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## FINANCIAL MANAGEMENT AND REPORTING TO ATO POLICY AND PROCEDURES

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### Purpose

The purpose of this Financial Management and Reporting to the Australian Taxation Office (ATO) Policy and Procedures is to establish a framework for effective financial management, ensuring compliance with Australian laws, regulations, and accounting standards. This policy is designed to guide the accurate recording, reporting, and management of financial transactions, ensuring that Trendie meets its statutory obligations to the ATO.

### Scope

This policy applies to all employees involved in the financial management, record-keeping, and reporting processes at Trendie. It encompasses all aspects of financial management, including budgeting, accounting, auditing, tax compliance, and reporting to the ATO. The policy aligns with the requirements set out in the Australian Corporations Act 2001, the Income Tax Assessment Act 1997, the Goods and Services Tax (GST) Act 1999, and other relevant legislations.

### Financial Management Principles

- **Accuracy and Integrity:**

Financial records must be maintained with the highest level of accuracy and integrity. All transactions should be recorded in a manner that reflects a true and fair view of the company's financial position in accordance with the Australian Accounting Standards (AASB).

- **Compliance:**

Compliance with all relevant Australian laws, regulations, and standards is mandatory. This includes adherence to the Corporations Act 2001, Income Tax Assessment Act 1997, GST Act 1999, Superannuation Guarantee (Administration) Act 1992, and the Fringe Benefits Tax Assessment Act 1986.



- **Transparency and Accountability:**

Financial management processes should be transparent and accountable. This involves regular internal and external audits, as well as clear documentation of financial transactions and decisions.

- **Confidentiality:**

Financial information is to be treated with the utmost confidentiality. Access to financial records should be restricted to authorised personnel only, and information should not be disclosed without proper authorisation, in accordance with the Privacy Act 1988.

## Responsibilities

- **Finance Department:**

The Finance Department is responsible for maintaining accurate financial records, preparing financial statements, and ensuring timely compliance with all ATO reporting requirements. This includes the preparation and lodgement of Business Activity Statements (BAS), Pay As You Go (PAYG) instalments, and income tax returns.

- **Management:**

Management is responsible for overseeing the implementation of this policy, ensuring that financial practices are conducted in accordance with legal and regulatory requirements. Management must review and approve financial reports and statements before submission to the ATO.

- **Employees:**

All employees involved in financial management and reporting are responsible for adhering to this policy and maintaining the confidentiality of financial information. Employees must report any suspected financial irregularities or breaches of this policy to their manager or the Finance Department.



## Financial Management Procedures

- **Record-Keeping:**
  - All financial transactions must be recorded promptly and accurately in the company's accounting system.
  - Supporting documentation (invoices, receipts, contracts) must be maintained for each transaction and stored securely for a minimum of seven years, in compliance with ATO requirements.
  - Financial records must be regularly reconciled, including bank reconciliations, accounts payable, and accounts receivable.
- **Budgeting and Forecasting:**
  - Annual budgets are to be prepared by the Finance Department in consultation with management, outlining expected revenue, expenditure, and cash flow.
  - Quarterly financial forecasts should be conducted to monitor performance against the budget and adjust financial plans as necessary.
- **Internal Controls:**
  - Segregation of duties must be maintained to prevent errors and fraud. No single employee should have control over all aspects of a financial transaction.
  - Regular internal audits are to be conducted to ensure compliance with this policy and to identify areas for improvement.
- **Reporting:**
  - Financial statements, including profit and loss statements, balance sheets, and cash flow statements, must be prepared in accordance with the AASB standards.
  - Regular financial reports are to be provided to management for review and decision-making purposes.



## Reporting to ATO Procedures

- **Business Activity Statements (BAS) Lodgement:**
  - The Finance Department is responsible for preparing and lodging BAS with the ATO, typically on a quarterly basis, covering GST, PAYG withholding, and other tax obligations.
  - BAS must be lodged by the due date specified by the ATO, and payments should be made accordingly to avoid penalties.
- **Income Tax Returns**
  - Annual income tax returns must be prepared in compliance with the Income Tax Assessment Act 1997 and submitted to the ATO.
  - The Finance Department must ensure that all allowable deductions, offsets, and credits are correctly applied to minimise tax liabilities.
- **PAYG and Superannuation**
  - PAYG withholding amounts must be accurately calculated and remitted to the ATO in accordance with the Superannuation Guarantee (Administration) Act 1992.
  - Employee superannuation contributions must be paid to the respective funds by the due dates to ensure compliance with superannuation laws.
- **Fringe Benefits Tax (FBT)**
  - Any fringe benefits provided to employees must be accurately recorded, and FBT liabilities must be calculated in accordance with the Fringe Benefits Tax Assessment Act 1986.
  - Annual FBT returns are to be prepared and lodged with the ATO by the specified due date.



## **Compliance and Enforcement**

Trendie is committed to maintaining compliance with all financial management and reporting obligations to the ATO. Non-compliance with this policy may result in disciplinary action, up to and including termination of employment. Additionally, any breaches of relevant laws or regulations may lead to legal consequences for both the employee and the organisation.

## **Review and Updates**

This policy will be reviewed annually or as required to ensure compliance with changes in legislation and best practices. Any amendments to the policy will be communicated to all relevant employees.

## **Implementation**

- Training on this policy and relevant financial management procedures will be provided to all new and existing employees involved in financial management and reporting.
- The Finance Department will provide ongoing support and guidance to ensure adherence to this policy and the successful implementation of financial management procedures.

By adhering to this Financial Management and Reporting to ATO Policy and Procedures, Trendie ensures that it meets its legal obligations and maintains financial integrity and accountability.