

Enhancing not-for-profit reporting

Part A: Enhancing performance reporting

October 2019



Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 120,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation professional accountants across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.

Copyright

© 2019 Chartered Accountants Australia and New Zealand ABN 50 084 642 571 (CA ANZ). Formed in Australia. Members of CA ANZ are not liable for the debts and liabilities of CA ANZ.

This document is protected by copyright. Other than for the purposes of and in accordance with the Copyright Act 1968 (Cth) and Copyright Act 1994 (NZ), this document may only be reproduced, published, stored in a retrieval system or communicated in whole or in part provided that it is not amended or adapted without express prior written permission and the ownership of copyright by Chartered Accountants Australia and New Zealand ABN 50 084 642 571 is attributed at all times.

Disclaimer

This publication is intended to provide general information and is not intended to provide or substitute legal or professional advice. This publication has been prepared so that is current as at the date of writing. You should be aware that such information can rapidly become out of date. You should not act, or refrain from acting, or rely on any statement, view or opinion expressed in this publication. You should make and rely on your own inquiries in making any decisions or giving any advice.

No warranty is given as to the correctness of the information contained in this publication, or of its suitability for use by you. To the fullest extent permitted by law, Chartered Accountants Australia and New Zealand (CA ANZ) is not liable for any statement or opinion, or for any error or omission contained in this publication and disclaims all warranties with regard to the information contained in it, including, without limitation, all implied warranties of merchantability and fitness for a particular purpose. CA ANZ is not liable for any direct, indirect, special or consequential losses or damages of any kind, or loss of profit, loss or corruption of data, business interruption or indirect costs, arising out of or in connection with the use of this publication or the information contained in it, whether such loss or damage arises in contract, negligence, tort, under statute, or otherwise.

1489-NOV-19

Contents

| | |
|---|----|
| Foreword | 4 |
| Introduction | 6 |
| Part A: Enhancing performance reporting..... | 9 |
| 1. Performance reporting: telling the story..... | 10 |
| 2. Governance reporting: enhancing transparency | 13 |
| 3. Output and outcome reporting: illustrating performance | 20 |
| 4. Checklist: meeting good reporting practices..... | 26 |
| 5. Optional reporting frameworks | 37 |
| 6. Australian and New Zealand Councils for International Development: Codes of conduct | 40 |
| 7. Enhancing assurance..... | 42 |
| 8. Legislative frameworks..... | 44 |
| 9. Useful resources | 58 |
| 10. Glossary of abbreviations | 62 |

Foreword

The not-for-profit (NFP) and charity sector is often seen as the backbone of our communities – providing support and giving a voice to those in need. And whether in their role as advisors, employees or volunteers, Chartered Accountants provide trusted guidance to these organisations and help drive them towards their mission.

Chartered Accountants Australia and New Zealand (CA ANZ) is a strong supporter of these organisations and understands the crucial role they play across Australian and New Zealand communities.

CA ANZ has published this much-needed guide, *Enhancing Not-For-Profit and Charity Reporting* to assist and guide organisations in the NFP and charity sector in their ongoing efforts to attain best practice in their annual, financial and performance reports.

As this sector operates within a changing and often complicated regulatory framework, high quality reporting is becoming increasingly important with major fund and grant providers paying particular attention to both non-financial and financial information when weighing funding decisions.

Additionally, many people who donate – whether large or small – are becoming increasingly conscious of the information behind charities to ensure they are being transparent and are held accountable.

This guide assists in showing how, through relevant, transparent and engaging reporting, an organisation can tell its story about why it exists, its aims, its successes and its challenges. The recent revisions in the reporting requirements for the sector in Australia and New Zealand also mean this guide can help provide practical assistance for organisations as they work through these changes.

I would like to extend my appreciation to the members of the CA ANZ Charities and Not-for-Profit Advisory Committee who are dedicated to the sector and contributed their insights and experiences to producing this guide.



Simon Grant FCA
Group Executive – Advocacy & Professional Standing
and International Development

Acknowledgements

CA ANZ acknowledges and appreciates the insights and contributions from the Australian Charities and Not-for-profits Commission (ACNC) and Charities Services in New Zealand in developing and updating this tool.

CA ANZ also acknowledges the time and expertise donated by the members of the CA ANZ Charities and Not-for-Profit (CNFP) Advisory Committee.

We also acknowledge and thank Australian Baker Tilly network member, [Pitcher Partners](#), for donating its time and expertise to undertake a detailed review of the financial statements in Part B: Enhancing financial reporting: Australia.

Introduction

Welcome to this sixth edition of *Enhancing not-for-profit and charity reporting*. This tool is published by the Chartered Accountants Australia and New Zealand (CA ANZ) Charities and Not-for-Profit (CNFP) advisory committee to support organisations in the NFP and charity sector in their efforts to attain best practice in their annual, financial and performance reports.

For the first time this tool is designed for NFPs and charities in both Australia and New Zealand, enabling guidance and learnings from both countries to be incorporated into the recommendations, examples and checklists.

Every organisation is unique, subject to varied reporting requirements depending on factors such as jurisdiction, legal structure, regulator, size, funding body and constitution.

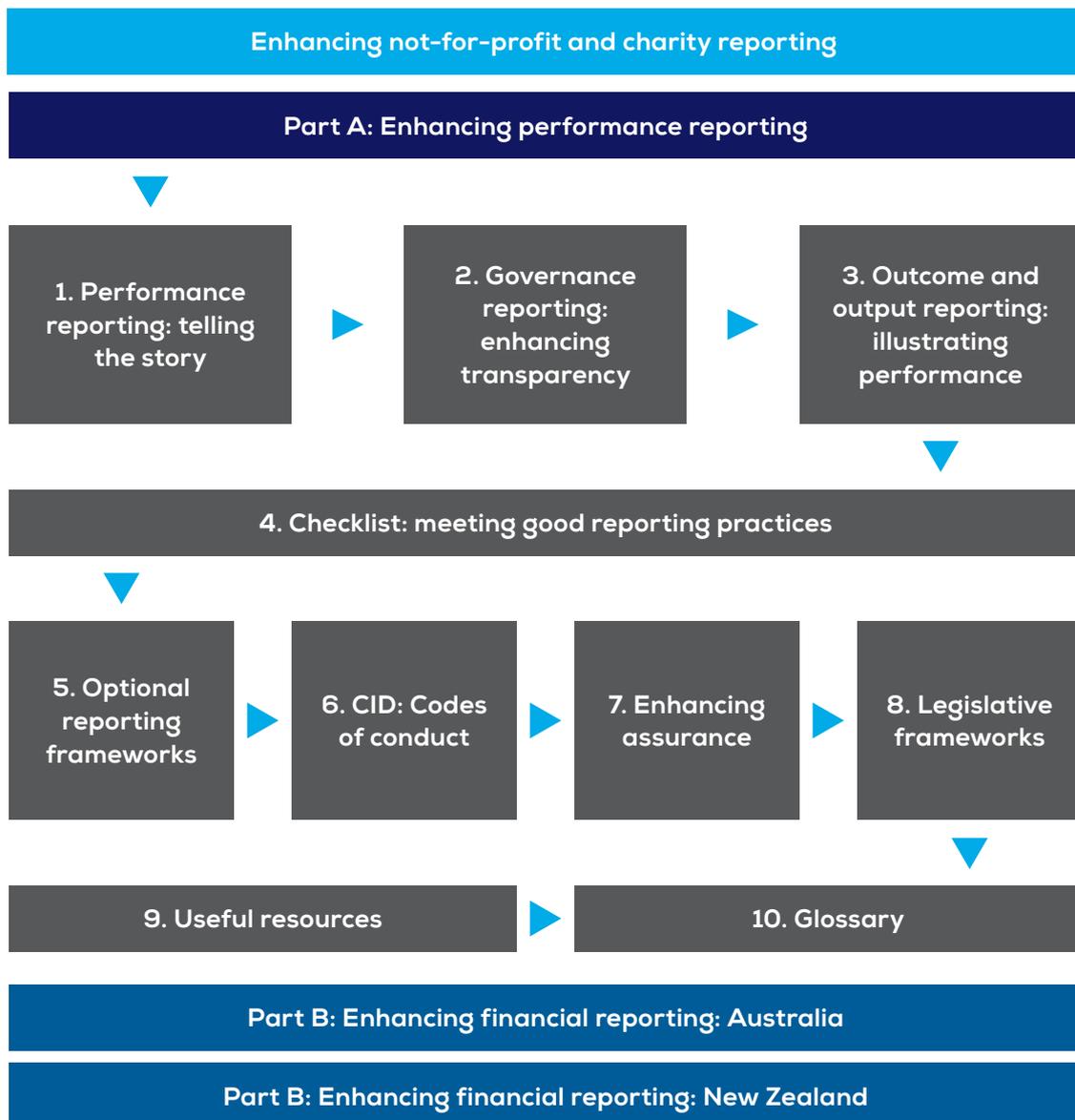
Within these variables a common core framework for reporting exists, providing a route-map for organisations to report on who they are, what they are trying to achieve and how they have met their objectives in non-financial and financial terms. This tool is designed to assist organisations determine which components they need to report, which they choose to report, what information to include and the best way to communicate this to stakeholders.



