



# School Annual Accrual Report (SAAR) Reconciliation: 2020

## Instructions

### About this guide

These instructions provide detailed notes to guide you through the process of preparing your school's annual financial statements for the 2020 financial year.

These instructions are divided into a checklist and a guide.

- The SAAR Reconciliation [on page 4](#) provides an overview of key dates and actions required to complete the reconciliation. A checklist is provided to help you to keep track of progress.
- The guidance section on pages 8 to 29 provides more detailed explanations and instructions, to allow you to complete each activity in the checklist.

### How to use this guide

You can view this PDF file online or print it and use it as a working document. All parts are fully cross-referenced, to help you find related information easily. When you view the document on the screen, click the underlined links. Links with a  take you to website pages. Page numbers are also given for easy reference.

If you save and view the PDF document using Adobe Reader, you can:

- Click the  icon on the left of the screen to display a table of contents. Click the + and – icons to open and close the sections in this panel. Click on any heading to jump to it.
- Click in the  boxes throughout the checklist to tick off each item as you complete it. You can save the checklist with the completed items ticked without the need to print. This can help you to track your progress.



If you have any queries about the payroll data provided, email [support@novopay.govt.nz](mailto:support@novopay.govt.nz) (with 'School Audit' in the subject line).

If you need help with these instructions or have specific questions about preparing your 2020 annual financial statements, contact your Ministry's School Finance Adviser:

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# SAAR Reconciliation

## Overview

### For your 2020 financial statements you will need:

- The School Annual Accrual Report (SAAR report) - this is a core source document for the preparation of the school's 2020 annual financial statements.
- Banking staffing report.
- Payroll "error" schedules - the SAAR report and error schedules together will give you the payroll figures for your 2020 annual financial statements.
- Leave liability reports - schools are required to recognise a leave liability in their 2020 annual financial statements for non-teaching staff.

### About the reports

The SAAR report, associated leave liability reports and error schedules support the completion of your 2020 annual financial statements.

- The SAAR report sums your fortnightly staff usage and expenditure (SUE) report into a single report.
- The SAAR report includes annual accruals made for pay period 22, as a result the total of your SAAR report will not match the total of your SUE reports when added together.
- The payroll error schedules contain data that has not been adjusted in your fortnightly SUE reports, and therefore has not been adjusted in the SAAR report.
- Leave liability reports provide details of the outstanding leave liabilities for non-teaching staff that you need to recognise in your financial statements.

Ernst & Young (EY), the Auditor-General's appointed auditor to the Ministry, conducts independent and objective assurance procedures across the payroll service with a particular focus on the payroll reports discussed in this document, except for the maintenance of leave utilisation records by schools.

### What you need to do

- Check and certify (by the principal and presiding member (Board chairperson)) the SAAR report, to verify that the people named on the report were employees of the Board during the course of the financial year, and that the amounts paid to them are correct.
- Record the payroll amounts from the SAAR report in your financial statements.
- Review the banking staffing report and if the amount is material record a liability for banking staffing overuse or a receivable for banking staffing underuse, depending on which is applicable.
- Review the payroll error schedules. If the amounts are material, make adjustments in your financial statements. As the number of payroll errors has been reducing, our expectation is for most schools, payroll errors will not be material to your financial statements.
- It is important to note that the funding code errors have not been settled and the cumulative amount of these errors may be material to your financial statements.
- Review leave liability report. If the amounts are material, record the leave liability in your financial statements.
- If you are unsure whether an amount is material, consult with your School Finance Adviser.



Payroll reports will be available by

### **5 February 2021**

The SAAR report and leave liability reports will be available through download from Novopay Online; the payroll error schedules will be sent to your school via the Secure Data Portal (SDP).

Use this checklist to guide you through the required reconciliation activities.

### **31 March 2021**

Your 2020 draft annual financial statements must be with your school's auditors by 31 March 2021. We encourage Boards to send draft accounts to their auditor well before this date.

### **31 May 2021**

You must file your 2020 annual report with the Ministry by 31 May 2021.

## SAAR reconciliation checklist

- Download the School Annual Accrual Report (SAAR report) for your school from Novopay Online. This is a PDF file.
  - See [How to download the SAAR report](#) on page 8 in the guide.See [Understanding the SAAR report](#) on page 8 for an explanation of this report.

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- Download the SAAR report certification (also referred to as payroll certification) from the [School finances homepage](#) to enable your principal and presiding member (Board chairperson) to certify your SAAR report information for the auditor.  
See [School Annual Accrual Report Certification](#) on page 29 in the guide.

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- Review the SAAR report and confirm that the employees, shown on the SAAR report, were employed by the Board during the year and that the amounts shown against each employee are substantially correct. Also consider if any employees are not included on the SAAR report.  
Complete statements one and two on the 2020 SAAR report certification.

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- If you have not already accounted for teachers' salaries and other funding each fortnight throughout the year, create journals to reflect the totals shown in the SAAR report.
  - See [Accounting for Teacher Salaries and other funding](#) on page 11 in the guide.

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- Review the banking staffing report (see your latest SUE reports) and make the required journal adjustments.  
*The amount receivable for banking staffing underuse cannot be determined till after 31 March 2021. Until the amount you will receive is confirmed, any banking staffing underuse should be disclosed as a contingent asset only.*
  - See [Banking Staffing](#) on page 13 in the guide.

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- Review the stop pays report (made available through the Secure Data Portal).
  - Is the total of the amounts 'you are yet to receive back' for all years on the stop pays report material? If yes, make an adjustment in your financial statements – see [stop pays](#) on page 15 in the guide.
  - Did you record an adjustment for stop pays in your 2019 financial statements? If yes, review the amounts 'you have received back' on the stop pays report to ensure these have been recorded correctly in your financial statements.

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- Review the overpayments report (made available through the Secure Data Portal)
  - For the bulk grant (BG) overpayments, is the balance owing (BG gross less repayments and refunds) for all year's material? If yes, make an adjustment in your financial statements – for instructions see [overpayments](#) on pages 18 to 21 in the guide.
  - Do you have an accounts receivable balance for overpayments brought forward from 2019? If yes, ensure any amounts refunded or repaid in the year have been properly recorded in your financial statements – see [overpayments](#) on pages 18 to 21 in the guide.
  - For teacher salaries (TS) overpayments, is current year overpayment (TS gross) material? If yes, make an adjustment in your financial statements – see [overpayments](#) on pages 18 to 21 in the guide.

