



POLICY 5.0

TIMELINE FOR BUDGET APPROVAL AND ANNUAL AUDITS MERCY SECONDARY SCHOOLS

POLICY FOR BUDGET APPROVAL AND ANNUAL AUDITS

Preamble

This policy is based on the requirements of the Federal Government and the CECV for financial accountability. Its aim is to monitor the budgets and ensure financial viability and responsibility of Mercy Secondary Schools.

Process:

- Schools are expected to submit annual Recurrent and Capital budgets to MSEI for approval.
- Schools are expected to meet the following timelines:
 - November:** Meeting of Business Managers and receipt of CEO financial data to assist preparation of the following year's budget.
 - March:** Completion of annual financial statements and annual budgets for MSEI approval.
 - August:** Presentation of interim financial statements (as at 31 July) and presentation to the Board by the end of August for consideration and monitoring purposes.
- Schools will be audited annually according to the following timeline:
 - Nov/Dec:** Review and systems audit visit by the Congregation nominated and Board appointed Auditors.
 - Feb-March:** Annual Financial Statements audited.
 - End of March:** Completed Annual Financial Statements and annual Budgets submitted to the Board for approval. Refer outline below for detailed procedures involved in the approval and final submission process.



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Procedures for submission of Annual Financial Statements:

Prior to visit by Auditors in Feb/March

In preparation for the annual audit, Business Managers are required to complete and have available for perusal at the time of the audit, the following documents:

- assurance of correct opening balances;
- copy of/access to contracts relating to leases, hire purchase and rentals;
- details of leave provisions of all employees;
- list of bad debts;
- provision for doubtful debts;
- preparation of fixed summary asset movement schedule reconciling opening fixed asset balances to closing fixed asset balances.

The above information will be consolidated and used for disclosure in the MSEI statutory accounts.

At the completion of the audit

The process of embossment by the Auditors, Board consideration of the AFS, Budget approval and lodgement at the Arch/Diocesan Catholic Education Offices will be as follows:

1. Within two days of the completion of the two day audit process at the school, five signed copies (by the Principal) of the final AFS are to be sent to the Auditors for review and stamping/embossing. All schools should have completed this step before the end of March.
2. The Auditors will return all five copies of the embossed statements by 10 April to MSEI for Board consideration, Budget approval and signing at the April Board meeting.
3. Once considered by the Board, MSEI will return the Statements to the Auditors for attaching the Independent Audit Report.
4. One of these final copies of the AFS, with Audit Report attached, will be returned to the school directly by the Auditors.
5. Other copies will be returned to MSEI for distribution to the relevant Arch/Diocesan Catholic Education Offices (2 copies) by the due date. MSEI and Auditors will retain one signed copy each for their records.