

How to Guide:
**ENGAGE AN
AUDITOR**

HOW TO ENGAGE AN AUDITOR

What is an audit?

An audit is an independent review of the P&C's financial position. As the P&C financial year runs from 1 January – 31 December, the **annual audit** will take place as soon as possible in January. If the Treasurer of the P&C Association or a subcommittee resigns, or is removed, during their term in office, the Association will arrange for an **interim audit** before handing over the records to the successor.

STEP 1: INVESTIGATE LOCAL AUDITORS

13.1 APPOINTING AN AUDITOR

A person auditing the accounts of an association must be:

- appointed to carry out the audit by the association at an annual general meeting or special meeting of the association, and
- a suitably qualified person, and
- to the extent practicable, a member of the local community aware of the activities of the association.

P&C Accounting Manual – December 2025, page 57

While P&Cs Qld cannot endorse any particular auditor, we have some auditors listed on our [P&Cs Qld Directory](#).

The topic of auditors comes up quite regularly on the P&Cs Qld State Discussion Group on Facebook. As a member you can search the group for any topic or post your own question specific to your area.

STEP 2: QUALIFICATIONS

An audit must be conducted by a qualified auditor as outlined in the Accounting Manual:

A suitably qualified person means any of the following persons:

- a member of CPA Australia Ltd ACN 008 392 452 entitled to use the letters 'CPA' or 'FCPA',
- a member of Chartered Accountants Australia and New Zealand ARBN 084 642 571 entitled to use the letters 'CA' or 'FCA',
- a member of the Institute of Public Accountants Ltd ACN 004 130 643 entitled to use the letters 'MIPA' or 'FIPA',
- an employee of a public sector entity who has the commercial skills and experience to audit the accounts of an association,
- an employee of an insurance company, financial institution or other financial or commercial organisation who has the commercial skills and experience to audit the accounts of an association.

If the person is a member of the association, the person may audit the association's accounts only with the approval of the chief executive (Director General, Department of Education).

P&C Accounting Manual – December 2025, page 57-58

STEP 3: MAKE SOME CALLS

Once you have narrowed it down to a few options, best practice is for the Treasurer to phone the auditors and request a quote and discuss your P&Cs operations. We nominate the Treasurer for these investigations as the subject matter is directly linked to the Treasurer's role and it will be the

Treasurer who communicates with the auditor throughout the process. When requesting a quote, ensure you ask for a formal audit as a “financial review” will not be adequate.

Look for the auditor who takes the time to ask questions about how your P&C is run as this means they are taking the time to customise the quote to your association’s needs. Some examples of questions they might ask, and you should have a prepared answer for, are:

- What type of commercial activities does your P&C operate throughout the year? Do you run an OSHC/tuckshop/uniform shop/bookshop/swim club?
- What type of fundraising activities does your P&C operate throughout the year?
- How many employees do you have?
- What was your annual turnover last year? Can you please supply a copy of your last financial audit?
- What style of accounting do you use, accrual accounting or cash accounting?
- What accounting software does the P&C use?
- Is the P&C registered for GST?
- Does the P&C submit Business Activity Statements (BAS) to the ATO?
- What is the average number of bank transactions per month?

Beware of accountants who offer a cheap price – 18-20 hours of work goes into a basic audit, they should be paid accordingly. **Beware** of accountants who do not ask any questions and offer a quick price – if they do not spend the time to engage your P&C at the quote stage this may indicate that your business is not a priority (especially as their big business clients will be expecting February BAS to be lodged at the same time as P&Cs annual audit is due, you may fall to the bottom of the pile).

STEP 4: CONFIRM PRICES

Audit fees must be negotiated and confirmed prior the auditor's appointment. Where possible, the auditor is to be appointed in an honorary capacity.

P&C Accounting Manual – December 2025, page 58

Request the final quote in writing so that it can be presented to the P&C members for consideration.