To facilitate easy access to the most relevant recommendations and guidance, this edition is split into two parts:

- **Part A: Enhancing performance reporting:** designed for NFP organisations in Australia and New Zealand, this part draws on learnings from sector regulators and leaders in each country given the commonalities in annual and performance reporting across the Tasman.
- **Part B: Enhancing financial reporting:** offered as two separately published editions, one for Australia and one for New Zealand, each edition focusses on the financial reporting framework in the relevant jurisdiction.

These are structured as follows:



Key changes since the 2016 edition:

- The annual reporting recommendations and guidance now encompass both Australia and New Zealand, adding greater depth of insights and drawing on learnings from the introduction of mandatory service performance reporting in 2015 for some charities in New Zealand.
- Australian and New Zealand Councils for International Development Codes of Conduct are referenced
- The Optional frameworks section has been extended to include reporting on the United Nation's Sustainable Development Goals
- The legislative framework and useful resources sections are updated and now cover Australia and New Zealand
- Part B: Enhancing financial reporting: Australia is now published separately and has been updated for the most recent changes to accounting standards, including AASB 9 *Financial Instruments*, AASB 15 *Revenue from contracts with customers*, AASB 16 *Leases*, AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* and AASB 1058 *Income of Not-for-profit entities*. It also illustrates streamlined financial statements in the example financial report.
- New Part B: Enhancing financial reporting: New Zealand is now published, summarising requirements for New Zealand organisations and linking to more in-depth publications.

Future developments

Australia

Accounting Standards

Reforms are underway to the Australian financial reporting framework, designed to better match each type of entity to its reporting obligations.

- **Changing the reporting entity assessment**

The AASB has foreshadowed that by 2021 the use of special purpose financial reports for lodgement with regulators will no longer be permissible wherever those regulators require reports that comply with Australian accounting standards. Instead these entities will need to prepare a general purpose financial report (GPFR). However the tiered approach to these GPFRs will continue, with requirements based on the size and the complexity of the entities involved. The AASB is currently liaising with NFP regulators, including the ACNC, to identify appropriate and sector specific requirements for the NFP sector. Its initial discussions suggest that three or more tiers might be required to ensure reporting requirements are appropriate for this sector and its planned approach will be consulted on during 2020.

- **Planned amendments to the Reduced Disclosure Regime**

In the meantime, NFPs should watch planned amendments to AASB 1054 *Australian Additional Disclosures* and the AASB's proposed Simplified Disclosure Regime that will

replace and further reduce the disclosures currently required by the Reduced Disclosure Regime. These changes will provide temporary improvements while the longer-term reforms are progressed.

- **Revised definition of not-for-profit**

At the time of writing the AASB has also released ED 291 *Not-for-Profit Entity Definition and Guidance* developing a new definition for "not-for-profit" that will support discrete reporting frameworks for for-profits and not-for-profit entities.

Charities

One of the objects of the ACNC is to promote the reduction of unnecessary regulation and obligations on the sector. To achieve this object, the ACNC is working with state and territory governments (as well as individual federal, state and territory government agencies) to develop a 'report-once, use often' reporting framework for charities.

The ACNC's website contains schedules of achievements to date, and where further developments are anticipated, at <https://www.acnc.gov.au/about/red-tape-reduction>

New Zealand

Accounting standards

The XRB is currently conducting a Targeted Review of the New Zealand Accounting Standards Framework. One of the specific matters being reviewed is whether the PBE tier size criteria need to be revisited for NFP and public sector entities.

The XRB also plans to conduct a separate standards-level review of the Tier 3 and Tier 4 PBE Simple Format Reporting Requirements shortly after the completion of the targeted review of the Accounting Standards Framework. This separate review will consider whether refinements to current requirements or more guidance is needed to assist smaller NFP entities in applying the specific reporting requirements within these standards.

Legislation review

Work is underway to modernise the *Charities Act 2005*, with public consultation closing in May 2019. One suggestion being canvassed is the introduction of a new 'micro entity' tier for charities with \$10,000 or less operating expenditure. These charities would not need to comply with the XRB reporting standards.

The *Incorporated Societies Act 1908* is also under review, with a Bill expected to be introduced into Parliament later in 2019. Key amendments are proposed in relation to reporting and assurance requirements, as well as governance of incorporated associations.

Part A: Enhancing performance reporting

Relevant, transparent and engaging reporting tells your organisation's story about why it exists, its aims, its successes and its challenges. When done well, this can be a powerful stakeholder engagement tool.

In the NFP sector, major fund and grant providers are paying particular attention to both non-financial and financial information when weighing funding decisions. Additionally many small everyday donors are also becoming increasingly conscious of both non-financial and financial information. A well thought out Annual or Performance Report can demonstrate exactly what their funding helped deliver throughout the year.



High quality reporting demonstrates accountability to stakeholders through:

- Explaining who the organisation is and how it is governed
- Focusing on what the organisation is here to achieve (its mission and purpose)
- Demonstrating the value of its work (its outcomes)
- Reporting what the entity does (its outputs).

Governance and service performance reports are integral components of an NFP or charity's annual reporting suite. Organisations who embrace the opportunity to tell their story can positively influence how they are perceived by their stakeholders including funders, volunteers and the broader community. Through clearly and transparently communicating their mission, vision and effectiveness in achieving their purpose they set a clear context for their

financial information, have a useful channel to engage, inform and educate their stakeholders and ultimately increase effectiveness in an increasingly competitive funding environment.

