

Treasurers' Newsletter

Frequently Asked Questions

Financial statements

1. Are audited financial statements due by 30 September 2022?

Yes. If you are going to have difficulty getting your audited final accounts to us by 30 September, please contact us.

It is very important that we have your trial balance by 31 August. This is because it takes a significant amount of work to consolidate the 450 entities in the PCANZ consolidation and to meet the Charities Services filing date of 31 December.

Year-end pack

2. Why are you asking for so much additional information in the year-end pack? Isn't most of this information already in our annual report?

Although most financial information is contained in the annual report, as a Tier 1 reporting entity, the PCANZ Group must disclose additional details in the notes to its consolidated financial statements, e.g., about loans and investments, such as maturity dates, loan terms etc. This level of detail is not generally available from annual reports alone.

3. Are co-operating and uniting parishes required to submit a year-end pack?

Yes. Co-operating and uniting parishes are part of the consolidation and should complete the year-end packs in full. Co-operating and uniting parishes with a Presbyterian component are included in the consolidation to the extent of the Presbyterian capital ratio. We need full reporting so that we can get the dollar values relating to that capital ratio.

However, co-operating and uniting parishes DO NOT need to fill in the membership or financial statistics forms included in the year-end pack.

Financial statistics

4. What is the plan for financial statistics reporting – isn't the plan to do away with financial statistics forms and rely on the annual reporting?

Yes, eventually. However, this year's process highlighted reporting, classification and definitional issues which will need to be addressed before we move to fully relying on the consolidation reporting.

Consolidation process

5. Can we opt out of the consolidation process?

Parishes cannot opt-out of the consolidation process – Charities Services and financial reporting standards require PCANZ to prepare and present consolidated accounts. The PCANZ

Group is therefore required to consolidate all the parishes and entities that come under its umbrella and are considered "controlled entities".

6. Why do you want the trial balance by 31 August and the audit accounts by 30 September?

We need the trial balance by 31 August, so we can meet the tight reporting deadline by the Charities Services. Any changes that are made by a parish before 30 September we can update our consolidation for any material changes.

Our audit timeline is very tight to enable us to submit our audited accounts to the Charities Services by 31 December. Any delay in receiving the accounts from parishes will impact on this deadline. We understand that the deadline may not suit all parishes and ask for your help in this matter.

7. Does the reviewer pack need to be completed by all parishes or just those not performing an audit or review?

If your parish is audited or reviewed by a Chartered Accountant or Chartered Accounting firm, they do not need to complete the reviewer pack. However, all parishes are required to submit the financial review certificate, and, where applicable, to attach a copy of their audit or review report.

This is an evolving process, and we will continue to appraise the reviewer pack with our auditors.

8. Can we change between Options 1 and 2 with Charities Services?

All parishes are included in the consolidation. Option 1 is for parishes that have chosen not to file their own accounts with Charities Services. Option 2 is for parishes that still file their own accounts with Charities Services.

Parishes can choose at any time in the future to shift from Option 2 to Option 1. At this stage, we are waiting for clarification from Charities Services regarding whether a parish can shift from Option 1 to Option 2.

9. When should we submit the letter of representation?

For parishes and entities that produce annual reports or have their accounts audited, the letter of representation can be sent to us with your final accounts. For parishes and entities that only submit trial balances, the letter of representation can be sent to us by 30 September.