Diocesan Office remittance schedules which show the breakdown of amounts payable on a monthly basis.

6.3.3 Check payments to suppliers from the cash book on a test basis to suppliers' invoices ensuring:

- (a) the amount on the invoice corresponds to the amount recorded in the cash book
- (b) suppliers' invoices for amounts over \$75.00 disclose the suppliers' ABN
- (c) where GST is included, that the tax invoice complies with ATO requirements and that the GST has been separately recorded in the cash book
- (d) the goods or services paid for represent normal Worshipping Community expenditure
- (e) where relevant, check that appropriate reimbursements have been received, eg. for private telephone calls of clergy.

6.3.4 Check donations or mission payments made by the Worshipping Community to correspondence or minutes of the Parish Council. Where the source of the payment is special collections eg. from mission boxes, the payments should correspond with the income.

6.3.5 Check repayments of bank loans to bank statements and other correspondence.



6.3.6 Where the Worshipping Community is involved in a building project:

- (a) Ensure that the project has been approved by Diocesan Council and The Perth Diocesan Trustees
- (b) in addition to the steps set out in paragraph 6.3.3, ensure that the invoices are signed by the Clerk of Works certifying satisfactory completion of the work.

## **7. TAX MATTERS**

### **7.1 Background**

7.1.1 All Worshipping Communities have received endorsement as income tax exempt charities.

7.1.2 Most Worshipping Communities are registered for GST and submit Business Activity Statements (BAS) on either a monthly or quarterly basis.

7.1.3 A few Worshipping Communities maybe registered for PAYG and would therefore have to maintain appropriate records and make PAYG deductions.

### **7.2 Controls**

7.2.1 Inquire into the Worshipping Community's GST requirements and the routine for preparation of the monthly/quarterly BAS.

7.2.2 If a Worshipping Community is registered for PAYG consider adequacy of system for maintaining PAYG records and remitting deductions to the Tax Office.

### **7.3 Audit/Examination Procedures**

7.3.1 On a test basis check the make up of the BAS submitted to the Tax Office to details in the accounting records.

7.3.2 For Worshipping Communities that are registered for PAYG, on a test basis check remittances to the Tax Office against PAYG records.

## **8. OTHER MATTERS**

### **8.1 Asset Register**

Consider whether, particularly where the Worshipping Community only operates a receipts and payments accounts, there is an adequate record of the Worshipping Community's assets. Typically such records could be a register in which the description, date of purchase, supplier and cost of Worshipping Community assets over a certain value are recorded.

### **8.2 Insurance**

Inquire into the insured values of Worshipping Community assets. If any assets are not adequately covered in the auditor's opinion, this should be reported to Parish Council.

## **9. REPORTING**

- 9.1.1 The Statute requires the auditor/independent examiner to examine the annual accounts and report to the annual meeting giving an opinion on whether they present a true and fair view of the Worshipping Communities income and expenditure and financial position. The Auditor/Independent Examiner is also required to report to the Diocesan Council and the annual meeting anything that the auditor considers irregular or illegal.
- 9.1.2 While auditors/independent examiners may prefer to format their own reports, the proforma reports attached to these guidelines may be used if so required. This report will have to be modified in accordance with individual requirements.
- 9.1.3 Where auditors feel that a matter is significant enough to impact on their opinion on the statement of accounts, a suitable qualification should be included in the audit/examination report.
- 9.1.4 Any weaknesses in the Worshipping Community's system of accounting and internal controls which came to the auditors/independent examiners notice in the course of the audit/examination together with the recommendations for improvements should be included in a letter to the Parish Council.

## **SPECIMEN AUDITORS REPORT**

TO THE PARISHIONERS OF THE WORSHIPPING COMMUNITIES OF.....

### **SCOPE**

I have audited the special purpose financial report of the Worshipping Community comprising a Receipts and Payments account for the year ended 30 April ..... and Statement of Cash Balances at 30 April ..... The Parish Council is responsible for the preparation and presentation of the financial report and the information therein and has determined that the basis of accounting used is appropriate to the needs of the parishioners. I have conducted an independent audit of the financial report in order to express an opinion on it to the parishioners. No opinion is expressed as to whether the basis of accounting used is appropriate to the needs of the parishioners.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of any material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the cash basis of accounting whereby revenue is recorded when it is received, expenses are recorded when they are paid, and no assets or liabilities, other than cash and bank balances, are recorded. Accounting Standards and other professional reporting requirements are not applicable to the cash basis of accounting adopted by the Worshipping Community.

The financial report has been prepared for distribution to parishioners for the purpose of fulfilling the Parish Council's financial reporting requirements in terms of the Order of Worshipping Communities Statute of the Anglican Diocese of Perth. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

The audit opinion expressed in this report has been formed on the above basis.

### **AUDIT OPINION**

In my opinion, the financial report presents fairly in accordance with the cash basis of accounting, as described above, the receipts and payments of the Worshipping Community for the year ended 30 April ..... and its cash and bank balances as at that date.

.....  
Signature

.....  
Date

# **SPECIMEN INDEPENDENT EXAMINERS REPORT**

TO THE PARISHIONERS OF THE WORSHIPPING COMMUNITIES OF.....

## **SCOPE**

I have examined the special purpose financial report of the Worshipping Community comprising a Receipts and Payments account for the year ended 30 April ..... and Statement of Cash Balances at 30 April ..... The Parish Council is responsible for the preparation and presentation of the financial report and the information therein and has determined that the basis of accounting used is appropriate to the needs of the parishioners. I have conducted an independent examination of the financial report in order to express an opinion on it to the parishioners. No opinion is expressed as to whether the basis of accounting used is appropriate to the needs of the parishioners.

My audit has been conducted to provide reasonable assurance as to whether the financial report is free of any material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the cash basis of accounting whereby revenue is recorded when it is received, expenses are recorded when they are paid, and no assets or liabilities, other than cash and bank balances, are recorded. Accounting Standards and other professional reporting requirements are not applicable to the cash basis of accounting adopted by the Worshipping Community.

The financial report has been prepared for distribution to parishioners for the purpose of fulfilling the Parish Council's financial reporting requirements in terms of the Order of Worshipping Communities Statute of the Anglican Diocese of Perth. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

The audit opinion expressed in this report has been formed on the above basis.

## **EXAMINATION OPINION**

In my opinion, the financial report presents fairly in accordance with the cash basis of accounting, as described above, the receipts and payments of the Worshipping Community for the year ended 30 April ..... and its cash and bank balances as at that date.

.....  
Signature

.....  
Date

.....  
Full Name