

Woden Valley Gymnastics Club Incorporated

FINANCIAL POLICIES AND PROCEDURES MANUAL

(Issue Number 2.0)

Document History

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1. Introduction

1.1 Purpose, maintenance and administration of the Manual

1.1.1 The Woden Valley Gymnastics Club Incorporated (the Club) Financial Policies and Procedures Manual provides the framework for managing the Club's financial affairs, whilst working towards its objectives.

1.1.2 The policies and procedures apply to every Committee member, staff member and anyone authorised to act on the Club's behalf. The General Manager is responsible for ensuring that all staff are aware of the existence and content of the Manual, including the need for adherence to financial policies and procedures.

1.1.3 The General Manager is responsible for maintaining a continuous review of the financial policies and procedures and for submitting any proposed additions or changes to the Committee for its review and approval. Any suggestions, recommendations or feedback on the policies and procedures in this Manual are welcome. Contact details: matt@wodenvalley.net.

1.2 Background of Woden Valley Gymnastics Club

1.2.1 Woden Valley Gymnastics Club (WVGC) is a not-for-profit community sporting Club which has been in operation since 1979. It offers nationally-recognised, quality-endorsed gymnastics programs with fully trained and accredited coaches.

1.2.2 The primary objective of the Club is to provide quality gymnastics programs for people of all ages and abilities in the Canberra region and to promote and facilitate the sport of gymnastics and related activities within the ACT¹.

1.2.3 As a not-for-profit organisation, the Club does not operate for the profit, personal gain or other benefit of particular people. Its assets and income are applied solely to further its objects and no portion shall be distributed directly or indirectly to the members of the organisation except as genuine compensation for services rendered or expenses incurred on behalf of the Club².

¹ *Woden Valley Gymnastics Club Incorporated Constitution (Issue Number 5 August 2020).*

² Australian Charities and Not-for-profits Commission (ACNC) – Not-for Profit Guidance <https://www.acnc.gov.au/for-charities/start-charity/not-for-profit>

2. Financial Management

2.1 Principles

2.1.1 The key financial management principles are: accountability and transparency, value for money and efficient, effective and ethical use of members' funds and properties.

That means, our financial activities:

- must comply with all relevant laws, regulations and codes of practice.
- are consistent with the Club's values and wider community standards.
- ensure that the funds generated are used in the Club's best interests.
- are not detrimental to the good name or community standing of the Club.
- maintain a high standard of privacy and data security.

2.2 Roles and responsibilities

2.2.1 The Club expects high standards of financial management and administration from its Committee, Management and staff.

2.2.2 Each and every Committee member shares a collective responsibility to make sure that the Club has the resources it needs to continue to carry out its work and achieve its objectives. Committee members must act in the interests of the Club as a whole, and avoid partisan favouring of particular interests or gymnastics programs.

2.2.3 All Committee members are expected to:

- act with reasonable care and diligence.
- act honestly and fairly in the best interests of the Club and for the achievements of its objectives.
- not misuse their position or information they gain as a Committee member.
- disclose actual or potential conflicts of interest.
- ensure that the financial affairs of the Club are managed responsibly.
- not allow the Club to operate while it is insolvent³.

2.2.4 The General Manager is responsible for day-to-day direction and performance of the Club's affairs within the approved policy and budget frameworks set by the Committee. The General Manager is responsible for ensuring that the Committee is advised of any matter that could materially affect the Club's financial performance and position.

3. Financial Systems and Framework

3.1 Financial year

3.1.1 The annual financial year of the Club begins on the first of January and ends on the last day of December of each calendar year.

³ [Responsible People - board or committee members | ACNC](#)

3.2 Financial systems and controls

3.2.1 The Club has established and maintains the following financial systems and controls to manage its financial affairs for the achievement of its objectives. They promote efficiency, minimise risks, help ensure the reliability of financial information, and compliance with applicable laws, rules, and regulations. Please refer to the Club’s financial systems in Diagram 1 and explanation below.

Xero: cloud-based accounting software with tools for managing invoicing, bank reconciliation, payroll, purchasing, expenses and financial reporting.

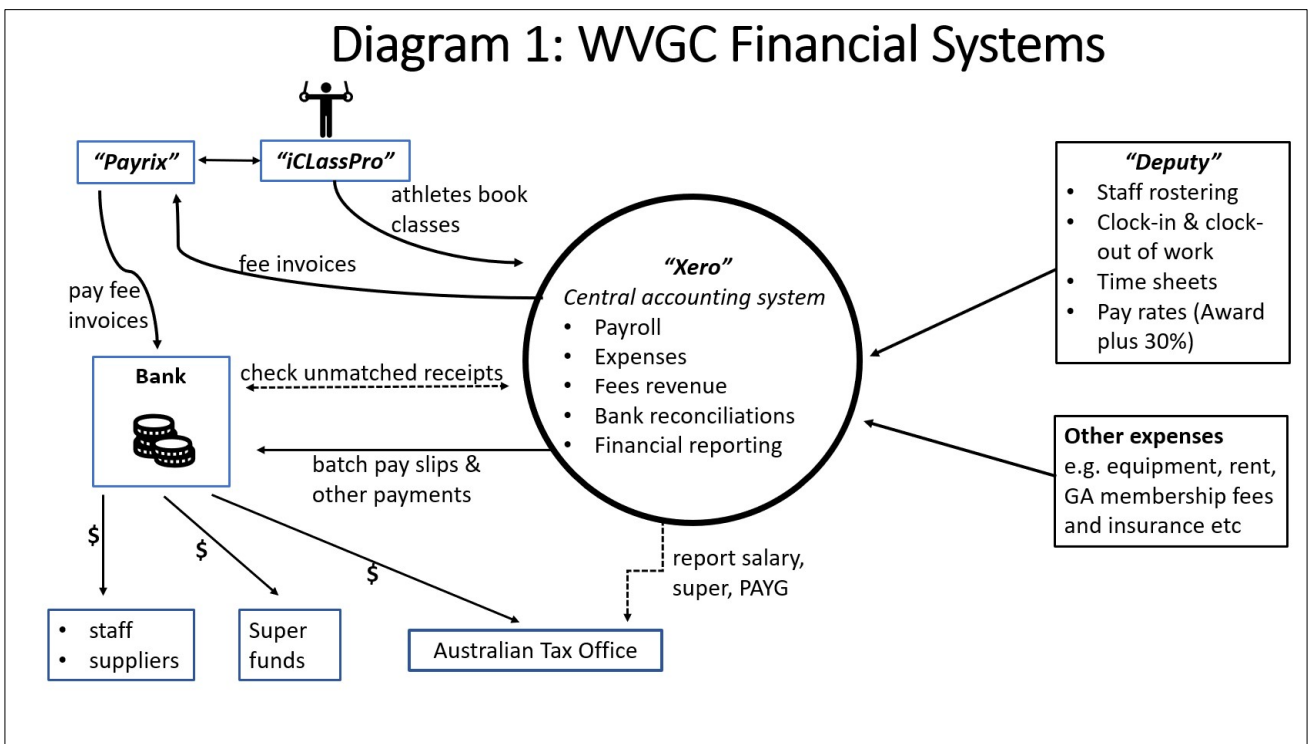
iClassPro: a cloud-based booking and enrolment management system that integrates with Payrix to process payments for booking participation in gymnastics classes.