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- Review the funding code errors report (made available through the Secure Data Portal)
  - Are the totals for any of the different types of errors (i.e. BG should be TS, TS should be BG, centrally funded (CF) should be TS or BG) for all years material? If yes, make an adjustment in your financial statements – see [funding code errors](#) on pages 22 to 24 in the guide.

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- Download the leave liability reports for your school from Novopay Online. These are CSV files.
- See [How to download the leave liability reports](#) on page 27 in the guide.
- See [About leave liabilities](#) on pages 26 to 28.
- 
- Review the leave liability reports. If the leave balances are material, make an adjustment in your financial statements – see [Accounting for leave liabilities](#) on pages 27 to 28 in the guide.
- 
- Complete statement three on the 2020 SAAR report certification. The certification must be signed by the principal and the presiding member (Board chairperson) to confirm that the amounts on the SAAR report are consistent with their knowledge. File the SAAR report Certification on the school’s payroll file for the year.
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- Provide a copy of the SAAR report, signed SAAR report certification, banking staffing report, payroll error schedules and leave liability reports to your auditor. If you assessed any of the amounts on the error schedules and leave liability reports as not material, and therefore did not adjust your financial statements for these, please confirm this to your auditor.
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# School Annual Accrual Report (SAAR report)

To be completed by all schools

## Understanding the SAAR report

### What is the SAAR report

The SAAR report summarises the payroll data for the school year from 28 January 2020 to 27 January 2021.

The report records all employees who have been coded to your school during this period, including relievers. The SAAR report shows:

- Total earnings for all staff from 28 January 2020 to 27 January 2021. Prorated amounts are included for pay period 22 at the beginning of this reporting period and pay period 22 at the end of this reporting period (see below). These amounts have been calculated and are included in your SAAR report.
- Totals for salaries funded from bulk grant, teacher's salaries grant and other funding.
- Estimated ACC accruals for inclusion in the school's annual accounts.
- Annual earnings for the principal.



#### Prorated amounts for beginning and ending pay periods

Because the beginning and end dates of the reporting period fall in the middle of a pay period, the data in the report has been prorated as follows:

- The beginning pay period (PP202022, end of the 2019 payroll year) covers 15 January 2020 to 28 January 2020, an apportionment calculation has been made to only include the 28 January 2020.
- Amounts for pay periods PP202023 to PP202121 are included in full.
- The ending pay period (PP202122) covers 13 January 2021 to 26 January 2021, so the daily rate has been calculated using amounts from the previous pay period (PP202121) to estimate the relevant prorated salary from 13 January to 26 January 2021.
- For the 2020 year end apportionment the PP202122 accrual includes an additional day being the 27<sup>th</sup> of January 2021 to encompass the full year. The accrual apportionment for the 2020 year covers a 15 day period being 13 January 2021 to 27 January 2021

#### Note:

- *If no payments were made in PP202121, no accrual will have been calculated for PP202122.*
- *If an employee shows as having worked 27 pay periods, it is because they have received pay in both pay period 202022 and 202122, apportioned as explained above.*
- *Any large or unusual transactions that impact PP202022 or PP202121 could have a material impact on the accrual calculation. These should be taken into consideration and the accrual adjusted appropriately based on normal costs incurred in the period. If you require any assistance with this, please contact your School Financial Advisor.*

## How to download the SAAR report

Follow these steps to download your SAAR report.

1. Log in to [Novopay Online](#) using your username and password. Only authorised users can access the SAAR report in Novopay Online.
2. Go to **My Reporting > School Reports > School Annual Accrual**.
3. The school year defaults to 2020: 28/01/2020 – 27/01/2021.
4. Click **PDF** to download the report.

[Back to SAAR reconciliation checklist](#)

## How to read the SAAR report

### Employee section

Employee	Employees are split between <i>bulk grant</i> , <i>teacher salaries</i> and, if applicable, <i>other</i> . An employee may appear under more than one of these funding types.
Job	This shows the Novopay job number. An employee may have more than one job.
Periods	This shows the number of pay periods in which an employee has been paid, including pay period 202122 if an accrued value has been estimated.
Amounts	The total amount that the employee was paid during the reporting period.
Total	The total amount for each funding type.

### SUE annual accruals section

This section shows the funding totals taken from the SUE reports for each pay period.

### ACC Leivable Earnings

The ACC Leivable Earnings figure is the same as the year-to-date totals and may be higher than the maximum ACC Leivable Earnings. **This figure is intended to be used as an estimate only.**

### Estimated annual earnings for principals

ESTIMATED ANNUAL EARNINGS FOR YOUR SCHOOL PRINCIPAL(S) ARE:

Name	Salary & Allowances	Benefits	Total
	\$132,002.21	\$3,960.02	\$135,962.23

The amount shown is the principal's annual earnings and includes salary, taxable allowances and employer contributions for superannuation. Note, the "benefits" represent the employer contribution to superannuation for principals. These are not displayed on the SUE reports, so if you are reconciling your SAAR report with your SUE reports, please only include the salary and allowances figure. The "total" figure should be used for the required disclosures on principal's remuneration. This can be found in Note 27: Remuneration of the Kiwi Park model financial statements.

If more than one principal has been paid by your school during 2020, all such principals will be shown.

If no principals have been paid by your school during this reporting period, a message will state "No appointed principal for the school year".



#### A note about terminology

The SAAR report refers to 'bulk grant' and SUE reports refer to 'operational grant'. As these refer to the same funding source, the term 'bulk grant' is used in this guide.

## Accounting for salaries

### SAAR report reconciliation

The purpose of reviewing the SAAR report and error schedules is to assess whether they are complete and accurate, to support the preparation of your school's 2020 annual financial statements. The review should be based on your knowledge of the staff employed during the year and cross checking against the payroll reports downloaded throughout the year, where necessary.

The review of the SAAR report and signing of the SAAR report certification are not always undertaken by the same people. The review of the SAAR report is normally undertaken by the person that undertakes the fortnightly payroll review in the school for example the business manager, or principal. The SAAR report certification must be signed by the principal and presiding member (Board chairperson).

The Ministry's auditor carries out some testing of the SAAR reports to confirm all the school's transactions in Novopay have been correctly included in their SAAR report. However, schools are best placed to know who has worked at schools during 2020.