This section is set out to firstly provide best practice guidance on the overall performance report, followed by more detail in dedicated sections on governance reporting, outcome and output reporting and a checklist on good reporting practices.

- For charities reporting in New Zealand, reporting on non-financial performance through the Statement of Service Performance is mandatory for Tier 3 and 4 entities, and will be mandatory for Tier 1 and 2 entities from 2021.
- For NFPs reporting in Australia, although the requirement to report non-financial performance is less prescriptive, funders and grant providers are increasingly looking to an organisation's effectiveness when making funding decisions.

You can find more information on what reporting is required by NFPs in [Legislative frameworks](#).

1. Performance reporting: telling the story

This guide provides a route map for your organisation to continuously improve its reporting on how it is fulfilling its purpose and achieving the change you seek.

The recommendations included here are based on insights from members of the CA ANZ CNFP advisory committee, learnings from the CA ANZ Charity Reporting Awards (New Zealand), the framework provided by the New Zealand suite of Charity reporting standards and ACNC and Charities Services reviews.

For impactful reporting:

Apply these recommendations to guide your organisation to explore its own impact and help shape its communications.

- Smaller organisations are likely to select only those recommendations that will have the most impact on enhancing the quality of their reporting.
- For larger organisations the majority of the recommendations may be relevant.

Enhancing annual performance reporting: overall recommendations

| | |
|---|---|
| 1. Tell your story | <p>'Tell your story': The clearer the thinking and planning, the easier it is to report on, and the higher the quality of the information communicated to stakeholders.</p> <ul style="list-style-type: none">▶ The information provided to stakeholders needs to be readily understood and meaningful. Not too much, and not too little. |
| 2. Present balanced reporting | <p>Truly transparent reporting involves reporting of all material facets of the operations and includes balanced disclosure of both positive and negative impacts and performance.</p> <ul style="list-style-type: none">▶ Report on internal and external factors that have impacted performance.▶ Provide explanations for negative trends and movements between years (including KPIs, outcomes and outputs). |
| 3. Disclose your risk management | <p>Reporting of risks is critically important to stakeholders. Effective reporting should be specific to the entity, identifying areas of potential weaknesses and associated risks.</p> <ul style="list-style-type: none">▶ Clearly report how the entity plans to address and mitigate the impact of weaknesses and risks.▶ Demonstrate your readiness for future challenges and how you will use management and controls to identify and address issues.▶ Include:<ul style="list-style-type: none">• detail about the processes to identify, monitor and mitigate risks• consideration and disclosure of the controls in place to mitigate risks• detail of the risk identified in the current year and how these were addressed• inclusion of details of all material business risks, not purely financial-related risks. |

| | |
|--|---|
| 4. Communicate your strategy | <p>Let your stakeholders know your strategy and how you plan to achieve it.</p> <ul style="list-style-type: none"> ▶ Make the strategic plan or, at a minimum, the strategic goals for the period available on your website. A link or QR code to the website could be included in the annual report. ▶ Provide a summary to assist the review of the NFP's performance for the year as well as how the current year's strategy links to the longer-term strategy of the organisation. ▶ Consider demonstrating the measurability of your goals and each year present your progress against these goals within the strategic timeframe. Comparing against targets or budgets could be a useful measure. ▶ Include a summary of future plans to achieve targets, especially when progress has fallen short of the original plan. |
| 5. Report your outcomes and outputs | <p>Enhance the effectiveness of your annual reports by reporting on whether you are having the impact you set out to achieve through providing qualitative and quantitative information on outcomes and outputs.</p> <ul style="list-style-type: none"> ▶ Outcomes are the impacts on or the consequences for the community resulting from your NFP's activities. They explain what you are seeking to achieve over the short to medium term. ▶ Outputs are indicators measuring the activities undertaken or the goods and services produced and provided to users by the entity. ▶ Report the outcomes and outputs that are significant to the performance of the entity ▶ Some outputs aren't quantifiable. Only put a quantity if it makes sense to do so. If not, just write a description. ▶ For entities who rely on government contracts or grants, outcomes and measurable outputs can often be drawn from these funding agreements or contracts. Outputs can be taken from set milestones or performance measures required by the funder, while outcomes are often explicitly stated in the agreement. ▶ Consider demonstrating outcomes and/or impacts through case studies and testimonials to illustrate organisational outcomes and impacts. ▶ If your NFP runs programmes and mounts activities designed to deliver outputs and achieve outcomes over the long term, consider including long-term trend data. ▶ Ensure that any metrics provided can clearly link to the overarching strategy of the organisation and within the broader sector in which they operate. |
| 6. Disclose the sources of funds and sustainability of your funding | <p>Consider providing greater detail of actual fundraising against targets, with supporting commentary.</p> <ul style="list-style-type: none"> ▶ Provide information specifically on where a donor's funds went, dollar for dollar, how this compared to target/budget and a self-assessment of performance. ▶ Disclosure about funding should not be limited to current year data. Its important stakeholders can assess the viability of your entity and the extent to which you rely on certain revenue streams, particularly government funding. ▶ Consider reporting on the sustainability of the different types of funding. This could include: <ul style="list-style-type: none"> • analysis of key movements (including reason for movements) • factors affecting key drivers • actions going forward. |
| 7. Link remuneration and performance | <p>Consider building trust about the expenditure of the organisation by providing further disclosure on the remuneration of key management personnel (board members, the CEO or equivalent and other key decision makers within the organisation) beyond the minimum required by the relevant accounting standard, such as</p> <ul style="list-style-type: none"> • details of the approval processes of such remuneration • disclosure on how performance is monitored for management and the board. |
| 8. Share information about employees/volunteers | <p>Consider making certain internal material covering employees and volunteers publicly available either in the annual report or on your website.</p> |

| | |
|---|--|
| 9. Clearly report your investment policy | <p>Consider providing clearer reporting of your investment policy and how this is aligned to your overarching strategic plan/priority statement.</p> <p>▶ Further disclosures could include information about:</p> <ul style="list-style-type: none"> • management of investments • investment targets • investment performance. |
| 10. Report on your sustainability | <p>Disclose how your entity contributes to the improvement of economic, environmental and social conditions and developments at a local, regional and global level to add significant value to stakeholders.</p> |
| 11. Present an analysis of your financial performance and position | <p>Include an explanatory narrative when disclosing key financial ratios with comparatives (or against targets). This narrative should aim to support and explain key movements/changes compared with the prior year and against budget or targets.</p> |
| 12. Apply good design and consider online reporting | <p>Annual or performance reports, websites and other publicly available resource material should be unique and representative of the vision, mission and values of your organisation. Best practice annual reporting for NFPs has seen a reduction in the content of the actual annual report, instead providing more detailed information on the NFP's website, where it can be updated and revised more frequently as needed.</p> <p>▶ Consider whether you can improve the visual appearance of your annual reporting by making better use of infographics, summaries, bullet points, graphs, photographs, contents pages, tables and websites.</p> <p>▶ Be aware of the risk of reducing the value of the information if design and layout is overemphasised and if narrative is particularly dense or voluminous.</p> <p>▶ Continue to use and further develop web-based reporting.</p> <p>▶ Consider making greater use of your website to provide detailed information to support the annual or performance report.</p> |
| 13. Involve the right people | <p>Non-financial information is best prepared by those that know your entity and its performance best. This is often not the accountant or treasurer alone.</p> |
| 14. Consider internal system changes to capture non-financial data to measure impact | <p>Consider whether your organisation should change or improve its internal systems so non-financial data is captured as easily and accurately as possible. This could include considering how current financial systems could also capture non-financial information at the same time. This is particularly important when this data is subject to audit or review.</p> |

2. Governance reporting: enhancing transparency

NFPs and charities can enhance the transparency of their organisations through governance reporting, referred to here as the governance statement: who the organisation is, why it exists (its mission), what it intends to achieve in broad terms over the medium to long term, and how it goes about this.