Payrix: a payment application that integrates with iClassPro and Xero to accept a wide range of payment methods from gymnasts.

Deputy: workplace management software for employee scheduling and timesheets and for integration with Xero payroll.

The Australian Taxation Office (ATO) Single Touch Payroll: electronic fortnightly submission of payroll information including salaries and wages, pay as you go (PAYG) withholding tax and superannuation to the ATO.

Diagram 1: WVGC Financial Systems



3.2.2 Some of the key financial controls are as follows:

- **Ethical culture** – the Club maintains a strong ethical culture where all members are expected to behave with honesty, integrity, transparency and accountability in their dealings.
- **Centralised operations** – there is one geographical operation centralised in Canberra.
- **Automated transaction processing** – a significant component of the Club’s processing and workflow is IT based and is matched, settled and reconciled automatically on a regular basis.
- **Strong internal control and compliance measures** within the Club that encourage ethical behaviour and close review of resource usage.
- **Written financial policies and procedures** that the Committee and staff observe.
- **Budgetary controls and monitoring** - the Club’s performance is monitored against a budget approved by the Committee in consultation with the General Manager. The Club plans ahead and reserves funds for equipment replacement and business continuity.
- **Transparent range of activities** – class booking, activities and facilities are transparent in nature, subject to on-going review and monitoring by a range of internal and external parties, including the General Manager, Treasurer, office staff, coaches, program coordinators, parents and guardians, and the Club’s auditor appointed by the Committee.

3.3 Retention and storage of financial records

3.3.1 Financial records are records that document and explain the Club’s financial activities (transactions), and financial position and performance.

- They are kept for at least seven (7) years after the transactions to which they relate were completed. They are in English or easily convertible into English.
- The General Manager is responsible for the creation and maintenance of financial records.
- Confidential or sensitive financial records are securely stored. Only the General Manager and the Administration and Communications Manager have authorised access.
- Electronic records kept on the Club’s on-site computers are backed up monthly by Stratus Business Systems (SBS) and the backup information is stored at SBS’s premises after backing up.
- The Club’s financial systems and records are secure and backed up in the cloud by the suppliers of the software.

4. Managing Income

4.1 Fee revenue

4.1.1 The Club is committed to providing an up-to-date facility with quality equipment and services. To achieve these objectives, the Club must impose fees and charges for its services and use of its facilities.

4.1.2 Fees include training costs, registration and insurance with Gymnastics Australia and registration with Gymnastics ACT. Fees are reviewed at a minimum annually by the General Manager in consultation with the Treasurer before submission to the Committee for review and approval. The Committee undertakes a review of all fees charged by the Club when approving the annual financial budget for the year ahead.

4.1.3 Factors that must be considered in setting fees are:

- Viability of classes offered.
- Insurances and affiliation.
- Employment and wages.
- Operational costs.
- Equipment maintenance and replacement.
- Maintenance and upgrades to current facilities.

4.1.4 The Club uses the iClassPro app to manage enrolment in classes. All gymnasts or their parents/guardians are required to open an iClassPro account to book classes and to provide payment information.

4.1.5 Fees are invoiced monthly in advance using the encrypted secure payment gateway through iClassPro and Payrix.

- Invoices are automatically calculated based on enrolment and fee schedules.
- Charges are generated for the upcoming month on the 1st of the month and payments are processed on the 5th of the month.
- Accounts are not charged for a full month if the month contains Public Holidays or School Holidays.
- Receipts are issued for all money received, and the moneys are deposited electronically in the bank.
- Terms of Service documents including fee payment details are emailed to families at the beginning of every competition season, or term, whichever is applicable.
- Daily reconciliation of unmatched receipts on the bank statements with fee invoices.
- Weekly review of receivables to identify delays in receiving payments.
- Access controls – the iClassPro staff permissions function controls the areas a user is allowed to access, as well as which tasks they are allowed to perform. For example, only staff with office administration responsibility can delete or amend invoices and can add or remove scheduled classes from iClassPro. The program co-ordinators can enrol and charge fees to the account, but they are unable to remove or change the class schedule in iClassPro.

4.1.6 Make-up classes are available. For example, recreational gymnasts (Kindergym and GfA Levels) are entitled to two make-up classes per term. These are only valid for the current term, and cannot be used in any Holiday Program or in future terms.

4.1.7 Credits can only be issued for medical leave by gymnasts, with appropriate supporting documentation from a medical professional. Credits are issued for Enable Gym as no make-up lessons can be provided.

4.1.8 Accounts that are in arrears for more than one month are in breach of the Club's Terms of Service, and the gymnast's place will be reviewed. If parents/guardians are experiencing financial difficulty, they are required to contact the Club to find a solution that is mutually acceptable to both parties.

4.1.9 Sums legally due to the Club must not be written off until the General Manager is satisfied, after consultation with the Treasurer, that all steps possible have been taken to recover the sums due.