The SAAR report reconciliation process requires you to:

- confirm that the employees listed on the SAAR report were employed by your school and the totals shown against each person are reasonable, based on your knowledge of the school staff;
- recognise the payroll totals from the SAAR report in your 2020 annual financial statements;
- use the "YEAR TO DATE" teacher salary totals in the SAAR report to account for transactions not shown in the school's financial records by completing the required journals on pages 11 and 12 of this document;
- recognise pay periods 21 and 22 as an amount receivable from the Ministry of Education (for the teachers' salaries grant not received at year end) as the pay periods fall after the 31 December. A corresponding payable amount (for the expenditure not incurred at year end) will also need to be recognised – see journals below;
- use the "YEAR TO DATE" ACC levy payable total in the SAAR report to account for transactions not shown in the school's financial records by completing the required journals on pages 11 and 12 of this document;
- use the payroll error schedules to account for transactions not shown in the SAAR report by completing the required journals; and
- complete the SAAR report certification for your auditor.

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## Accounting for teacher salaries and other funding

If you have not already accounted for teachers' salaries and other funding each fortnight throughout the year, you need to create journals to reflect the totals shown in the SAAR report, as follows:

SUE Annual Accruals		Bulk Grant	Teacher Salary	Other	Total
Period	PE Date				
20	29-Dec-2020	\$34,767.66	\$105,384.91	\$212.50	\$140,365.07
21	12-Jan-2021	\$31,243.63	\$106,161.91	\$212.50	\$137,618.04
22	26-Jan-2021	\$29,011.94	\$98,578.92	\$197.32	\$127,788.18
Description		Bulk Grant	Teacher Salary	Other	Total
YEAR TO DATE TOTALS		\$1,045,308.66	\$2,857,259.88	\$11,215.63	\$3,913,784.16
ACC LEVIABLE EARNINGS		\$1,045,308.66	\$2,857,259.88	\$11,215.63	\$3,913,784.16
ACC LEVY (INCLUDES GST)		\$3,846.74	\$10,514.72	\$41.27	\$14,402.73
ACC PAYABLE BY SCHOOL		\$3,846.74			
ACC PAYABLE BY MINISTRY		\$10,555.99			
TOTAL ACC LEVY PAYABLE		\$14,402.73			
ACC RATE : \$0.32 PLUS GST AT 15.00% FOR \$100 OF LEVIABLE EARNINGS					
FINANCIAL YEAR EARNINGS ESTIMATED ARE BASED ON PAYMENTS FROM 28-JAN-20 TO 27-JAN-2021					
ESTIMATED FIRST PERIOD ACCRUAL		\$3,986.12	\$14,325.72	\$30.36	\$18,342.19
FULL PERIOD		\$1,012,310.60	\$2,744,355.24	\$10,987.95	\$3,767,653.79
ESTIMATED FINAL PERIOD ACCRUAL		\$29,011.94	\$98,578.92	\$197.32	\$127,788.18
FINAL TOTAL		\$1,045,308.66	\$2,857,259.88	\$11,215.63	\$3,913,784.16
ESTIMATED ANNUAL EARNINGS FOR YOUR SCHOOL PRINCIPAL(S) ARE:					
	Name		Salary & Allowances	Benefits	Total
	A N Other		\$165,983.42	\$3,997.37	\$169,980.79

### Journal example A (Part 1) – Total teachers' salaries paid in the year

Debit	Learning resources – Employee benefits – salaries	2,857,259.88
Credit	Government Grants – Teachers' salaries grant	2,857,259.88
Narrative	To account for Teachers' Salaries for the 2020 year.	

### Journal example A (Part 2) – Accrual for teacher salaries paid after 31 December 2020

Debit	Accounts receivable – Teachers' salaries grant receivable	205,307.83
Credit	Accounts payable – Teachers' salaries grant payable	205,307.83
Narrative	To account for Teachers' Salaries paid after 31 December 2020. <i>Tip, this should be the sum of "teacher's salary from the SUE Annual Accruals" period 21(\$106,161.91) &amp; 22 (\$98,578.92) from SAAR report</i>	

### Journal example A (Part 3) – ACC levy payable on teachers' salaries and other funding

Debit	Learning resources – Employee benefits – salaries	10,555.99
Credit	Government Grants – Teachers' salaries grant	10,555.99
Debit	Accounts receivable – Teachers' salaries grant receivable	10,555.99
Credit	Accounts payable – Employee entitlements – salaries	10,555.99
Narrative	To account for ACC levy payable by the Ministry on Teachers' salaries and 'other' funded salaries for the 2020 year.	

### Journal example A (Part 4) – Total other funded salaries

Debit	Learning Resources – Employee benefits – salaries	11,215.63
Credit	Government Grants - Other MOE grants	11,215.63
Narrative	To account for Ministry - Other funding for the 2020 year.	

## Bulk grant funded salaries

You should have accounted for your bulk grant funded salaries during the year as you paid them. You should reconcile the amounts included in your financial statements to the amount shown on the SAAR report, for your auditor.

You will need to include an accrual for the ACC levies payable

If you have paid teachers through your bulk grant and/or you have employees that have annualised hours you may need to recognise a payable for any salaries paid to them for the last two pay periods of the year (PP21 & PP22), as for teachers' salary grant funded teachers above. This accrual would only be required if the amounts were material.

Please note that schools are required to recognise a leave liability (as at 31 December 2020) for other non-teaching staff. Part or all of this leave liability is paid during PP21 and PP22, thus by recognising a payable for salaries paid to these staff you are recording this payment twice.

### Journal example B (Part 1) – ACC on bulk funded salaries

Debit	Administration – Employee benefits – Salaries	3,864.74
Credit	Accounts payable – Employee entitlements - salaries	3,864.74
Narrative	To account for ACC on Non-teachers' Salaries for the 2020 year.	

### Journal example B (Part 2) – Accrual for bulk grant funded teachers' and annualised employees pay after 31 December 2020

Debit	Employee benefits – Salaries (in Administration, Learning Resources or Property)	60,246.57
Credit	Accounts payable – Employee entitlements - salaries	60,246.57
Narrative	To account for non-teacher salaries paid after 31 December 2020. <i>Tip, this should be the sum of "SUE annual accruals" funded by the bulk grant for period 21 (\$31,234.63) &amp; 22 (\$29,011.94) from SAAR report.</i>	

## Banking Staffing Report

**Is your banking staffing balance material? If yes, follow the instructions below.**

If you have a banking staffing balance at the year-end, how you will account for this depends on whether you have an overused or an underused banking staffing balance.

### Banking staffing overuse

An overuse of banking staffing must be recognised by the school as a liability. If you are intending to reduce this overuse during the wash up period (to PP26), you can reduce the liability accordingly. Your auditor will check your banking staffing report at the end of March to ensure that the liability you have recognised is correct.