Governance Reporting

Who we are, why we exist and how we plan to achieve our objectives:

- Entity information
- Our mission and purpose
- How we plan to achieve our objective, direct strategy, sustain the organisation and maintain accountability.

In broad terms, the governance statement is an overview of the processes that direct the NFP. The governance statement should explain the processes that are in place to ensure the NFP's mission is achieved, direct strategy, sustain the organisation and maintain accountability throughout the organisation.

- In Australia this may be in the annual report. Alternatively this could be disclosed separately elsewhere or on the organisation's website.

- In New Zealand some governance disclosures need to be in the Financial Report (Tier 1 and 2 charities from 2021), or in the Performance Report (Tier 3 and 4 charities). Consider whether including more governance information in these reports, or elsewhere on your website, will be helpful in transparently communicating with stakeholders.

Three examples of governance statements for fictional NFPs are included in this section, which can be adapted to suit any NFP or charity. The background for each of these NFPs provides context for the disclosures in the governance statements.

Some NFPs or charities are required to include some form of governance information in their annual or performance report, including:

- Charities registered with the ACNC must meet the ACNC's Governance Standards to be registered and remain registered. Although these charities do not need to report on their compliance, CA ANZ recommends governance reporting appropriate to the NFP, which will need to incorporate the ACNC standards for registered charities.
- A company limited by guarantee that is not registered with the ACNC (Australia) needs to include a directors' report in accordance with the *Corporations Act 2001*.
- Tier 3 and tier 4 charities (New Zealand) need to include entity information so stakeholders know who the charity is and why it exists.
- Tier 1 and 2 charities (New Zealand) need to communicate to stakeholders what the charity is accountable and responsible for from 2021. Although there is flexibility in what is communicated and how, there must be enough contextual information so stakeholders can understand why the organisation exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this.

Learn more:

Charities Services, through the XRB, provides templates including the minimum information that must be disclosed by a Tier 3 and 4 Charities in New Zealand
<https://www.charities.govt.nz/reporting-standards/>

Charities Services provides more information and a link to Tier 1 and 2 example financial reports to help you prepare your own
<https://www.charities.govt.nz/reporting-standards/tier-1-and-tier-2/>

The ACNC provides a range of useful resources in its Governance Hub.
<https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub>

Example 1: Nonquestus (Australia)

Background

Nonquestus is a significant NFP involved in the raising of funds for research to find a cure for the disease 'malaise' and the provision of long-term and respite care for sufferers of the disease. It is funded by a mixture of government grants, philanthropic grants, funds raised through annual appeals and regular giving programmes and the profits of volunteer-staffed 'op shops'. Nonquestus operates three long-term and respite care facilities and 10 op shops in Victoria and is centrally managed from Melbourne.

The long-term and respite care facilities are run in a self-funding model for operations. Capital expenditure for these operations comes from grants and fundraising. Nonquestus employs 200 people and has the assistance of over 100 volunteers at various times during the year. Turnover is more than \$35 million a year.

Nonquestus is a company limited by guarantee and registered with the ACNC. Its constitution makes membership of the company available to those who have undertaken to contribute to the company's debts in the event of it winding up, to individuals who have contributed more than \$1,000 to the organisation or to individuals who have made a significant contribution as volunteers. These groups are known as guarantor, donor and volunteer members respectively.

Nonquestus

Governance statement

Nonquestus is a company limited by guarantee, incorporated under the Corporations Act 2001 and registered as a charity under the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act). Ultimate responsibility for the governance of the company rests with the Board of Directors. This governance statement outlines how the Board meets that responsibility.

The Board's role

The Board's primary role is to ensure that Nonquestus' activities are directed towards achieving its mission of finding a cure for the disease 'malaise' and providing the best possible care for sufferers until that cure is found.

The Board fulfils its primary role by:

- setting the strategic direction for Nonquestus, assessing progress towards strategic objectives and approving policies to work towards those objectives

- selecting, appointing, guiding and monitoring the performance of the chief executive and determining his/her remuneration and conditions of service
- approving the appointment and remuneration guidelines of senior management who report directly to the chief executive
- overseeing the development and maintenance of Nonquestus's ethical standards
- ensuring optimal succession planning is in place for the role of chief executive and senior management positions
- approving and monitoring the annual budget
- monitoring Nonquestus' financial performance, including management's adherence to budgets
- considering and approving strategies and policies to ensure appropriate risk management
- ensuring the company complies with relevant laws and policies
- reviewing and ensuring that all necessary and appropriate delegations are in place to enable management to meet their responsibilities
- appointing Board committees to assist in effective governance
- acting as an advocate for Nonquestus whenever and wherever necessary.

These responsibilities are set out in the Board's charter, which can be viewed on the company's website, www.nonquestus.com.au

Management's responsibility

The Board has formally delegated responsibility for Nonquestus' day-to-day operations and administration to the chief executive and executive management. Nonquestus' management team comprises the chief executive officer, the directors of fundraising, residential care and child care and the chief finance officer. The chief executive officer provides the leadership of the management team and the organisation. The chief executive officer is also responsible for achieving the results set out in the strategic plan and is authorised by the Board to put in place policies and practices, take decisions and actions and initiate activities to achieve those results.

Board meetings and Board Committees

The Board meets at a frequency that allows it to discharge its duties. This is generally six times each year, but additional meetings are scheduled as required. Workshops or forums are held periodically to provide opportunities for further Board engagement in strategic and other important issues. The chief executive and senior management also participate in Board meetings to the extent determined appropriate for each meeting. Agenda setting is a collaborative process with input from the Board Chair, Committee Chairs, chief

executive and senior management with final approval by the Board Chair.

Each director is a member of one of our Board committees. The Board does not delegate major decisions to its committees but charges them with the responsibility to consider the detailed issues and to make appropriate recommendations to the Board.

Each Board committee operates under a charter approved by the Board. These charters are reviewed annually and updated as necessary. Copies of the charters can be viewed on the company's website, www.nonquestus.com.au

Nominations and Remunerations Committee

The Nominations and Remunerations Committee assists the Board to discharge the following responsibilities:

- Elect, remove and set terms of appointment (including remuneration) of the chief executive officer.
- Approve the appointment and set guidelines for the remuneration of senior management. The chief executive officer sets the remuneration for the management team within those guidelines.
- Review and monitor the human resources policies and their application.

Further, this committee oversees the appointment and induction process for Board and committee members. Recommendations for appointment are made to ensure the Board has the right mix of skills, experience and expertise. The company's guarantor, donor and volunteer members elect Board members.