4.2 Fundraising

4.2.1 Fundraising can cover all activities that are intended to generate funds for the Club. For the purposes of this section, donations, grants, sponsorships and gifts are not included. Regular programs such as birthday parties, gym hire, and school holiday programs are also excluded.

4.2.2 The beneficiaries of fundraising events are expected to participate in fundraising activities. The purpose of fundraising is to:

- help defray costs for gymnasts, coaches and families in particular programs.
- provide funding assistance for specific activities such as competitions and associated equipment.
- purchase specific equipment.
- foster a sense of community through socialising by members.

4.2.3 Participation in any fundraising activity will be optional. However, those parents/members who opt out of fundraising activities will not receive any direct personal subsidy for costs associated with competitions.

4.2.4 Guided by the following standards, the Club's fundraising activities:

- require a defined and stated purpose before commencement of the activity.
- must ensure that the funds generated are in the Club's best interests and consistent with its objectives.
- comply with all relevant laws, regulations and codes of practice.
- are consistent with the Club's values and wider community standards.
- are not detrimental to the good name or community standing of the Club.
- maintain a high standard of transparency, accountability and ethical practice.
- maintain a high standard of privacy and data security.

4.2.5 In general, the Club aims to have one fundraising activity per term. More events may be held if capacity permits. Types of fundraising activities include:

- selling merchandise: such as coffee, socks, Easter eggs, sausage sizzles, silent/ online auctions, cake stalls, book sales, or garage sales.
- providing services: such as babysitting nights.
- holding events fetes and festivals, dances and discos, movie nights.
- in-kind support:
 - volunteering skills - hold a seminar on a topic you know well.
 - forgoing gifts - Invite people to your birthday party and ask that they donate money to the Club in lieu of gifts.
 - cleaning the foam pit and gym.
- Crowdfunding, raffles.

4.2.6 Assessment of different types - Assess activities based on feasibility (e.g. likelihood of gaining volunteer support), profitability and impact. Please refer to the example in Table 1 below.

Table 1: Assessment of fundraising proposals

Fundraising Idea	Fundraising Type	Difficulty / feasibility	Earning Potential	Impact – e.g. costs, time
Babysitting nights				
Sausage sizzle				
Raffle				

4.2.7 Depending on their natures, fundraising responsibilities should ideally involve:

- Committee members
- The General Manager
- Gymsports Director and program co-ordinators
- Parents and gymnasts.

4.2.8 While acknowledging that Committee members already give up their time by attending meetings, etc, all Committee members should nevertheless participate actively in fundraising activities. Apart from setting an example, contact with other volunteers is essential to developing an esprit de corps, and is a potential source of useful feedback about our Club.

4.2.9 Management has primary responsibility for overseeing and coordinating fundraising activities. However it should do so in close consultation and collaboration with the Committee to ensure a collaborative and integrated approach.

4.3 Sponsorship

4.3.1 Sponsorship means the provision of cash or goods in kind at no cost, or at agreed or reduced costs in return for the right of the sponsor to display and have displayed their name, logo and any other agreed benefits at events, goods and or publications of the Club. Sponsorship does not include donations or government grants.

4.3.2 The Club is committed to maximising all potential sources of revenue in order to continue to develop and improve the services that it offers to its members. Obtaining ethical, financially beneficial sponsorships from organisations that have common goals and principles and manage them effectively is a means to that end.

4.3.3 Sponsorships which could involve the organisation in controversial issues or expose the organisation to adverse criticism must be avoided.

4.3.4 Sponsorship arrangements must have the approval of the Committee before any agreement is entered into with third parties. The financial implications should be carefully considered before approval. Some of the factors to be considered include:

- An appropriate financial cost/benefit analysis has been prepared.
- Prospective costs and income are provided for in the Club's budget.
- Arrangements are in place for accurate accounting for costs and income.
- Sufficient controls are in place for the successful operation of the sponsorship, including arrangements for sufficient access to financial and other records.
- Any carry forward arrangements have been determined.
- A review regime has been established.

4.3.5 The General Manager in consultation with the Committee will maintain a register of organisations who have provided sponsorship and a list of organisations the Club is or intends approaching. The reasons are: 1) to avoid a sponsor being approached by more than one Club member; and 2) to allow the Club to recognise sponsors, e.g. by mentioning them in annual reports, invitations to functions, etc.

4.4 Grants, donations and external funding

4.4.1 The General Manager in consultation with the President must consider the financial and probity implications of all projects involving funding obtained from external sources (e.g. Government grants).

4.4.2 All funding received from external bodies must be properly recorded in the Club's accounts.

4.4.3 Key conditions of potential funding, and any statutory requirements must be understood and followed.

4.4.4 Any matched-funding requirements must be given due consideration and approval by the Committee prior to entering into long term agreements, and future revenue budgets must reflect those requirements.

4.4.5 The Club may use the Australian Sports Foundation to allow donors to make tax-deductible donations to the Club.

5. Managing Expenditure

5.1 Wages & salaries

5.1.1 Casual staff are paid under the Fitness Industry Award. Any increases to the award are made by the Fair Work Commission, any changes are generally introduced in the first applicable subsequent full pay cycle.

5.1.2 It is Club policy to pay coaches a 30 percent Sunday and Public holiday loading for any shifts worked on any day of the week. This policy is intended to ensure the attraction and retention of quality coaches.

5.1.3 All permanent staff including the General Manager are subject to an annual review in the first quarter of each year. Salaries are set from a broad and holistic best practice perspective, considering a range of factors, including:

- Peer feedback.
- Performance in line with the Club's approved policies.
- Performance in line with Key Performance Indicators (KPIs) in their contract.
- Relativities, to ensure fairness across the Club.
- Expected budgetary constraints.
- The critical need for privacy and confidentiality – individual salary levels are not made available, in line with standard company reporting practices.

5.1.4 The General Manager and the Gymsports Director are responsible for the controls over staffing costs; including consideration of methods to forecast staffing requirements and related costs during budgetary processes.