#### Journal example C – Banking staffing overuse

Debit	Government Grants – Teachers’ salaries grant	##,###
Credit	Accounts payable – Banking staffing overuse	##,###
Narrative	To account for banking staffing overuse for the 2020 year.	

### Banking staffing underuse

If a school underuses banking staffing it will receive confirmation from the Ministry after 31 March 2021, following the wash-up period, of how much it will receive back. Until this time the amount of the receivable is uncertain and cannot be recognised in the school’s financial statements. The school should instead disclose it as a contingent asset, as per note 30 in the Kiwi Park model financial statements. Example wording can be found below:

*“There is a contingent asset for the possible repayment from the Ministry of Education for under spending the School’s banking staffing entitlement during 2020. The Ministry has yet to decide how much it will pay to the School. We cannot reliably measure the cash repayment, but the amount we have underspent as at 31 December is approximately \$##,###. We will record the amount we receive as revenue in the 2021 financial year.”*

If in April, when you receive confirmation of the amount receivable, the amount is material, you should recognise an asset in your financial statements. The auditors will be provided with the banking staffing balances for all schools at the end of the wash-up period. If you wish to complete your audit before this information is available, you may do so as long as any contingent asset is disclosed.

#### Journal example C (Part 2) – Banking staffing underuse

Debit	Accounts receivable – Banking staffing underuse	##,###
Credit	Government Grants – Teachers’ salaries grant	##,###
Narrative	To account for banking staffing underuse for the 2020 year.	

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## Error Schedules

### Understanding the Error Schedules



The error schedules are provided, via the Secure Data Portal, to your school. To ensure this information is provided securely, **the file is password protected with your principal's 7-digit MoE number**. If your principal's number is fewer than seven digits, use the Principals MoE number as provided. Do not add preceding zeros to increase to 7 digits.

Each tab in the Excel spreadsheet contains data that has not been adjusted in your fortnightly SUE reports, and therefore has not been adjusted in your SAAR report. Adjustments are required for each of these items if they are material, individually or collectively, for your school.

Each tab is labelled with the error type. The Excel spreadsheet has the following tabs:

- |             |  |
|-------------|--|
| Summary     | Summarises the totals from each tab, which are required for the journals referred to in this guide.  |
| 1. Stops    | A list of stop pays relevant to your school where the earnings data has not been adjusted in the payroll and is not reflected in your SAAR report.   |
| 2. Overpays | A list of overpayments (where employees have been overpaid during the year) relevant to your school where the earnings data has not been adjusted in the payroll and is not reflected in your SAAR report. |
| 3. Funding  | Payments charged to incorrect funding codes.   |

Due to the increasing amount of information contained in the error reports, we have developed a calculation sheet to assist in you in determining the balance to be record in your annual financial statements. Please follow this link [School Error report summary calculator](#) and follow the instructions included in the first tab.

**Note:** Some schools may not have any data of a particular type. If no data is available, the tab shows “No data for your school”.

Some previous year totals may differ from those sent to you last year. These differences are explained in the detail of these instructions. Be assured that the Summary in the Excel spreadsheet shows the correct amounts to reconcile the SUE and SAAR report and prepare the 2020 annual financial statements.

The error schedules contain all errors up until PP14. For a small number of school's payroll errors between PP15 and PP21 may be material to your financial statements. Where this is the case, the Ministry will make direct contact with the respective schools.

## Stop Pays

Is the total of the amounts 'you are yet to receive back' for all years on the stop pays report material? If yes, make an adjustment in your financial statements - see below.

Did you record an adjustment for stop pays in your 2019 financial statements? If yes, review the amounts 'you have received back' on the stop pays report to ensure these have been recorded correctly in your financial statements?

Instructions and further information are set out below.

### What is a stop pay

Stop pays occur when an error is discovered after the pay is run and an instruction is given to stop the pay, resulting in the employee not being paid, but the amount being:

- taken out of the school's bank account,
- reported on the SUE report,
- included in the SAAR report, and
- deductions being paid to Inland Revenue.

An adjustment should be made if the amount 'you are yet to receive back' is material and you have not yet accounted for your stop pays in your financial statements.

### What you will receive

The error schedule includes stop pays for bulk grant only. Any **material** amounts charged to teacher salaries will be advised directly to schools by the Ministry. If there is no data in the tab, then there are no bulk grant stop pays associated with your school.

The **1. Stops** tab contains a list of stop pays where the earnings data has not been adjusted in the payroll and is not reflected in your SAAR report. It is split by calendar year and shows:

- *Original Gross* – the full amount of the stop pays, including tax and deductions
- *Original Net* – the amount that would have been paid to the employees' bank account if the pay was not stopped
- *Corrected Gross* – what the gross pay should have been for the employee
- *Corrected Net* – what the net pay should have been for the employee
- *Original Deductions* – what the deductions were for the employee
- *Corrected Deductions* – what the deductions should have been for the employee
- *Payments redirected to school* – the amount repaid to the school by the Ministry
- *Payments redirected to employee* – the amount repaid to the employee by the Ministry
- *Your payroll expense was overstated by* – the difference between what was paid and what should have been paid
- *You have received back* – amounts redirected back to the school plus PAYE, Student Loan (SL), and KiwiSaver (KS) components of stop pays that have been refunded to the school during the course of the year (details will have been provided to you with the remittance advice at the time of the refund).
- *You are yet to receive back* – the amount still being owed to your school.

If you have already completed stop pay journals in your accounts, you should check those journals against the amounts in the **1. Stops** tab.

If you have recognised stop pays in prior years, you will need to review the detailed transactions in the **1. Stops** tab to ensure any refunds or repayments received relating to prior year amounts have been recorded correctly.

The following is an illustrative example extracted from the **Summary** tab.