STEP 5: APPOINTING AN AUDITOR

An auditor can only be appointed at Agenda Item (k) at the Annual General Meeting (AGM) or at a Special Meeting (SM) held specifically for that purpose. See the excerpt below from Section 21.5 of the Constitution for the process for Special Meetings (at a SM you can ONLY discuss the items on the advertised agenda – 21.5.2):

21.5 Special Meetings

- 21.5.1 The Secretary will, at least **7 days** before the day of any special meeting, give notice of a special meeting in writing, personally or by post or email to each member of the Association. However, a resolution passed at a special meeting is not invalid merely because a member of the Association did not receive notice of the meeting.
- 21.5.2 The purpose for which a special meeting is convened will be the only business of the meeting.
- 21.5.3 A quorum for a special meeting of the Association is **[please either state the number of members of the Association needed for a quorum if the number is to be "less than seven" OR state "seven members of the Association"].**]
- 21.5.4 No business of a special meeting will be conducted unless a quorum of members is present.
- 21.5.5 If a quorum is not present at a special meeting, then the meeting will be cancelled and the Officers will determine another date for the meeting and the Secretary will give notice of the meeting in accordance with clause 21.5.1.
- 21.5.6 If a quorum lapses during a special meeting, the meeting will be adjourned to a later date as determined by the Officers and the Secretary will give notice of the meeting in accordance with clause 21.5.1.
- 21.5.7 A Special Meeting may only be convened for:
- a) the tabling of actions of the Executive Committee in dealing with matters of urgency
 - b) proposed amendments to this Constitution
 - c) proposed removal of a member of the Association
 - d) proposed removal of an Officer of the Association
 - e) proposed dissolution of the Association
 - f) business determined by resolution of members of the Association at a general meeting of the Association to be dealt with at a special meeting
 - g) business determined by the Officers of the Association to be dealt with at a special meeting, or
 - h) business determined by written request to the Secretary of a majority of Association members to be dealt with at a special meeting.

Jan 2023 P&C Model Constitution, Section 21.5

STEP 6: MOTION

The Treasurer will present the written quotes to the P&C members for consideration. As the investigator, the Treasurer will put forward their recommendation for who they think would be the best option for auditor and explain why. At either the AGM or Special Meeting held specifically for this purpose (as per Step 5), a motion will be presented by a P&C member:

“That the P&C engage the services of XXX for the 202X annual financial audit (and also interim audit, if applicable) at a cost of \$XXX”

The motion will need to be seconded by another P&C member before going to a vote of the members present – note no proxy voting is allowed. A majority of votes will need to be reached for the motion to be carried. The Secretary will accurately record the motion in the minutes of the meeting.

STEP 7: CONDUCTING THE AUDIT

The P&C's financial year runs from 1 January to 31 December. The Treasurer must submit the P&C Association's books and accounts, and its subcommittees' if applicable, to the auditor allowing enough time to prepare the audited financial statements ready for the AGM each year. Ideally the Treasurer will deliver all books and accounts in early January as soon as the bank statements for December are released. The AGM must be held by 31 March each year and the audited financial statements MUST be presented.

To be able to conduct the audit, the auditor must be given full and free access to all records and property of the P&C Association including:

- minutes of all meetings
- the P&C account record keeping tool, e.g. Cashbook, MYOB, Xero, etc
- monthly finance reports (as presented in the Treasurer's Report at each General Meeting)
- annual financial statements
- bank reconciliations
- cheque, deposit and receipt books
- all records of income
- all payment vouchers
- all receipt books
- stocktake records (completed as of 31 December or last day of school Term 4)
- records of assets and liabilities
- bank statements for all accounts
- signed certificate of the President, Secretary and Treasurer (see Appendix A)
- any other documents/records that provide supporting information for financial transactions as the auditor considers appropriate, and
- information published in the most recent version of the P&C Accounting Manual.

The Treasurer must be available to discuss and address any issues raised.

The Auditor must certify whether or not, in the Auditor's opinion:

- the financial statements agree with the financial accounts and comply with the financial record keeping requirements
- the financial statements present a true and fair view of the P&C Association's transactions for the financial year
- the financial position at the close of the year is consistent with the basis for preparing the financial statements for the year.

For further information refer to the [Annual Financial Reporting Requirements](#).

STEP 8: INTERIM AUDIT

If the Treasurer of the P&C Association or a subcommittee resigns or is removed during their term in office, the Association **MUST** arrange for an interim audit of the records and accounts of the Association or subcommittee before handing the records to the successor. This ensures that the new Treasurer can begin with a clean slate.

As this is an interim audit, the auditor should charge the P&C accordingly.

STEP 9: AFTER THE AUDIT

The annual audit must be presented as part of the Treasurer's Report at the AGM. See P&Cs Qld's How to Hold an AGM Guide for further information on how this process.

An interim audit must be tabled at the next General Meeting.

For both an annual or interim audit, a copy of the audited financial documents must be provided to the Principal and Regional Office (Principal only for Independent Public Schools).