



## Accounting, Bookkeeping and Audit Policies

### Accounting Policy

LETA/LEPA will maintain detailed accounts of all financial transactions. LETA/LEPA will engage the services of qualified bookkeeper, accountant and auditor to ensure that a robust and verifiable accounting system is implemented, maintained, underpinned by proper bookkeeping and evidenced by annual audits.

### Financial Statements

Financial statements would be prepared to satisfy the requirements of the Associations Incorporation Act.

Financial statements would be prepared on accrual basis and based on historic costs without considering the changing value of money.

### Bank Accounts

LETA/LEPA operates bank accounts at state and national levels. Minimum state councillors are chosen to open, operate and close the bank account. The financial delegation to sign cheques is described in the Financial

### Delegation Policy

All transactions will be carried out by bank transactions. Cash transactions will be limited to collection of cash donation and reimbursement of out of pocket expenses to the volunteer to a limit of \$150 in cash which will be drawn from cash collected from donation.

### Property, Plant & Equipment

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all Property, Plant and Equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

## Impairment of Assets

At the end of each reporting period, the accountant reviews the carrying amounts of the tangible and intangible asset to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the assets carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

## Cash on hand

Cash on hand includes cash on hand, deposits held at call with the banks, and other short-term highly liquid investments with the original maturities of three months or less.

## Revenue and Other Income

Grants and donation income is recognised when LETA/LEPA obtains control over the funds, which is generally at the time of the receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

## Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

## Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain

unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### Activity Statements and other ATO/ANCC reporting obligations

LETA/LEPA's Accountant will ensure that all reporting obligation such as Activity Statements, Income Tax Returns, Audited Financial Statements, ACNC Annual Income Statement and ASIC annual returns are lodged on time.

## Bookkeeping Policy

LETA/LEPA will establish sound bookkeeping practices. Bookkeeping will be done centrally for all states. A qualified and experience bookkeeping volunteer will be working under the guidance of a certified accountant.

Xero software will be used to capture all bookkeeping entries. All bank accounts will be connected to the Xero software to provide monthly data feed into Xero.

Accounts team members from various states would capture the details of each transaction carried out in their state and provide this information to the Bookkeeper along with the invoices and expenditure approvals. Cash collection vouchers for each day along with the claim vouchers for out of pocket reimbursements and bank deposit receipts to be scanned or photos to be emailed to the bookkeeper.

Bookkeeper to ensure that all entries and transaction are accounted for and correctly coded. The books are balanced, and bank accounts are reconciled periodically.

It is the duty of the bookkeeper to ensure that all entries are supported by proper documentation. Any entry which is in doubt must be clarified with the relevant State Councillor or National Director.

It is the duty of the bookkeeper to ensure that the bookkeeping entries into the software are done on time and are not backlogged to jeopardise periodical bank account reconciliation and balancing of the books. It is the duty of the accounts team leader from each state that transaction details and supporting documents are provided to the bookkeeper on time allowing them to carry out periodical reconciliation.

LETA/LEPA is committed to update the skills of the volunteer bookkeeper and providing him/her with opportunities for training to keep up with the advancements in the software.

## Auditing Policy

LETA/LEPA will get its annual financial records audited by an external auditor to meet its statutory obligation and to present the audited records to its executive. Audited financials statements would be presented for all to view via the official website of LETA/LEPA. The purpose of auditing is to ensure all that LETA/LEPA continues to operate as per its mission statement as a not-for profit and Charitable organisation.

In doing so, LETA/LEPA will provide all the accounting books, supporting information and any other information that the external auditor may require to satisfy him/herself about the integrity and robustness of the accounting and bookkeeping by LETA/LEPA.

Audited financial statements would be lodged with the Annual Income Statement to the ACNC and also presented at the annual Collective meeting of LETA/LEPA.

LETA/LEPA is committed to rectify/implement and any corrective action or improvement advice provided in the Auditor's report.

The above policies will remain in force until amended by a proposal approved in the Annual Collective Meeting.



Signed

Director / Trustee LETA Date:

30/6/2019