Financial Report Proofreading Policy and Procedure

HiFlex Physio

Policy

This document outlines the procedures to be done by employees in HiFlex Physio tasked with proofreading a financial report.

HiFlex Physio employees must ensure to create and produce financial report documents that represent accurate and factual data. By ensuring that all financial reports produced undergo the same review process, all HiFlex Physio financial reports can maintain the same level of standard of accuracy and compliance.

Procedures

Two procedures are outlined in this document, depending on who is assigned to proofread the financial report:

- Employee's Review
- Managerial Review

Employee's Review

Financial reports must be proofread before being submitted to the Australian Securities and Investments Commission (ASIC). Employees tasked with proofreading of financial reports must go through the checklist below before submitting financial reports:

1. Get the total amount for all statements, notes, schedules

2. Tick and tie the following amounts:

a. Total assets equal total liabilities and equity

b. Ending cash on the cash flow statement agrees with the balance sheet

c. Net income on the income statement agrees with the beginning number of an indirect method cash flow statement

d. Numbers in the notes agree with the financial statements

e. Numbers in the supplementary schedules agree with the financial statements

3. Review financial statements for compliance with firm formatting standard

4. Read financial statements for appropriate grammar and punctuation (consider using Grammarly)

5. Compare the table of contents to all pages in the report

6. Review page numbers

Managers are also expected to proofread the financial reports. Managers must perform the following actions below before submitting financial reports:

1. Scan the complete set of financials to get a general feel for the composition of the report (e.g., Yellow Book report, supplementary information, the industry, etc.)

2. Read the beginning part of the summary of significant accounting policies taking note of the reporting framework (e.g., GAAP), type of entity (e.g., nonprofit), and whether the statements are consolidated or combined

3. Read the opinion or report any nonstandard language (e.g., going concern paragraph)

a. Agree named financial statement titles in the opinion or report to the financial statements

b. Agree the dates (e.g., year-end) in the opinion or report and compare to the statements

c. Compare supporting sample report (as provided by your staff member and noted above) to the opinion or report

d. Compare representation letter date to the opinion or review report date

4. Review the balance sheet; make mental notes of line items that should have related notes (retain those thoughts for review of the notes)

5. Review the income statement

6. Review the statement of changes in equity (if applicable)

7. Review the cash flow statement

8. Review the notes (making mental notes regarding sensitive or important disclosures so that communication with those charged with governance can be checked if the communication appropriately contains references to these notes)

9. Return to the balance sheet to see if there are additional disclosures needed (since the notes were just read, omissions will stand out — e.g., intangibles are not disclosed)

10. Review supplementary information (and related opinion for this information if applicable)

11. Review other reports such as Yellow Book and Single Audit (the staff member preparing the financial statements should have placed supporting examples in the file; refer to the examples as necessary)

12. Identify areas of the report that must be corrected by the relevant staff member.

a. If the review is done on paper, pencil in corrections and provide marked pages to the staff member for amendments to be made

b. If the review is performed on a computer:

i. If the report was provided as a PDF format, take screenshots of pages that need to be corrected and provide these to the staff member for amendment

ii. If the reports are in a Word document, make corrections to the document using Track Changes then provide the document with corrections to the staff member for their amendment