The Nominations and Remunerations Committee is also responsible for ensuring the right mix of Board skills, experience and expertise is continuously available to Nonquestus through appropriate succession planning.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee assists the Board to meet its responsibilities for the integrity of financial reporting, compliance with external regulatory requirements and internal standards, the effectiveness of the internal control and risk management framework and the effectiveness of external audit functions. Specifically, the committee:

- oversees the financial reporting process to ensure the balance, transparency and integrity of published financial information
- reviews the adequacy and disclosure of financial statements
- reviews the effectiveness of internal control and risk management systems

- reviews financial and operational risk assessments
- oversees the external audit function, including ensuring the independence of the external auditor and recommending the appointment of, liaising with and assessing the performance of the external auditor
- reviews compliance with fundraising legislation, taxation status, the Corporations Act and the ACNC Act
- monitors management responses to audit issues
- provides advice on financial and other issues.

Other committees

The Board may establish ad hoc committees and working groups for the purpose of considering and advising on specific, generally short-term matters. These report to the Board during normal Board meetings.

Board members

All Board members are non-executive directors and receive no remuneration for their services. They may be reimbursed for reasonable costs and expenses incurred in connection with Board activities.

Nonquestus' constitution provides an indemnity to directors. Appropriate directors' indemnity insurance has been put in place. The company's constitution specifies that:

- there must be no fewer than five and no more than 11 directors
- no employees of the company, including the chief executive, can be a director of the company
- directors are appointed for a maximum of two terms of four years each.

Details of the current Board members can be viewed on the company's website, www.nonquestus.com.au

Board and committee members receive written advice of the terms and conditions of their appointment and complete a structured induction programme when first appointed. Board and committee members' knowledge of the business is maintained by regular visits to Nonquestus' operations, management presentations and access to continuing education programmes as necessary.

The performance of individual Board and committee members and the Board and Board committees is assessed annually.

The chair

The chair of the Board is elected by the Board. The key internal roles of the chair are to:

- ensure the Board provides vision and guidance to Nonquestus
- ensure Board meetings are effective

- ensure the Board considers matters in a timely, transparent manner guide the effectiveness and development of the Board and individual directors.

Externally, the chair acts as spokesperson for Nonquestus in conjunction with the chief executive and consults and communicates with stakeholders.

Risk management

The Board is responsible for considering and approving strategies and policies to ensure appropriate risk management and monitors compliance with the Risk Management Policy and Guidelines. The Board has delegated its oversight of the Risk Management Policy to the Finance, Audit and Risk Committee.

Management is responsible for establishing and implementing the Risk Management Policy and Guidelines. Risk assessments are conducted, and risk across the organisation is identified for analysis, monitoring and managing. These risks comprise operational, financial and compliance risks. These risks are rated and assigned to members of senior management as the risk owners who are responsible for management of each risk. Each risk owner will adopt and approve the risk treatment plan for the risk.

All breaches of policies other than human resources policies are required to be reported to the Finance, Audit and Risk Committee. Legal risk is monitored, reviewed and managed by Nonquestus' legal advisers who report quarterly to the Finance, Audit and Risk committee.

Independent advice

The Board and Board committees have access to advice on legal, investment and taxation matters. In particular, the Board has engaged Fiducia Investments to provide advice on the management of its investment portfolio. The Board has approved risk and return parameters for investment in available-for-sale investments and receives reports from management and Fiducia Investments regarding the performance of the investment portfolio

Conduct, ethics and conflicts of interest

Board members, the chief executive officer, senior management and staff are expected to comply with relevant laws and the codes of conduct of relevant professional bodies and to act with integrity, compassion, fairness and honesty at all times when dealing with colleagues, sufferers of 'malaise' and others who are stakeholders in our mission. Our whistleblower policy is designed to reinforce the above culture and applies to directors, employees, volunteers, contractors and the general public to report improper conduct including matters relating to governance.

Board and committee members and staff are made aware of Nonquestus' ethical standards, code of conduct and conflicts of interest policy during their induction to the organisation and are provided with a copy of these documents at that time.

Any potential conflicts at the Board or Committee level are disclosed, considered and handled in accordance with the Conflicts of Interest policy. The organisation maintains a register of interests, and this is disclosed at every meeting of the Board, with updates being made as and when new or changed interests are advised.

Board review

The Board invites an external consultant to conduct a Board review from time to time. The purpose of the review is to identify issues relating to the skills, behaviour, relationships or practices that may be inhibiting the Board from being fully effective. The Board believes that constructive feedback from an external expert helps the Board address the nature of the services and environment within which Nonquestus operates.

Transparency with stakeholders

Nonquestus has many stakeholders, including those we care for and their families, those we provide with grant funds, our donors and benefactors, our staff and volunteers, the broader community, the government agencies that provide funds and regulate our operations, and our suppliers. Transparent disclosure is linked with accountability to all our stakeholders.

We prepare and make available a variety of reports, each aimed at providing the information necessary to improve accountability and transparency to all stakeholders. These include the annual report, the financial report and the strategic plan in addition to our monthly newsletters.

Example 2: Ludus Inc. (Australia)

Background

Ludus Inc. is a suburban sporting club that fields one senior and five junior teams in a suburban amateur league. In addition to all the activities associated with the fielding of these teams, it is a participant in a programme that provides non-competitive recreational activities for teenagers and children within the suburb. This programme is funded by a \$20,000 grant from the national sporting body. Other than this grant, its activities are funded by sponsorship from local businesses, membership subscriptions from players and others and a grant from the local council. Total annual turnover is \$60,000.

Ludus Inc. is incorporated under the *Associations Incorporation Act*. Its members are its registered players, participants in the recreational programme and other involved members of the community. Total membership is 200. Ludus has no employees – it relies on volunteers to carry out all functions relating to its activities.

Ludus Incorporated

Governance statement

Ludus Inc. is incorporated under the *Associations Incorporation Act* and operates under the rules of association adopted by the members on 20 July 1998. Under these rules, Ludus' affairs are managed by the committee of management. This governance statement outlines how the committee discharges that responsibility.

The committee's primary role is to ensure Ludus achieves its objective of providing an enjoyable, safe and (where applicable) competitively successful recreational experience for both competitor and non-competitor participants. Ludus is reliant on its members' subscriptions, grants and sponsorship, and volunteers in providing this experience to its members.

The committee, which comprises the president, the vice-president, treasurer, secretary and two ordinary members, is elected each year at the annual general meeting. The roles and responsibilities of these key positions in the governance system are documented and understood. In fulfilling its primary role, the committee meets at least six times a year. At these meetings it considers:

- the treasurer's report, which details our income, expenditure and financial position
- membership matters
- competitive results and team matters

- the outcomes of the non-competitive recreational programme
- sponsorship and fundraising matters
- community relationships, including league matters and local government liaison
- risk management, including insurance matters
- conflicts of interest declaration
- progress towards strategic objectives and goals
- governance structures and policies.

The committee is assisted by the team and selection, finance, fundraising and audit and community committees. Each of these committees has a charter that defines their roles and responsibilities. These specific committees report to the committee of management on a regular basis.

The proceedings at each meeting are minuted and summarised in our quarterly newsletter. Minutes are available for inspection by members at any time.

The committee reports to members at the annual general meeting. At the annual general meeting, the annual report, which includes the audited financial report for the year just ended, is presented to members, together with the budget and plan for the forthcoming year. A summary of performance against budget and plan is provided in the quarterly newsletter.