**Table 1 - Illustrative example**

		Stop Pays	
1	1	2012 Your payroll expense was overstated by:	-
1	2	2012 You have received back:	-
1	3	2012 You are yet to receive back:	-
1	4	2013 Your payroll expense was overstated by:	-
1	5	2013 You have received back:	-
1	6	2013 You are yet to receive back:	-
1	7	2014 Your payroll expense was overstated by:	5,321
1	8	2014 You have received back:	-
1	9	2014 You are yet to receive back:	5,321
1	10	2015 Your payroll expense was overstated by:	-
1	11	2015 You have received back:	-
1	12	2015 You are yet to receive back:	-
1	13	2016 Your payroll expense was overstated by:	-
1	14	2016 You have received back:	-
1	15	2016 You are yet to receive back:	-

**Table 1 - Illustrative example continued**

1	16	2017 Your payroll expense was overstated by:	-
1	17	2017 You have received back:	-
1	18	2017 You are yet to receive back:	-
1	19	2018 Your payroll expense was overstated by:	2,828
1	20	2018 You have received back:	-
1	21	2018 You are yet to receive back:	2,828
1	22	2019 Your payroll expense was overstated by:	-
1	23	2019 You have received back:	-
1	24	2019 You are yet to receive back:	-
1	25	2020 Your payroll expense was overstated by:	11,326
1	26	2020 You have received back:	10,126
1	27	2020 You are yet to receive back:	1,200

**Note:** The total of the “you are yet to receive back” amounts shown above should be the total receivable for stop pays recognised in your financial statements, when you have completed your journal adjustments for stop pays. [If you use the template this is the amount in the first blue box marked 2020.](#)

## Stop pay adjustments

### Prior year stop pays

If you recognised accounts receivable in your 2019 financial statements for stop pays from prior years, any payments “You have received back” in 2020 should have been recorded as noted in Journal D below to reduce that receivable. The **1. Stops** tab gives you the details of these transactions.

### Journal D example – Future refunds and redirections journal:

Debit	Bank	\$10,126
Credit	Accounts receivable - Receivables from the Ministry of Education	\$10,126
Narrative	To recognise refund of PAYE/Student Loan/other repayments components of stop pays ( <i>Tip add line 26</i> ).	

Review the amounts “You have received back” in the report to ensure that these have been reflected in your 2020 financial statements.

## Current year stop pays

If you have already accounted for all your “stop pays” that happened during the 2020 year (i.e. - created receivables for stop pays and accounted for funds received back against these receivables), then you should review the amounts shown in the **1. Stops** tab to check they are consistent with your records. The accounts receivable balance at 31 December 2020 should be the total of the amounts ‘yet to receive back’ on the report. In this example the balance is \$1,200 (add lines 3, 6, 9, 12, 15, 18, 21, 24 and 27).

If you have NOT accounted for your “stop pays” in the school’s financial records during the year, the total amount receivable by the school needs to be recognised in Note 11: Accounts Receivable of the Kiwi Park model financial statements, as Receivables from the Ministry of Education, as noted in Journal E below. The amount is shown in the **Summary** tab (Total of lines 3, 6, 9, 12, 15, 18, 21, 24 and 27).

### Journal E example – Outstanding “stop pays” (all years):

Debit	Accounts receivable - Receivables from the Ministry of Education	\$9,349
Credit	Other staff salary expense (administration, learning or property as appropriate)	\$9,349
Narrative	To recognise “stop pays” that the school is “yet to receive back”. <i>(Tip add line 3, 6, 9, 12, 15, 18, 21, 24 and 27) .If you use the template this is the amount in the first blue box marked 2020.)</i>	

If you have already recognised prior year stop pays and have followed the instructions above, the journal should only include current year stop pays.

### Journal F example – Outstanding “stop pays” (current year only):

Debit	Accounts receivable - Receivables from the Ministry of Education	\$1,200
Credit	Other staff salary expense (administration, learning or property as appropriate)	\$1,200
Narrative	To recognise “stop pays” that the school is “yet to receive back”. <i>(Tip add line 27).</i>	

Future refunds and redirections associated with 2020 stop pays that you receive in 2021 should be offset against the debtor when received, as per Journal D above.

#### In summary

The total of the “you are yet to receive back” amounts for all years, per the report, should equal the receivable for stop pays in your financial statements as at 31 December 2020. [If you use the template this is the amount in the first blue box marked 2020.](#) If this amount is not material no adjustments are required.

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## Overpayments

**For BG overpayments, is the balance owing (BG gross less repayments and refunds) for all years material? If yes, make an adjustment in your financial statements – see below.**

**Do you have an accounts receivable balance for overpayments brought forward from 2019? If yes, ensure any amounts refunded or repaid in the year have been properly recorded in your financial statements – see below.**

**Is the TS overpayments for the current year material? If yes, make an adjustment in your financial statements – see below.**

### What you will receive

The **2. Overpays** tab contains a list of overpayments, where the earnings data has not been adjusted in the payroll and is not reflected in your SAAR report. It is split by calendar year and shows:

- *Gross* – overpayments paid to your employees, including all tax and deductions
- *Total net* – amount paid to the employee after tax and other deductions. This is the amount that is owed by the employee.
- *Total repayments* – amounts repaid by the employee up to and including 31 December 2020
- *Refund detail* – *PAYE Refund*, *SL Refund* (Student Loan) and *KS Refund* (KiwiSaver) components of overpayments that have been acknowledged by the employee. All of these details will have been provided to you with the remittance advice at the time of the refund.

If there is no data in the tab, there are no overpayments associated with your school.

If BG overpayments occurring in 2019 (or earlier) have been accounted for in your 2019 financial statements as a receivable, any repayments and refunds received by your school during 2020 should have been recorded against the receivable.

You have now been provided with the amounts for 2020. If there are any additional overpayments that you have not previously recognised (which could relate to previous years), how you treat these will depend on whether they are TS or BG.

If you have already completed overpayment journals for 2020 in your accounts to record overpayments notified to the school, you should check those journals against the figures in the **2. Overpays** tab.

The following is an illustrative example extracted from the Summary tab.

**Table 2 - Illustrative example**

		Overpayments	
2	28	2012 Total TS gross	\$19,220
2	29	2012 Total BG gross	\$26,305
2	31	2012 Total BG repayments	\$22,720
2	31	2012 Total BG refunds	\$3,669
2	32	2013 Total TS gross	\$17,820
2	33	2013 Total BG gross	\$20,605
2	34	2013 Total BG repayments	\$18,820
2	35	2013 Total BG refunds	\$3,948
2	36	2014 Total TS gross	\$1,862
2	37	2014 Total BG gross	\$16,893
2	38	2014 Total BG repayments	\$10,862
2	39	2014 Total BG refunds	\$3,484
2	40	2015 Total TS gross	\$13,099
2	41	2015 Total BG gross	\$3,004
2	42	2015 Total BG repayments	\$2,298
2	43	2015 Total BG refunds	\$706
2	44	2016 Total TS gross	\$10,193
2	45	2016 Total BG gross	\$3,673
2	46	2016 Total BG repayments	\$2,649
2	47	2016 Total BG refunds	\$964