- Coaches clock in when they start their shift and clock out when they finish. They upload a photo of themselves to authenticate that they are physically present at work.
- Program coordinators approve the timesheets of coaches. The Gymsports Director approves the timesheets of the program coordinators. The General Manager approves the timesheets of the Gymsports Director and office staff.

- The Club's 'Deputy' software calculates individual pay based on approved timesheets and relevant industry awards as well as any approved changes or contracts.
- The General Manager ensures that timesheets are approved before fortnightly payruns are processed, and reviews the payroll in the Xero software. Once satisfied, an encrypted payroll ABA file is uploaded by the General Manager to the Club's bank for payment to staff.

5.1.5 The Committee is responsible for the annual review and approval of the General Manager's remuneration. The salary of the General Manager can be checked by the Treasurer to the approved employment contract.

5.2 Expense payments and procurement

5.2.1 Before items of expenditure are incurred, the General Manager must determine whether funds are available to meet the cost.

5.2.2 Key controls for expense payments are:

- Where applicable at least two quotations should be obtained and recorded for all major items of expenditure, to ensure that value for money is achieved.
- Payments can only be made on receipt of supporting invoices or other appropriate documentation.
- Review of batch payment summary before payment.
- Use of automatic bank feeds (encrypted ABA files) to minimise payment errors.

5.3 Taxation

5.3.1 Compliance with taxation rules is essential for the Club to meet its legal obligations and to avoid unnecessary costs. Failure to comply with tax legislation can result in financial penalties, interest payments, or may lead to the overpayment or under-recovery of taxes.

5.3.2 The bookkeeper reconciles the Club's accounts during the preparation of quarterly Business Activity Statements (BAS).

5.3.3 The General Manager ensures that the Club is compliant with relevant tax legislation. For example,

- lodging all BAS statements correctly and on time.
- paying PAYG tax withheld and Goods and services tax (GST) owed to the Australian Taxation Office (ATO) by the due date.
- fulfilling reporting requirements under ATO's Single Touch Payroll (STP) real-time reporting regime.

5.3.4 The Club uses the AMP eSuper clearing house facility to disburse superannuation guarantee contribution payments to employees' nominated super funds on a quarterly basis.

6. Managing Bank Accounts and Cash

6.1 Bank accounts

6.1.1 The Club maintains a limited number of bank accounts for all its usual receipts and expenditure. All bank accounts are held in name of the Club.

6.1.2 Some of the internal controls maintained by the General Manager are:

- Bank account transactions are reviewed regularly to identify anything that appears unclear.
- Regular checking of bank statements is made to ensure all amounts expected to be banked are actually received in the Club's bank accounts.
- Daily bank reconciliation in Xero to match each bank statement line in the bank account to an existing transaction in Xero.

6.1.3 Bank signatories – Any two of the following authorised signatories can operate the Club's bank accounts:

- General Manager
- Gymsports Director
- President or Vice President
- Treasurer.

6.1.4 Opening Bank Accounts - bank accounts to be opened for the Club must have the authorisation of the Committee and the approval must be recorded in the official Committee meeting minutes.

6.1.5 Closing Bank Accounts - Where it is decided that a bank account is no longer necessary, the Committee will authorise the closure of the bank account. The General Manager will:

- ensure all transactions with respect to the account have been completed.
- meet the bank's requirements with respect to account closure.
- update the financial system.

6.2 Cash on hand

6.2.1 The Club receives money from various sources including fees, fundraising activities, donations or other forms. Although it is preferred that all payments are made directly to the Club's bank accounts, cash payments will inevitably be received.

6.2.2 It is important that cash payments are properly receipted and recorded. All reasonable steps are taken for the secure storage of cash, and such storage should be for the shortest amount of time practicable before the cash is banked in full.

6.2.3 Minimum cash on hand is kept as petty cash, and the Club uses only one single debit card account.

7. Asset Management

7.1 The Club is committed to providing members with a high standard of service and care with regard to all equipment used at the Club. The General Manager and Gymsports Director are responsible for updating the rolling ten-year Equipment Replacement Plan for the Committee's approval at the time of budget approval for the next financial year. Please refer to a Rolling 10-year Equipment Replacement Plan proforma at Attachment A.

7.2 Capital asset Items costing \$1000 or more which will be used for more than 12 months are capitalised in the accounts. Items costing less than \$1000 are written off in the year that they are purchased.

7.3 All capital items including those costing less than \$1000 are assessed and recorded in the asset database to ensure adequate insurance cover.

7.4 All asset disposals are undertaken only after consideration of maximising net income to the Club.

7.5 The General Manager in consultation with the Treasurer will review depreciation accounting policy each year as detailed in the annual audited accounts.

7.6 In cases where the loss or damage to Club assets is the responsibility of an individual, or where the asset has been used without authority, that individual will be expected to pay any insurance fee 'excess'. The General Manager must ensure that the Terms of Service for members reflect personal responsibility in this regard.

8. Reserves

8.1 It is good practice for the Club to have a reasonable amount of funds in reserve to further its purposes. A healthy level of reserves is a sign of a well-governed and resilient organisation.

8.2 The Club aims to build, use and maintain the following designated reserves.

Capital reserve

The capital reserve represents funds reserved for the support of the Club's planned future capital expenditures; for example, replacement or purchase of large types of equipment.

Operating reserve

The operating reserve is maintained for business continuity and emergency reasons. It ideally provides a healthy buffer for daily operations as well as acting as a risk mitigation measure in the event of some major adverse or unexpected circumstances which may threaten the financial stability or viability of the Club. An operating reserve typically enables the Club to continue operating, albeit at reduced capacity, for a minimum of three months in the absence of any revenue. It is currently estimated to be about \$300,000. The level of reserve is reviewed from time to time to assess its level and appropriateness.

The operating reserve should only be expended after all other funds are depleted. However, the Committee can approve earlier release of funds if needed, especially if it has concrete plans for replenishing the reserve. The Committee needs to adopt a balanced approach between the unnecessary hoarding of funds and risking the Club's financial stability.

8.3 Access to the two reserve funds requires the approval of the Committee. The General Manager will provide information such as identification of appropriate use of the funds, availability of other funds, timeframe of reserves needed and replenishment options to the Committee when seeking approval.