Example 3: Dulus Inc. (New Zealand)

Background

Dulus Inc. is a suburban sporting club that fields one senior and five junior teams in a suburban amateur league. In addition to all the activities associated with the fielding of these teams, it is a participant in a programme that provides non-competitive recreational activities for teenagers and children within the suburb. This programme is funded by a \$200,000 grant from the national sporting body. Other than this grant, its activities are funded by sponsorship from local businesses, membership subscriptions from players and others and a grant from the local council. Total annual revenue is \$360,000 and expenditure \$300,000.

Dulus Inc. is incorporated under the *Incorporated Societies Act* and is a registered charity. Its members are its registered players, participants in the recreational programme and other involved members of the community. Total membership is 500. Dulus has no employees – it relies on volunteers to carry out all functions relating to its activities.

Given its legal form and size, it is a Tier 3 charity.

Dulus Incorporated

Governance statement

Dulus Inc. is a registered charity incorporated under the *Incorporated Societies Act* and operates under the rules of association adopted by the members on 20 July 1998. Under these rules, Dulus' affairs are managed by the committee of management. This governance statement outlines how the committee discharges that responsibility.

The committee's primary role is to ensure Dulus achieves its purpose of providing an enjoyable, safe and (where applicable) competitively successful recreational experience for both competitor and non-competitor participants. Dulus is reliant on our members' subscriptions, grants and sponsorship. We rely on volunteers to provide this experience to its members.

The committee, which comprises the president, the vice-president, treasurer, secretary and two ordinary members, is elected each year at the annual general meeting. The roles and responsibilities of these key positions in the governance system are documented and understood. In fulfilling its primary role, the committee meets at least six times a year. At these meetings it considers:

- the treasurer's report, which details our income, expenditure and financial position

- membership matters
- competitive results and team matters
- the outcomes of the non-competitive recreational programme
- sponsorship and fundraising matters
- community relationships, including league matters and local government liaison
- risk management, including insurance matters
- conflicts of interest declaration
- progress towards strategic objectives and goals
- governance structures and policies.

The committee is assisted by the team and selection, finance, fundraising and audit and community committees. Each of these committees has a charter that defines their roles and responsibilities. These specific committees report to the committee of management on a regular basis.

The proceedings at each meeting are minuted and summarised in our quarterly newsletter. Minutes are available for inspection by members at any time.

The committee reports to members at the annual general meeting. At the annual general meeting, the financial statements for the year just ended, is presented to members, together with the budget and plan for the forthcoming year. A summary of performance against budget and plan is provided in the quarterly newsletter.

Note: as a tier 3 charity, Dulus will also need to report its outcomes and outputs and financial information in its performance report.

3. Output and outcome reporting: illustrating performance

Output and outcome reporting should build on the mission statement, reporting on how your organisation is progressing towards the fulfilment of your mission.

Outcomes should link very closely with the NFPs mission statement or charitable purposes. Outcomes are specific and are focused on what the NFP seeks to achieve in the short to medium term. Outputs are simply what the NFP did during the year.

While NFPs and charities have historically used input and output focused frameworks in terms of performance analysis and reporting there has been a growing awareness for the need to augment such data with ‘outcomes’ measures, with many NFPs adopting a variety of frameworks in support of this approach. The measurement of ‘outcomes’ provides data against which an organisation’s operations can be evaluated, not only by external stakeholders, but also by those within the organisation who seek to identifying opportunities for operational improvement.

Organisations working to identify suitable outcomes for the first time rapidly become aware that measuring and identifying specific outcomes can be difficult and costly and therefore cost/benefit questions must be raised in the development and application of such measurement frameworks. Consequently, organisations must be familiar with the essential elements that must be present in the selection of suitable ‘outcomes’ for those outcomes (and/or its outcome indicators) to be considered as legitimate. These include relevance, faithful representation, understandability, timeliness, comparability and verifiability. To ensure the legitimacy of the reporting process, organisations must

identify the primary user(s) of the data and the quantity, quality and timeliness of information required by those users¹.

The ultimate achievement of outcomes often represents a long-term goal for an organisation. As a consequence, reports often include ‘outcome indicators’. Outcomes indicators are the data points that help to determine the degree to which an outcome has been achieved within a reporting period. Given the long-term nature of many NFP’s goals, organisations should consider the use of longitudinal models to support the measurement of their outcomes, for example within the context of a five-year summary. (Note: The assessment of outcomes and outcome indicators should be presented holistically within the context of the annual reports to form a balanced view of the organisation’s performance).

Your organisation is likely to enhance its disclosures of outcomes and/or outputs through qualitative and quantitative information:

- The tables below illustrate the types of indicators that could be relevant for a variety of organisations
- Outcomes and/or impacts can also be demonstrated through case studies and testimonials to illustrate organisational outcomes and impacts. For example, do these studies highlight how the organisation’s services have directly made a difference to the client’s circumstances? How has the client’s situation been improved having received support/ services from the organisation?

¹ For a comprehensive description of see, ‘Outcomes: Research Into Practice, National Outcomes Measurement Research Agenda Working papers 1 to 4, Grant Thornton and the University of Western Australia 2016-18.

Have we met our objectives?

Good outcome and output reporting will indicate the relationship between the organisation's activities, outputs and its expected outcomes by highlighting the effectiveness of these activities on the service recipients.

Tier 3 and 4 charities (New Zealand)

Tier 3 and tier 4 charities have to include a **Statement of Service Performance** in their Performance report, to provide non-financial information to help readers understand what the charity did during the financial year.

It's about answering two key questions:

- What did we do?
- When did we do it?

Tier 3 charity: needs to report on:

Outcomes: describe what the charity is seeking to achieve or influence through the delivery of goods or services.

This is likely to be closely related to the charity's mission/purpose, although it should be more specific and focused on what your charity is seeking to achieve in the short to medium term.

Outputs: describe and quantify (where practicable) the goods and services delivered by the charity in the past financial year. The measure is usually the number of services or goods delivered or number of people helped, and is not a dollar figure.

Tier 4 charity:

Must describe and quantify (where practicable) the goods and services delivered by the charity in the past financial year.

Learn more:

Charities Services, through the XRB, provides templates including the minimum information that must be disclosed by a Tier 3 and 4 Charities in New Zealand:

<https://www.charities.govt.nz/reporting-standards/www.xrb.govt.nz>

Tier 1 and 2 charities (New Zealand)

From 2021 Tier 1 and tier 2 charities need to provide service performance information, describing what the charity has done during the reporting period in working towards its broader aims and objectives.

To do this they need to select an appropriate and meaningful mix of performance measures and/or descriptions so as to provide users of its general purpose financial report with sufficient, but not excessive, information about its service performance for the period.