**Table 2 - Illustrative example continued**

2	48	2017 Total TS gross	-
2	49	2017 Total BG gross	\$317
2	50	2017 Total BG repayments	\$205
2	51	2017 Total BG refunds	\$112
2	52	2018 Total TS gross	-
2	53	2018 Total BG gross	-
2	54	2018 Total BG repayments	-
2	55	2018 Total BG refunds	-
2	56	2019 Total TS gross	-
2	57	2019 Total BG gross	-
2	58	2019 Total BG repayments	-
2	59	2019 Total BG refunds	-
2	60	2020 Total TS gross	\$3,674
2	61	2020 Total BG gross	\$1,429
2	62	2020 Total BG repayments	\$110
2	63	2020 Total BG refunds	-

**Note:** The total of the “Total BG gross” less “Total BG repayments” and “Total BG refunds” for all years, should be the total recognised as a receivable for overpayments in your financial statements when you have completed your journal adjustments for overpayments. [If you use the template this is the amount in the second blue box marked 2020.](#)

## Overpayment adjustments

### Teacher salaries (TS)

The Ministry is responsible for collecting overpayments paid through the teachers’ salaries grant, therefore these amounts are not recognised in the school’s financial statements as a receivable. However, if there has been a significant overpayment funded through teachers’ salaries in the current year, the teachers’ salaries grant and corresponding expenditure will need to be adjusted. This is why you only need to review the current year’s overpayments to determine whether an adjustment is required

If there are overpayments for the 2020 year funded from teachers’ salaries (TS overpayments) (line 60), then:

- You should review the amounts shown in the 2. Overpays tab to check these are consistent with your records.
- If the TS overpayments for 2020 are material for your school, make adjustments to the teachers’ salaries figures using the amount in line 60 (2020 Total TS Gross) on the Summary tab, as follows:

### Journal G example - Teacher salaries overpayments:

Debit	Government grants – Teachers’ salaries grant	\$3,674
Credit	Learning resources – Employee benefits – salaries	\$3,674
Narrative:	To adjust Ministry of Education teacher salary overpayments for the year 2020 <i>.(Tip - use Total 60, <a href="#">If you use the template this is the amount in the bottom blue box marked 2020</a>)</i>	

### Bulk grants (BG)

If there are overpayments funded from the bulk grant (BG overpayments), then:

- If you have already accounted for overpayments in 2020 by recording them as ‘accounts receivable - receivables’ and offsetting the repayments and refunds appropriately as they were received, you should review the amounts shown in the **2. Overpays** tab to check these are consistent with your records and adjust as necessary.
- The total of the gross overpayments less any repayments and refunds for all years is the amount owed to the school and should be recognised in accounts receivable – receivables, as recorded in Note 11 of the Kiwi Park model financial statements.
- It is important to note that overpayments that were raised in 2020 may also relate to previous years so you need to check the total BG overpayments for all years are recognised in the financial statements. To ensure that all overpayments are accounted for, including any overpayments raised that affect earlier years, the journals below first remove any existing accounts receivable – receivables balance, if applicable, and then records the 2020 value of all BG overpayments receivable as the new accounts receivable – receivables balance.

### Journal H example – Bulk grant overpayment:

#### To remove the current balance

Debit	Employee benefits - salaries (in administration, learning resources or property as appropriate)	360
Credit	Accounts receivable - receivables	360
Narrative:	To reverse the recognition of prior years’ staff salaries overpayment made by the school for the year 2020 that are being recovered by the school.	

#### To record the current position

Debit	Accounts receivable - receivables	1,679
Credit	Employee benefits - salaries (in administration, learning resources or property as appropriate)	1,679
Narrative:	To recognise staff salary overpayments made by the school for the year 2020 (and prior) that are being recovered by the school. <i>Tip – add line 29, 33, 37, 41, 45, 49, 53, 57 and 61 less lines 30, 31, 34, 35, 38, 39, 42, 43, 46, 47, 50, 51, 54, 55, 58, 59, 62 and 63. <a href="#">If you use the template this is the amount in the second blue box marked 2020.</a>)</i>	

## Overpayment not yet established by the Ministry

If the Board is uncertain as to the amount of a receivable that is recoverable from an employee, in situations where the Ministry has not yet confirmed the amount of the overpayment, it should be disclosed in the 2020 annual financial statements as a contingent asset. A disclosure note (Note 29 in the Kiwi Park model financial statements) will need to be added in the form of:

*“The Board has a contingent asset in the form of amounts receivable from an employee/s for salary overpayments made to staff from Operating Grants. The exact amount of the overpayment is unable to be reliably estimated at this time and has therefore not been included in the financial statements.”*

## Receivable not recoverable

If the Board is uncertain of the recoverability of an established overpayment, it should impair the receivable in its financial statements. The receivable should be recorded at the amount the school realistically expects to receive. The difference between this and the established overpayment should be recorded as a loss on uncollectable accounts receivable which is reported separately in the statement of comprehensive revenue and expense in the Kiwi Park model financial statements. Likewise where an overpayment has not been recovered and written off partially, or in full, by the Board during the course of the year this should also be shown as a loss on uncollectable accounts receivable (documentation associated with any such write-offs will have been received at the time).

### In summary

The total for all years of “total BG gross” minus “total BG repayments”, minus “total BG refunds” should be the total overpayments receivable in your annual financial statements. [If you use the template this is the amount in the second blue box marked 2020](#). Overpayments only have to be recognised if they are material to the users of the annual report.

If “2020 total TS gross” (line 60) is material, both the teachers’ salaries grant and learning resources expenditure for the current year will need to be adjusted in your financial statements. If this amount is not material no adjustments are required for TS overpayments.

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## Funding code errors

Are the totals for any of the different types of errors (i.e. BG should be TS, TS should be BG, CF should be TS or BG) for all years material? If yes, make an adjustment in your financial statements – see below.

### What you will receive

The **3. Funding** tab contains a list of funding code errors where the earnings data has not been adjusted in the payroll and is not reflected in your SAAR report. It shows:

- *Charged to TS and should be BG* – amounts incorrectly charged to teacher salaries that should be bulk grant
- *Charged to BG and should be TS* – amounts incorrectly charged to bulk grant that should be teacher salaries
- *Charged to other and should be BG* – amounts incorrectly charged to central funding that should be bulk Grant
- *Charged to other and should be TS* – amounts incorrectly charged to central funding that should be teacher salaries

You may have some transactions in your list that are reversals of previous transactions. We have included them to ensure you are fully informed, even though they net to zero.