8.4 The reserves are to be backed by funds in separate, specifically designated bank accounts.

9. Financial Investments

9.1 Prudent investments can diversify the Club's income stream and can represent good financial management practice.

9.2 Funds that are not immediately required to be applied to the Club's operations or purposes may be invested. All investments must be made in the name of the Club following approval by the Committee.

9.3 When the Club is planning to invest money, the Committee needs to consider how the funds will ultimately further the Club's interests and objectives. Investments that are inherently high-risk, such as shares, bonds or crypto-currency, are not appropriate. Except in highly exceptional circumstances, funds are best placed in standard, interest-bearing bank accounts. That is, deposits in authorised deposit-taking institutions (ADIs) that are guaranteed by the Australian Government up to an amount of \$250,000 per institution under the Australian Prudential Regulation Authority (APRA)'s Financial Claims Scheme.

10. Managing the Annual Budget

The budget is central to the governance processes by which the Club is directed, controlled and held to account through prioritising and using its financial resources. Budget development and management processes are a shared responsibility and commitment by Management and the Committee.

10.1 Budget preparation and approval

10.1.1 Development of the annual budget for the following calendar year is undertaken between October and November each year.

10.1.2 The General Manager with assistance from the Treasurer presents and recommends the draft budget for the Committee's review and approval.

10.1.3 Approval of the budget authorises expenditure up to the limits of the respective line items. The Committee cedes to the General Manager the authority to undertake expenditure in accordance with the annual approved budget and can amend or withdraw such authority at its sole discretion. Ideally, the annual budget should be approved by December, before the commencement of the new year. On occasion, receipt of critical information such as the Gymnastics ACT competition calendar may be delayed, so the budget approval should be completed by January at the latest to enable smooth functioning of the Club.

10.1.4 Emergency purchases (not in the approved budget) that would knowingly cause a budget over-run per line item of less than \$20,000 can be made by the General Manager in consultation with the Treasurer. Such emergency purchases are to be reported at the next Committee meeting. Amounts equal to or over \$20,000 per line item would need the Committee's prior review and approval.

10.2 Budget implementation and monitoring

10.2.1 Variances of actual income and expenditure against the approved budget are monitored by the General Manager and Committee as follows:

Monthly monitoring - The General Manager is responsible for providing monthly updates on actual income and expenditures, including explanations of material variances from the approved budget to the Treasurer. If there are significant variances, the General Manager will recommend remedial actions to the Committee. The General Manager and the Treasurer will also review the accounts to check that there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

Quarterly monitoring - During the April, July and October Committee meetings, the General Manager, with the assistance of the Treasurer, presents an analysis of variances by major line item between the approved budget and the actual revenue received, or expenses processed to date. The Club’s balance sheet is reviewed by the Committee to ensure that it is able to pay its debts as and when they fall due. The aim is to identify any financial problems and key issues, and to recommend any management action required to resolve them. Responsibility for management action rests with the General Manager.

Annual monitoring – At its February meeting, the Committee is to review the draft annual financial statements as at 31 December; noting that they will be potentially subject to the auditor’s adjustments before finalisation.

10.3 Budget timetable

10.3.1 The following is a suggested timeline for development and approval of the budget and important matters that should be taken into consideration by the General Manager and the Committee.

Table 2: Budget timetable

Timeline	Considerations
October/November – Budget development and Planning	<p>The General Manager in consultation with the Gymsports Director develop the draft budget by October/November for the Treasurer’s review.</p> <p>Factors to be considered: Understand the estimated financial position at 31 Dec, and current financial performance Assess any unfinished and planned projects Review competition calendar from Gymnastics ACT Consider strategic plan and economic conditions</p> <p>Review fees and viability of classes offered Identify and develop additional sources of income: for example, grants Review staffing and industrial awards Review of expenditure, including efficiency and effectiveness Review of Equipment Replacement Plan; including maintenance and upgrades of current facilities</p> <p>Review adequacy of insurance: public liability, products liability, professional indemnity, management liability, contents and cyber security Grow funding reserves Consider any surplus funds that can be invested and reserved for long-term needs Ensure compliance requirements.</p>
November/December – Committee review and approval	<p>The General Manager with help from the Treasurer presents the draft budget to the Committee for review and revision as necessary.</p> <p>The Committee approves the Budget if all critical information such as GACT calendar scheduling is available.</p>
January – Committee approval	<p>Final Committee approval for the proposed budget in January at the latest; at an out-of-session meeting if necessary.</p>

<p>April – Three-monthly budget review</p>	<p>The bookkeeper conducts quarterly reconciliation checks of bank accounts, debtors and creditors.</p> <p>The Committee reviews material variances between actual income and expenditure for the three months to 31 March against the approved budget.</p> <p>The Club’s balance sheet as at 31 March is reviewed by the Committee to ensure that it is able to pay its debts as and when they fall due.</p>
<p>July - Budget update and Six-monthly budget review</p>	<p>The bookkeeper conducts quarterly reconciliation checks of bank accounts, debtors and creditors.</p> <p>The Committee considers and approves an updated budget.</p> <p>The Committee reviews material variances between actual income and expenditure for the six months to 30 June against the approved budget.</p> <p>The Club’s balance sheet as at 30 June is reviewed by the Committee to ensure that it is able to pay its debts as and when they fall due.</p>
<p>October - Nine-monthly budget review</p>	<p>The bookkeeper conducts quarterly reconciliation checks of bank accounts, debtors and creditors.</p> <p>The Committee reviews material variances between actual income and expenditure for the nine months to 30 September against the approved budget.</p> <p>The Club’s balance sheet as at 30 September is reviewed by the Committee to ensure that it is able to pay its debts as and when they fall due.</p>
<p>February – annual financial statements</p>	<p>The bookkeeper conducts end of financial year (EOFY) reconciliation checks of bank accounts, debtors and creditors.</p> <p>The Committee to review draft annual profit and loss 1 January to 31 December and balance sheet as at 31 December; noting that they will be subject to auditor’s adjustments after audit.</p>

11. Managing Financial Statements and Reporting

Financial statements are one of the primary vehicles for the Committee to demonstrate its accountability to members of the Club.