Learn more:

Read PBE FRS 48: <https://www.xrb.govt.nz/accounting-standards/not-for-profit/pbe-frs-48/>

Examples of outcomes

The following table details some outcome indicators that might be used by NFPs and charities to illustrate performance during a single period or over an extended period. The list is not exhaustive and will not cover all NFPs. Each organisation needs to define its own outcome indicators based on the activities conducted or the products and services it delivers to the community. In certain circumstances, outcomes may be best illustrated by individual examples, case studies or testimonials.

| Type of NFP/charity | Suggested outcome indicators |
|--|---|
| Drug advice centre | <ul style="list-style-type: none"> • Penetration of drug use in the community served by the centre • Number of programme participants who re-present • Number of people assisted by training programmes as part of rehabilitation who find full-time employment |
| Grant-making trust | <ul style="list-style-type: none"> • Expected and actual outcomes of activity funded by the grant (for example, research results, students who complete education) |
| Disease-focused charity | <ul style="list-style-type: none"> • Outcome of research funded by the organisation (for example, changes in the approach to care) • Prevalence or occurrence of the disease • Expected outcomes for sufferers of the disease • Feedback from sufferers or their families (survey results) • Advocacy outcomes – changes in legislation or regulation; funding provided for research or facilities |
| Overseas aid or microfinance organisation | <ul style="list-style-type: none"> • Economic benefits to the community – number of microbusinesses started and their progress, livestock purchased, agricultural improvements and their progress • Measures of the standard of living of the community such as percentage with access to clean water, vaccinated or malnourished • Educational benefits to the community – number of children completing primary school |
| Organisation providing assistance to homeless or needy | <ul style="list-style-type: none"> • Utilisation of care – number of bed nights provided as a percentage of bed nights available • Number of homeless in the community • Number moved to permanent accommodation • Advocacy outcomes – changes in legislation or regulation; funding provided for facilities • Number of children completing education to a certain level as a result of assistance provided |
| Organisation promoting sustainable living and climate change | <ul style="list-style-type: none"> • Changes in water or energy consumption in the community served by the organisation • Changes in emissions by the community served by the organisation • Changes in policy, legislation or regulation as a result of advocacy activities |
| Organisation providing children's education and services | <ul style="list-style-type: none"> • Number of marginalised children enrolled into mainstream services • Increase in the number of families more socially connected • Percentage of parents with improved parenting skills |
| Aged-care provider | <ul style="list-style-type: none"> • Utilisation of care provided, bed occupancy rate • Number of people engaging in activities provided • Changes in quality of care |
| Organisation providing intellectual disability support | <ul style="list-style-type: none"> • Improvements in community integration • Changes in employment legislation |
| Affordable housing provider | <ul style="list-style-type: none"> • Number of homeless people now housed • Number of people on the housing waiting list • Percentage of parents with improved parenting skills |
| Organisation specialising in land and species conservation | <ul style="list-style-type: none"> • Number of native animals recorded in a specific location for the first time/for a long time • Increase in population numbers of specific species • Reduction in feral animals and/or foreign and invasive plant species |

Outcomes – sporting NFPs and charities

This table details some outcome indicators that might be used by sporting organisations to illustrate performance during a year or over an extended period. The list in this table is again not exhaustive and will not cover all sporting-focused organisations.

| Nature of outcome | Suggested outcome indicators |
|--------------------------------------|--|
| Promotion and development | <ul style="list-style-type: none"> • Number of new participants recruited • Growth in number of participants • Percentage of young people in the catchment area who participate in the sport • New facilities made available or funded |
| Competition | <ul style="list-style-type: none"> • Competition results (team and individual) • Improvement in results compared to previous seasons |
| Participation | <ul style="list-style-type: none"> • Percentage of registered members who participated in competitive or recreational activities during the year • Number of members participating in the sport during the season |
| Encouragement and talent development | <ul style="list-style-type: none"> • Number of members selected for training squads who are selected for regional, state or national team |
| Coaching development | <ul style="list-style-type: none"> • Number of new coaches accredited |
| Official development | <ul style="list-style-type: none"> • Number of new officials accredited |
| Compliance | <ul style="list-style-type: none"> • Outcomes of drug tests • Outcomes of tribunals |

Examples of outputs

This table details some output indicators that might be used by NFPs and charities to illustrate performance during a year or over an extended period (for example, in a five-year summary). Output indicators measure the activities undertaken or the goods and services produced and provided to users by the organisation. The list provided is not exhaustive and will not cover all organisations. Each organisation needs to define its own output measures based on the activities it conducts or the products and services it delivers to the community.

| Type of NFP/charity | Suggested output indicators |
|-------------------------|---|
| Drug advice centre | <ul style="list-style-type: none"> • Number of information sessions delivered to schools or community groups • Number of addicts assisted • Number of people assisted by outreach programmes • Number of people assisted by training programmes as part of rehabilitation |
| Grant-making trust | <ul style="list-style-type: none"> • Number of grants made during the year • \$ value of grants made during the year |
| Disease-focused charity | <ul style="list-style-type: none"> • Number and value of grants made for research • Number of sufferers assisted with equipment or subsidies for medication • Number of sufferers transported for treatment • Number of sufferers cared for in facilities • Number of information packs provided to sufferers and sufferers' families • Number of volunteer hours provided to assist families of sufferers • Number of contacts with policy makers |

| Type of NFP/charity | Suggested output indicators |
|--|--|
| Overseas aid or microfinance organisation | <ul style="list-style-type: none"> • Number of people assisted • Number of programmes delivered during the year, analysed by nature of programme and location of delivery of programme • Number of volunteers placed in overseas locations to deliver aid • Value of aid provided (including the value of in-kind donations distributed) • Number of people trained by programmes |
| Organisation providing assistance to homeless or needy | <ul style="list-style-type: none"> • Accommodation available (number of beds) • Number of people sheltered • Number of meals provided or delivered • Number of children provided with educational assistance • Value of clothing provided • Number of families assisted with food and clothing vouchers |
| Organisation promoting sustainable living and climate change | <ul style="list-style-type: none"> • Number of information sessions delivered to schools or community groups • Number of low-emission light bulbs, water-saving taps or shower heads distributed • Advocacy activities undertaken such as submissions to government enquiries |
| Organisation providing children's education and services | <ul style="list-style-type: none"> • Number of training programmes delivered • Number of children assisted |
| Aged-care provider | <ul style="list-style-type: none"> • Accommodation provided (number of beds) • Activities provided • Operational compliance |
| Organisation providing intellectual disability support | <ul style="list-style-type: none"> • Number of people assisted • Number of people accessing services |
| Affordable housing provider | <ul style="list-style-type: none"> • Number of houses developed • Number of tenders applied for • Tenant satisfaction |
| Organisation specialising in land and species conservation | <ul style="list-style-type: none"> • Number and area size of land preserved and revegetated • Number/percentage of native plant, animal or bird species protected |

Output measures – sporting NFPs and charities

This table details some output indicators that might be used by sporting organisations to illustrate performance during a year or over an extended period (for example, in a five-year summary). Output indicators measure the activities undertaken or the goods or services produced or provided to users by the organisation. The list in this table is not exhaustive and will not cover all organisations. Each organisation needs to define its own output measures based on the activities it conducts or the products and services it delivers to the community. The suggested indicators will need to be modified for the specific circumstances of the organisation (local club, regional or state league or association or national body).

| Type of NFP/charities | Suggested output indicators |
|--------------------------------------|---|
| Promotion and development | <ul style="list-style-type: none"> • Number of promotion events conducted • Number of promotion kits distributed • Media coverage • Number of contacts with relevant local, state or national government politicians or officers • Number of coaching clinics conducted |
| Competition | <ul style="list-style-type: none"> • Number of events held • Number of events participated in • Teams fielded |
| Participation | <ul style="list-style-type: none"> • Number of members registered with the NFP • Number of members participating during the season |
| Encouragement and talent development | <ul style="list-style-type: none"> • Number of development squads conducted • Number of members selected for regional, state or national training squads |
| Coaching development | <ul style="list-style-type: none"> • Number of coaching information sessions conducted • Number of enrolments for coaching education programmes • Number attending accreditation sessions • Number of new coaches accredited during the year • Number of coaches retaining accreditation |
| Official development | <ul style="list-style-type: none"> • Number of information sessions for officials • Number of update sessions conducted • Number of enrolments for official education programmes • Number attending accreditation sessions • Number of new officials accredited during the year • Number of officials retaining accreditation |
| Compliance | <ul style="list-style-type: none"> • Number of player education (including anti-doping) workshops conducted • Number of players subjected to drug tests • Number of drug tests conducted |

4. Checklist: meeting good reporting practices

The checklist on the following pages is designed to assist your NFP or charity to assess whether the non-financial information included in your annual or performance report meets good reporting practices.