The overall effect on teachers’ payroll expenditure is neutral (assuming the original expenditure was coded to “Learning Resources” in your financial statements, whether or not it was paid from TS or BG).

The following is an illustrative example extracted from the **Summary** tab.

**Table 3 - Illustrative example**

		Funding Code Errors	
3	64	2012 Charged to BG and should be TS	\$ 2,893
3	65	2012 Charged to TS and should be BG	-
3	66	2012 Charged to CF and should be TS	-
3	67	2012 Charged to CF and should be BG	-
3	68	2013 Charged to BG and should be TS	\$ 1,874
3	69	2013 Charged to TS and should be BG	-
3	70	2013 Charged to CF and should be TS	-
3	71	2013 Charged to CF and should be BG	-
3	72	2014 Charged to BG and should be TS	\$ 3,016
3	73	2014 Charged to TS and should be BG	\$ 11,219
3	74	2014 Charged to CF and should be TS	-
3	75	2014 Charged to CF and should be BG	-
3	76	2015 Charged to BG and should be TS	\$ 11,293
3	77	2015 Charged to TS and should be BG	\$ 2,334
3	78	2015 Charged to CF and should be TS	-
3	79	2015 Charged to CF and should be BG	-
3	80	2016 Charged to BG and should be TS	\$ 3,789
3	81	2016 Charged to TS and should be BG	\$ 2,126
3	82	2016 Charged to CF and should be TS	-
3	83	2016 Charged to CF and should be BG	-

**Table 3 - Illustrative example continued**

3	84	2017 Charged to BG and should be TS	\$ 1,241
3	85	2017 Charged to TS and should be BG	\$ 1,337
3	86	2017 Charged to CF and should be TS	-
3	87	2017 Charged to CF and should be BG	-
3	88	2018 Charged to BG and should be TS	\$ 1,107
3	89	2018 Charged to TS and should be BG	\$ 3,288
3	90	2018 Charged to CF and should be TS	-
3	91	2018 Charged to CF and should be BG	-
3	92	2019 Charged to BG and should be TS	\$ 110
3	93	2019 Charged to TS and should be BG	\$ 1,203
3	94	2019 Charged to CF and should be TS	-
3	95	2019 Charged to CF and should be BG	-
3	96	2020 Charged to BG and should be TS	\$ 2,465
3	97	2020 Charged to TS and should be BG	\$ 940
3	98	2020 Charged to CF and should be TS	\$ 235
3	99	2020 Charged to CF and should be BG	\$ 970

**Note:** The total of the amounts charged to BG instead of TS for all years should be your final *receivable* (owed by the Ministry). The total of the amounts charged to TS and OTHER instead of BG should be your final *payable* (owed to the Ministry). [If you use the template these are the amounts in the third and fourth blue boxes marked 2020.](#)

## Funding code adjustments

### Incorrect coding to teacher salaries

If the coding error resulted in incorrect coding to teacher salaries (TS) or central funding (CF), instead of bulk grant (BG), then the school effectively owes the Ministry the gross amount of the error.

This amount should be accounted for in accounts payable - operating creditors (Note 16 of the Kiwi Park model financial statements), as follows:

#### Journal I example – Charged to TS or CF and should be BG:

To remove the current balance

Debit	Accounts Payable – Operating Creditors	25,323
Credit	Government grants – Teachers’ salaries grant	25,323
Narrative:	<p>To reverse the recognition of staff incorrectly coded to teacher salary grant for the year 2019.</p> <p><i>Tip – Add lines 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93 and 95</i></p> <p><a href="#">If you use the template these are the amounts in the third and fourth blue boxes marked 2019</a></p>	

To record the current position.

Debit	Government grants – Teachers’ salaries grant	28,023
Credit	Accounts Payable – Operating Creditors	28,023
Narrative:	<p>To recognise staff incorrectly coded to teacher salary grant for the year 2020.</p> <p><i>Tip – Add lines 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93, 95, 97 and 99</i></p> <p><a href="#">If you use the template these are the amounts in the third and fourth blue boxes marked 2020</a></p>	

### Incorrect coding to bulk grant

If the coding error resulted in incorrect coding to bulk grant instead of teacher salaries (TS) or central funding (CF), then the Ministry effectively owes the school the gross amount of the error. This figure should be accounted for in accounts receivable as 'accounts receivable - receivables from the Ministry of Education (Note 11 of the Kiwi Park model financial statements) as follows:

#### Journal J example – Charged to BG or CF and should be TS:

To remove the current balance

Debit	Government grants – Teachers’ salaries grant	21,507
Credit	Accounts receivable – Receivables from the Ministry of Education	21,507
Narrative:	To reverse the recognition of staff incorrectly coded to bulk grant for the year 2019. <i>Tip – Add rows 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86, 88, 90, 92 and 94</i> <a href="#">If you use the template these are the amounts in the third and fourth blue boxes marked 2019</a>	

To record the current position.

Debit	Accounts receivable - Receivables from the Ministry of Education	23,417
Credit	Government grants – Teachers’ salaries grant	23,417
Narrative:	To recognise staff incorrectly coded to bulk grant for the year 2020. <i>Tip – Add rows 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96 and 98</i> <a href="#">If you use the template these are the amounts in the third and fourth blue boxes marked 2020</a>	

#### In summary

The total for all years of “charged to BG and should be TS” should be the receivable recognised in your financial statements. The total for all years of “charged to TS and should be BG” and “charged to CF and should be BG” should be the payable recognised in your annual financial statements. If this amount is not material no adjustments are required.

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## Local payments made by schools

Each manual payment that is made to an employee by the school outside of the payroll system (generally due to a school advance of salary and wages) must be reconciled to the payroll. This reconciliation ensures accurate earnings information is reported to Inland Revenue and ensures legislative compliance via the payroll.

If not already done at the time, the following journal entries need to be entered for each manual payment and subsequent repayment.

1. *Payment from the school bank account to the employee:*

Debit	Accounts receivable – receivables	##,###
Credit	Cash and cash equivalents	##,###
Narration	Manual payment to employee # period xx	

2. *Repayment by the employee to the school bank account:*

Debit	Cash and cash equivalents	##,###
Credit	Accounts receivable - receivables	##,###
Narration	Repayment of manual payment for employee # for period xx	



**Boards should be aware of s578 (2) of the Education and Training Act 2020 – unless directed otherwise by the Secretary of Education all payments to employees must use the payroll service established by the Secretary of Education.**

**Boards should also be aware that in terms of the Education and Training Act 2020 a loan made by a school to a member of staff is illegal.**

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# Leave Liability Reports

Are your leave liability balances material? If yes, follow the instructions below.

