



FACT SHEETS

FINANCIAL RECORDS OF AN OWNERS CORPORATION



IMPORTANT NOTE:



Your owners corporation must present its financial statements at each annual general meeting. Financial statements should give a summary of all transactions during the financial year, including income, expenditure, assets and liabilities records and penalty interest charges.

Your owners corporation can keep financial records in hard copy or in an electronic form. The Australian Taxation Office has a free e-record system on their website.

If the financial records are kept on a system owned by a third party, such as the manager or secretary, the committee and lot owners can inspect those records for free and make copies for a reasonable fee.



FINANCIAL RECORD KEEPING

An owners corporation must keep financial records that:

- Cover all its income, expenditure, assets and liabilities
- Enable it to make true and fair reports of its financial situation
- Record and explain all financial transactions for income tax and GST purposes (Australian Taxation Office requirements).

01 INCOME RECORDS

- Invoices, statements & receipts of invoices paid
- Invoices and statements issued, including tax invoices
- Bank deposit books & bank account statements
- Credit Card statements, if relevant

02 EXPENDITURE RECORDS

- Purchase/expense invoices, including tax invoices
- Purchase/expense receipts that include an ABN
- Cheque butts & bank account statements
- Credit card statements, if relevant

03 ASSETS & LIABILITIES RECORDS

- The asset register
- Depreciation schedules
- Taxation returns
- Unpaid invoices
- Lists of debtors & creditors

* For further information, contact the Australian Tax Office



AUDITING FINANCIAL STATEMENTS

Prescribed owners corporations must have their financial statements audited at the end of each financial year. If your owners corporation is not prescribed, lot owners can decide at the annual general meeting whether to get the financial statements audited.

Consumer Affairs Victoria recommends that all owners corporations have their accounts audited.

[<https://www.consumer.vic.gov.au/housing/owners-corporations>]

STATEMENTS MUST BE AUDITED BY EITHER:

- A registered company auditor
- A firm of registered company auditors
- A person who is a member of CPA Australia, the Institute of Public Accountants, or Chartered Accountants Australia and New Zealand (formerly the Institute of Chartered Accountants in Australia),
- Any other person who is approved by the Director of Consumer Affairs Victoria as an auditor.