11.1 Auditor

11.1.1 Appointment of the auditor for the following year is conducted each year at the Club’s Annual General Meeting.

11.1.2 The Treasurer in consultation with the General Manager is responsible for recommending auditors to the Committee for its consideration and submission for appointment to the AGM.

11.2 Audit preparation and oversight

11.2.1 Preparation for the audit is managed by the General Manager, in consultation with the Treasurer.

11.2.2 Engagement with the auditor is generally undertaken by the General Manager.

11.2.3 The Treasurer is responsible for overseeing the financial reporting processes undertaken by the General Manager, works with the auditor, and responds to the auditor’s recommendations.

11.3 Financial statement timetable

11.3.1 In general, the timetable is as follows:

Table 3: Financial statement timetable

October	<p>The General Manager in consultation with the Treasurer:</p> <ul style="list-style-type: none"> • Agrees the annual audit timetable with the auditor. • Considers the appropriateness of accounting policies and practices used to prepare the financial statements. • Reviews the effectiveness of existing internal controls to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
December-January	<p>The General Manager:</p> <ul style="list-style-type: none"> • Reviews and signs the Audit Engagement letter⁴ on behalf of the Committee. • Provides documentation to the auditor for an interim audit in December. • Reviews the accounts in consultation with the Treasurer. • Closes the books, performs cut off and reconciliation procedures and completes adjustments. • Responds to the auditor's queries, including completion of auditor's fraud risk assessment enquiry form⁵.
Early February	<p>The General Manager provides financial accounts to the auditor for final audit and preparation.</p>
March	<p>The auditor completes the audit and final adjustments by end of March.</p> <p>The General Manager and the Treasurer review the financial statements and audit findings and respond to the auditor's recommendations.</p> <p>The Treasurer reviews and signs the Representation Letter⁶ on behalf of the Committee, confirming the responsibility of the Committee members and Management for the financial statements, as well as confirming the information provided to the auditor during the audit.</p>
April	<p>The auditor provides the signed audit report in early April.</p> <p>The General Manager in consultation with the Treasurer presents the audited financial statements for the Committee's review and approval at its April meeting.</p> <p>On behalf of the Committee members, the President and the Treasurer sign</p> <ul style="list-style-type: none"> • the Committee Report which outlines the operating result and any significant changes and events after the reporting date. • a Statement by members of the Committee which confirms the true and fair view of the financial statements and that the Club will be able to pay its debts as and when they fall due. <p>The Committee reviews and approves the signed financial statements for distribution and tabling at the Annual General Meeting (AGM).</p>
May	<p>Written notice of the AGM is sent to members at least 14 days before the meeting.</p> <p>The audited financial statements including the audit report are tabled at the AGM for review and approval by Club members.</p>
May/June after AGM	<p>The General Manager lodges an annual return with the Registrar-General in accordance with section 79 of the <i>Associations Incorporation Act 1991</i>. The audited financial statements are included in the lodgement.</p>

⁴ Auditing Standard ASA 210 Agreeing the Terms of Audit Engagements.

⁵ Auditing Standard ASA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report.

⁶ Auditing Standard ASA 580 Written Representations.

12. Security

12.1 Physical security

12.1.1 All staff are responsible for maintaining effective security of the Club's assets:

- Other than where approved by the General Manager or the Gymsports Director, the Club's property must not be removed from its Holder location.
- Where the Club's assets are held in the homes of staff members, those individuals must make reasonable arrangement for the safe custody and return the property when required by the Club.
- Limited cash is kept on site. All reasonable steps are taken for the secure storage of cash.
- Cash, keys and access to the Gymnastics building are under the control of the General Manager and Gymsports Director.

12.1.2 The General Manager must ensure that this section 12.1 is included in the Club's Staff Professional Standards Document.

12.2 Cyber security

12.2.1 Cyber security is an important priority for the Club. A secure cyberspace provides trust and confidence for members, staff and the Committee to provide financial information, to share ideas and collaborate, and to safeguard members' privacy.

12.2.2 Some of the actions to mitigate cyber risks and prevent incidents include:

- Limit access: Only allow staff members to access information they need for their roles.
- Protect devices: Use updated anti-virus software to protect the Club's devices and systems that are connected to the internet.
- Protect website: Use a firewall for the Club's website to prevent unauthorised access and use.
- Use only authorised approved applications (apps) on the Club's computers, and block access to inappropriate websites and downloads.
- Use passwords effectively: Passwords for online banking are kept secure by the General Manager.
- Make backups: The Club uses software companies which have cloud storage and backup, centralised document management, and accounting. This is a way to securely store backups outside of the Club's physical location. Data in on site computers are also backed up monthly.
- Use reputable software: The Club uses reputable software solutions that comply with relevant legal requirements and security standards. Details on the security standards of the software are outlined below.
- Conduct risk assessments to identify weaknesses that could make the Club vulnerable to cybersecurity incidents.

12.2.3 Details on the security standards of the software used by the Club:

- iClassPro data security information: <https://support.iclasspro.com/hc/en-us/articles/360005217893-What-Do-I-Need-to-Know-About-PCI-Compliance-#:~:text=Litigation-,Is%20iClassPro%20PCI%20Compliant%3F,1%20PCI%20Compliant%20Service%20Provider.>
- Payrix Compliance Report 2022: <https://www.payrix.com/wp-content/uploads/2022/03/Payrix-2022-PCI-DSS-AOC-Final-Report.pdf>

- Certificate of Compliance PCI Data Security Standard: <https://www.payrix.com/wp-content/uploads/sites/2/2021/12/Payrix-Australia-PCI-DSS-Certificate-of-Compliance-2021-1.pdf>
- Card data holding info: <https://www.payrix.com/au/insights/blog/protecting-credit-card-data-with-payment-tokenization>
- Fraud prevention info: <https://www.payrix.com/au/3dsecure-feature-page>.

12.2.4 None of the Club's IT systems are automatically linked, except for iClassPro and Payrix to process payments. Deputy and Xero have the ability to link, in order to automatically export information, but the linkage feature is not activated in order to minimise risk.