## Understanding the leave liability reports

### About leave liabilities

Schools are required to account for the leave liability for non-teaching employees only. The Ministry accounts for the leave liability arising from teaching employees, including principals, irrespective of whether the employee(s) is funded from bulk grant, teacher salaries, or another funding source.

The liability should be reported in the school's accounts payable - employee entitlements – leave accrual note to the 2020 annual financial statements (Note 16 in the Kiwi Park School model financial statements).

Schools should be actively managing outstanding leave balances where the balance is high. This will assist in reducing the leave liability for which your school is required to account for but also reduce the financial cost once an employee resigns.

### What you will receive

There are three leave liability reports as follows:

#### 1. Annual leave (AL) liability for 52-week employees:

These employees are employed to work for 52 weeks per year and accrue and use annual leave during those 52 weeks. For this group of employees, the estimated leave liability is calculated as follows:

$$\text{Ordinary Daily Rate} = \text{Daily Salary Rate} + \text{Daily Allowance Rate}$$
$$\text{Estimated Leave Liability} = \text{AL Balance at end of PP202120} * \text{Ordinary Daily Rate} * \text{FTTE \%}$$

#### 2. Annual leave liability for term-time only auto and time sheet employees:

These employees are employed during term time only and their holiday pay is paid in a lump sum at the end of each year. A common anniversary date (1 December 2020 – end of PP202118) is used to calculate the end of year holiday pay payments. Therefore, term-time only leave liability is based on earnings of PP202119 to PP202120. The necessary leave liability is calculated as follows:

$$\text{Estimated Leave Liability at 01/01/2021}$$
$$\text{Holiday Pay \%} * (\text{Earnings PP202119} + \text{PP202120})$$

#### 3. Long service leave (LSL):

For this group of employees, the estimated leave liability is calculated as follows:

$$\text{Ordinary Daily Rate} = \text{Daily Salary Rate} + \text{Daily Allowance Rate}$$
$$\text{Liability Value} = \text{LSL Balance} * \text{Ordinary Daily Rate} * \text{FTTE \%}$$

The leave liability reports contain the detailed information needed to report a liability in dollar terms for annual leave and long-service leave for your non-teaching staff. They show the details used in the calculation of the estimated value of outstanding leave balances as at the end of the pay fortnight ending 31 December 2020.

Because employees have different employment agreements and leave provisions, the leave liability is calculated in a number of different ways depending on these variables.



- Leave liability is only calculated/reported up to the end of pay period 202120.
- If you believe the amount involved is not material, you do not need to recognise the liability.
- Please do not report a liability for sick leave. No provision is required to be recognised for sick leave for any employees. This is irrespective of whether a school is above its teaching entitlement. In practice most sick leave is funded by the Ministry.
- No liability exists for casual employees, as holiday pay is paid with earnings during each pay period.
- The leave liability report does not contain any data regarding retirement leave; this will need to be calculated by your school. Should your school have employees that are entitled to retirement leave and this amount is material, you should include this as a leave liability.
- These liabilities represent the balance as at the end of PP202120. The 2019 leave balance should be reversed and the balances for 2020 recognised.

## How to download the leave liability reports

Follow these steps to download the leave liability reports for 52-week employees, term-time only employees and long service leave.

1. Log in to [Novopay Online](#) using your username and password.
2. Go to **My Reporting > School Reports > Other Reports**.
3. Click **CSV** to download each of the reports.

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## Accounting for leave liabilities

The reports contain details of your employees for whom the estimated leave liability has been calculated, the total leave liability is in the *Liability Value* column.

If you agree with leave report then recognise the total as a liability and report it in the school's accounts payable (employee entitlements – leave accrual) Note 16 in the Kiwi Park model financial statements.

If you believe the leave report to be incorrect, do the following:

- Prepare a work paper based on the Novopay leave report and include amounts that you believe are correct. You will need to keep your work paper and provide supporting evidence to support the amounts you wish to recognise in your financial statements for your auditor.

When you are satisfied that the amount owing to employees for the leave type is materially correct, prepare a journal to recognise the total as a liability and report it in the school's accounts payable (employee entitlements – leave accrual) Note 16 in the Kiwi Park model financial statements.

Debit	Employee benefits - salaries <i>(in Administration, Learning Resources or Property as appropriate)</i>	##,###
Credit	Accounts payable – Employee Entitlements - leave accrual	##,###
Narrative:	To recognise 52-week Annual Leave/TTO Annual Leave/Long Service Leave to PP202120. <i>(Tip - use Novopay 52-week leave Liability Report)</i>	

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## Leave liability that cannot be reliably estimated

If, even after all checks and efforts made to reconcile the leave liability, the Board still considers the data unreliable, or the school does not have suitable records\*, then the leave liability should not be included in the 2020 annual financial statements and will need to be disclosed as a contingent liability in the notes. For example:

*“The Board has a liability for leave for {who and type of leave} which has not been able to be quantified due to the unreliability of the underlying leave records for these staff. Accordingly, no liability has been included in the Financial Statements.”*

An exercise was carried out during 2015 to confirm the leave balances in the Novopay system, we expect that it would be very unlikely that a leave balance cannot be recognised.

**\* Boards should establish and maintain a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting – this includes maintaining employment records.**

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## School Annual Accrual Report Certification

SAAR report certification (also referred to as payroll certification) is relied upon by your auditor as evidence that the Board has reviewed the payroll information for completeness and accuracy, and has communicated the nature of the review performed and the results of that review.

Follow these steps to complete the 2020 SAAR report certification.

1. Go to the [#SAAR documents](#) and click on the *2020 SAAR report certification* link.
2. Download and print the form.
3. Both the principal and the presiding member (Board chairperson) will need to sign the 2020 SAAR report certification, as it is necessary for you audit.
4. Provide a copy of the signed 2020 SAAR report certification to your auditor.
5. File the 2020 SAAR report certification on the school's payroll file for the year.

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### Key dates to remember

**31 March 2021**

Your 2020 draft annual financial statements must be with your school's auditors by 31 March 2021. We encourage Boards to send draft accounts to their auditor well before this date.

**31 May 2021**

You must file your 2020 annual report with the Ministry by 31 May 2021.