13. Insurance

13.1 The Club affiliates with Gymnastics ACT and Gymnastics Australia who set affiliation fees for each calendar year. The Club pays these fees to Gymnastics ACT based on gymnast registration numbers.

13.2 The affiliation fees cover, among other things, insurance costs incurred by Gymnastics Australia. The insurance provides the following cover annually:

- Public Liability - covers harm to third parties for death or injury, damage to property, etc.
- Product Liability – covers liability for costs arising out of the costs incurred in or in connection with the repair, reconditioning, replacement, removal, recalling or guarantee of any product or component part.
- Professional Indemnity - covers certain costs for claims against the Club, members, employees and officers for breach of professional duty in the conduct of the Club's business.
- Management Liability - covers employees, Committee members, volunteers under the specific direction of the Club for claims related to discrimination, harassment, wrongful termination, libel and slander, misrepresentations, employee theft and inefficient administration or supervision.

13.3 Contents insurance – The General Manager has taken out content insurance separately with an insurer to cover among other things equipment.

13.4 Workers Compensation Insurance – As required by the *Workers Compensation Act 1951 (ACT)*, the General Manager has a workers compensation insurance policy in place to cover the Club's workers in the event of a workplace-related injury.

13.5 Travel insurance - Members can obtain appropriate travel insurance from commercial insurers, and Gymnastics Australia for endorsed travel.

13.6 Cyber security insurance - The Club's insurer broker advised that they will be asking clubs whether they may be interested in Cyber security insurance.

13.7 During the annual budget development and planning phase as outlined at Table 2: Budget timetable, the General Manager assesses the adequacy of insurance coverage in October/November and makes recommendations to the Committee for approval during November/December. Once completed, the General Manager provides Certificates of Currency to the Committee for each insurance category.

14. Fraud Prevention

14.1 Fraud is a form of dishonesty – where someone acts in a dishonest way so that they receive a benefit, or someone else experiences a loss. Fraud can be internal or external. People can commit fraud in a variety of ways, including by: making false representations, abusing their position, failing to disclose information, and using other forms of deception⁷.

14.2 The Club has zero tolerance for fraudulent or dishonest activity, and has various prevention and detection measures to reduce the risk of fraud. Details have been included in the Table 5 Risk Register.

14.3 Everyone in the Club is responsible for fraud control and prevention. Committee, staff and members are required to contribute to the minimisation of fraud occurrence and impacts. However, Club members should be equally aware that a false, or an unsubstantiated allegation of fraud may result in legal action for defamation, as well as loss of confidence in the Club.

14.4 Any incidence of suspected fraud must be reported immediately to the Member Protection and Information Officer (MPIO). The MPIO role is independent of the Club (Committee, staff and members) so that people can be assured of confidentiality around any issues that they may raise.

14.5 The MPIO will conduct an initial assessment of the alleged fraud, and, if warranted, appoint external, appropriately qualified people to investigate it. The costs will be paid by the Club. The MPIO will assess whether any external parties such as banks or police are required to be notified.

14.6 To facilitate investigation, the following Fraud Reporting Form⁸ should be completed by the MPIO for the investigator. The fraud investigation process will balance confidentiality while keeping key stakeholders aware of progress. Only summary details of every fraud allegation should be provided to the Committee. Recommendations made by the investigator should be reported to the Committee for remedial action.

Table 4: Fraud Reporting Form - Confidential (when completed)

Date of report	Name and role of person submitting the report	Date of suspected fraud	Estimated value or impact of suspected fraud	Description of suspected fraud (e.g. explain events in chronological order)	Name (s) of people suspected of being involved in the fraud	Details of any witnesses	Details of applicable funds involved	Initial actions taken

⁷ ACNC website: *Protect your charity from fraud*.

⁸ *Charity Fraud: Tools for Prevention, September 2022*, Chartered Accountants Australia and New Zealand and Social Business Consulting.

15. Risk Management

15.1 The purpose of risk management is to support more informed decision-making. Ultimately, risk management aims to increase the certainty that the Club's purpose will be achieved. The Club seeks to continually identify potential financial risks that could affect its programs, evaluates their likelihood and impact, and implements appropriate internal controls.

15.2 All staff are responsible for managing risks in their respective areas, and for assisting with the identification of risks that could affect the Club as a whole.

15.3 The General Manager is accountable to the Committee for the implementation of the risk management process and is ultimately responsible for the management of risks within the Club.

15.4 The Committee is responsible for putting in place good standards of governance and accountability to manage and reduce the financial risk of fraud and errors. This responsibility involves development, monitoring and review of risk management processes to ensure that key risks are identified and treated in a timely fashion.

15.5 The risk register at Table 5 will be reviewed and updated annually between July and August each year. This involves:

- Assessment of the Club's risk appetite. That is, examination of the nature and the extent of risk the Club is prepared to accept.
- Analysis and evaluation of the Club's activities to identify new, or confirm existing risks on the Risk Register.
- Recommendation of actions to remediate identified risks.

Table 5: Risk Register

	Potential Risk	Consequence: Insignificant Minor Moderate Major Severe	Likelihood: Almost certain Likely Possible Unlikely Rare	Risk Rating: Extreme High Medium Low	Key control strategies
1.	Loss of key personnel leading to disruption of operations	Moderate	Likely	High risk	<ul style="list-style-type: none"> • Training encouraged for all personnel. • 30% Sunday and Public holiday loading for any shifts worked on any day of the week. The aim is to attract and retain good staff. • Understudies and assistants to key personnel.
2.	Loss of information through fire, unusual events, cyber attacks	Moderate	Possible	High risk	<ul style="list-style-type: none"> • All information is backed-up and stored offsite. • Use of reputable software solutions that comply with relevant security standards. • Smoke alarms installed. • Continuing updating and review of cyber security.
3.	Loss of funds and assets through theft or poor decision	Moderate	Unlikely	Medium risk	<ul style="list-style-type: none"> • Annual approved budget and Equipment Replacement Plan. • Monitor accounts and budget, and identify variations. • Financial reporting and monitoring. • Limited cash on hand. • Monitoring of equipment by the General Manager, Gymsports Director, program coordinators and coaches.
4.	Incorrect expense payments and procurement including suppliers and contractors	Moderate	Unlikely	Medium risk	<ul style="list-style-type: none"> • Monitoring of actual expenses against approved budget. • Payments are supported by invoices and appropriate documentation. • Regular review of bank statements for unusual items. • Financial reporting and monitoring.
5.	Inability to maintain programs and pay debts	Moderate	Unlikely	Medium risk	<ul style="list-style-type: none"> • Annual approved budget and Equipment Replacement Plan. • Financial reporting and monitoring.
6.	Fees incorrectly charged, or not collected	Minor	Unlikely	Low risk	<ul style="list-style-type: none"> • Use of 'iClassPro' to issue invoices based on enrolment and fee schedules. • Members cannot book classes in iClassPro until their debts have been paid. • Receipts are issued for all payments received. • Daily reconciliation of unmatched receipts in the bank with fee invoices. • Weekly review of receivables to identify delays in receiving debt payments.
7.	Incorrect wages and salaries arising from, for example, ghost employees, fraudulent timesheets, or incorrect pay scales	Minor	Unlikely	Low risk	<ul style="list-style-type: none"> • Recruitment processes are performed by the General Manager, Gymsports Director in consultation with program coordinators. • Authorisation of timesheets by program coordinators. • Use of 'Deputy' to calculate individual pays based on approved timesheets and relevant industry awards and any approved changes or contracts.
8.	Incorrect amounts recorded in financial statements	Minor	Unlikely	Low risk	<ul style="list-style-type: none"> • Annual approved budget. • Financial reporting and monitoring. • Regular reconciliations. • Strong financial controls as noted in this Manual.

Attachment A: Rolling 10-Year Equipment Purchase Plan

							End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	End of Year 6	End of Year 7	End of Year 8	End of Year 9	End of Year 10	TOTAL
No	Category	Examples	Gymsports Director's / General Manager's comments	Current Cost Estimate	Approx year required (start 20X2)	Escalated Amount X%*	Dec-X3	Dec-X4	Dec-X5	Dec-X6	Dec-X7	Dec-X8	Dec-X9	Dec-Y0	Dec-Y1	Dec-Y2	
1.0	Beams	Balance beams, foam beams, starter beams, roll out beams		X,XXX	5	X,XXX				X,XXX					X,XXX		XX,XXX
2.0	Mats	Folding and non-folding mats, landing mats, crash mats, incline mats		X,XXX	1	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX
3.0	Bars	Starter bars, high bars, parallel bars, uneven bars, floor/wall bars, bar accessories		X,XXX	3	X,XXX		X,XXX			X,XXX			X,XXX			X,XXX
4.0	Training Aids & accessories	Training cylinder, spotting blocks, beat boards, vaults, octagon, wedges, pommel equipment		X,XXX	2	X,XXX	X,XXX										X,XXX
5.0	Air products	Air mats, tracks, barrels, beams, floors, entrance ramp.		X,XXX	2	X,XXX	X,XXX										X,XXX
6.0	Early learning	Gym fun equipment		X,XXX	2	X,XXX	X,XXX			X,XXX			X,XXX			X,XXX	X,XXX
7.0	Larger and purpose-built equipment	Trampolines, foam pit		XXX,XXX	3	XXX,XXX		XXX,XXX									XXX,XXX
8.0	Floor areas and strips	Sprung floor		XX,XXX	2	XX,XXX	XX,XXX										XX,XXX
9.0	General gym equipment	Music, balls, ropes, sound system		X,XXX	2	X,XXX	X,XXX				X,XXX				X,XXX		XX,XXX
10.1	Office equipment and furniture	Computers (hard and software), printers, shredder, chairs, desks, etc		XX,XXX	2	XX,XXX	XX,XXX					XX,XXX					XX,XXX
10.2	Office equipment and furniture	Desks, chairs and miscellaneous office equipment items		X,XXX	3	X,XXX		X,XXX				X,XXX					X,XXX
	Total \$ Estimate						XX,XXX	XXX,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XXX,XXX
	Funds available																
	Equipment levy approx. \$XX,XXX pa			XX,XXX			-XX,XXX	-XX,XXX	-XX,XXX	-XX,XXX	-XX,XXX	-XX,XXX	-XX,XXX	-XX,XXX	-XX,XXX	-XX,XXX	-XXX,XXX
	Equipment purchases =<\$1000, say approx. \$XXXX pa			X,XXX			X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	X,XXX	XX,XXX
	Capital reserve - \$XXX,XXX term deposit (Capital Reserve)			XXX,XXX			0	-XXX,XXX	XX,XXX	XX,XXX	X,XXX	-X,XXX	XX,XXX	XX,XXX	XX,XXX	-XX,XXX	-XX,XXX
	Working Capital						-XX,XXX	-XX,XXX	0	0	0	0	0	0	0	0	-XX,XXX
							XX,XXX	XXX,XXX	X,XXX	X,XXX	XX,XXX	XX,XXX	X,XXX	X,XXX	X,XXX	XX,XXX	XXX,XXX

Purpose: To ensure that WVGC is well equipped and has up-to-date gymnastics facilities to support our quality programs and long-term strategic objectives.

To alert the WVGC Committee to likely equipment replacement needs to maintain the efficiency and safety of services.

What is included? In general the plan is for asset items which are =>\$1000. Asset amounts <\$1000 would be included in 'repairs and maintenance'.

However assets can include groups of asset items <\$1000 if it is more cost effective for purchasing purposes.

* the X% pa escalation amount is arbitrary, but necessary to take inflation into account.

Processes: Consideration factors for inclusion in the plan include: purpose of acquisition, value for money, useful life of existing equipment, replacement and future costs.

It is the working document for the Gymsports Director and General Manager. Any concerns and issues can be raised with the Committee when required.

The plan including funding methods is to be reviewed and approved by the Committee together with updated overall budget projections.

The role of the Committee is to provide the necessary support so that an approved plan can be implemented successfully.