This checklist reflects the recommendations in this publication and certain legislative requirements.

- We recommend downloading the checklist and completing it.
- For each question, consider whether the recommended disclosures are relevant to your organisation and whether your organisation's annual or performance report (together with your other publicly available information and website) would be enhanced by including information recommended in the questions.
- You may find it helpful to indicate where the information is disclosed, such as the annual or performance report, website or other publicly available information. This may aid with tracking and updating the disclosures.

Note: this checklist does not cover financial statement requirements.

For impactful reporting:

Apply these recommendations to guide your organisation to explore its own impact and help shape its communications.

- Smaller organisations are likely to select only those recommendations that will have the most impact on enhancing the quality of their reporting.
- For larger organisations the majority of the recommendations may be relevant.



4.1 Who are we and how are we governed?

This section of the checklist asks a series of questions to assess whether the annual or performance report or other publicly available information explains the structure of the organisation and how it is governed.

| | | Yes | No | N/A |
|--|--|--------------------------|--------------------------|--------------------------|
| 1.1 | Who are we? | | | |
| Do we include: | | | | |
| | a. The name of our organisation, including any trading names? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. Our Australian Company Number (ACN), Australian Business Number (ABN) or Charity registration number? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Details of any other registrations necessary to carry out our activities (for example, registration with the ACNC or Charities Services, or registrations under fundraising legislation)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. Explanation of the regulatory and legislative environment in which our organisation operates? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | e. The address(es) of our office(s)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | f. An explanation of how we are constituted (for example, a company limited by guarantee, incorporated association, Royal Charter or Act of Parliament, incorporated society, charitable or other trust)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | g. An explanation of our relationship with related international bodies, including the funding received from or provided to those bodies and the control we have over the expenditure of those funds? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | h. An explanation of the corporate structure of our organisation using a diagram or narrative? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | i. An explanation of any strategic alliances to achieve our organisation's objectives (such as joint ventures, affiliations with other organisations or relationships with overseas/parent organisations)? Do we provide information regarding these? Is the nature of these relationships clearly outlined? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | j. Our tax status, if we are a deductible gift recipient (Australia) or have tax-exempt status (New Zealand)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.2 | Who are our board members? | | | |
| Do we include the following information regarding our board members: | | | | |
| | a. Their names? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. Their qualifications, skills and experience? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. The length of their involvement with our organisation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. Their special responsibilities (for example, fundraising or audit committee)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.3 | Who manages us on a day-to-day basis? | | | |
| Do we disclose the following regarding our chief executive officer and other senior management team members? | | | | |
| | a. Their names? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. Their qualifications, skills and experience? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Their length of service with the organisation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. Remuneration arrangements, including any incentive arrangements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| e. This should include the approval processes for determining remuneration. Consider providing more than the minimum disclosures regarding remuneration amounts. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. KPIs and performance against these? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. The performance assessment process for key management personnel? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Succession planning for key executives? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.4 Who else is involved in our organisation? | | | |
| Do we disclose the names and addresses of other relevant organisations or individuals such as our: | | | |
| a. Bankers? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Solicitors? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Auditors? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Investment advisers? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.5 Do we explain how we are governed? | | | |
| Do we include the following, either in a governance statement or elsewhere in the report: | | | |
| a. The role of our board? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. The structure and processes of our board? <i>Consider processes for election and re-election of board members, limitations on the term of board membership and pathways to board membership.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. How we educate our board members on induction as well as an ongoing basis? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. The composition of our board? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Our board committees and their functions? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. How we assess the performance of the board and how frequently this occurs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Our ethical standards? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. How we deal with conflicts of interest and an explanation of any codes of conduct the organisation subscribes to? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. How we ensure compliance with relevant legislation and regulation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| j. Information detailing compensation arrangements, including remuneration (if any) for the governing body? <i>This should include the approval processes for determining remuneration (if applicable). Consider providing more than the minimum disclosures regarding remuneration amounts (if applicable).</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.6 If we are a membership organisation, do we explain how many members we have? | | | |
| Do we include information on our members, including membership year on year? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.7 Do we disclose we comply with the ACNC governance standards (Australia)? | | | |
| Do we disclose we comply with the ACNC governance standards? | | | |
| If we conduct activities overseas, including sending funds overseas, so we disclose that we also comply with the External Conduct Standards? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Examples of governance statements can be found in section 2.

4.2 Do we explain what we are trying to achieve?

This section of the checklist asks a series of questions to ensure the annual or performance report, or other publicly available information explains what the organisation is trying to achieve (business strategy, mission and vision).

| | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 2.1 Mission statement | | | |
| Do we: | | | |
| a. Disclose our mission statement (a succinct statement to explain and justify our core purpose and explaining why we exist including a statement indicating that we are a NFP or charity?) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Provide information such as statistics, trends or research data about the broader sector or environment in which our organisation operates? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.2 Objectives/purpose | | | |
| Do we: | | | |
| a. Include a summary of our objectives/purpose as listed in our constitution or governing document? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Include a list of the specific objectives we set for the current reporting period? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.3 Strategy/priorities | | | |
| Do we: | | | |
| a. Clearly outline our vision and goals? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Explain our approach to the development of our strategic plan/priority statements, including how we engage with stakeholders in developing it? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Include clear, measurable, quantified strategic/priority targets and progress reporting against those targets? <i>Note that how this is done will depend on the individual organisation and its activities. Consider providing evidence and reporting of how the governing body is monitoring both quantitative and qualitative data on an ongoing basis to assess the organisation's performance.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Provide a summary of our strategy/priorities and goals, both qualitative and quantitative, and does it track our current progress against these goals (by reference to targets, milestones and/or budgets)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Outline how the current year's strategy/priorities links into the longer-term strategy of our organisation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Disclose future strategic plans/priority statements or insight into revisions to existing plans to achieve targets (where appropriate), especially where progress has fallen short of any original plans? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Make the strategic plan/priority statements or, at a minimum, the strategic/priority goals for the period available via a link to our website? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.4 Activities | | | |
| Do we: | | | |
| a. Explain the significant activities that we undertook to achieve our objectives? <i>What programmes did you run, what projects did you undertake, what services did you provide, what grants did you make?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Explain the outcomes we expected from our activities? <i>Does the annual report explain the impacts on or the consequences for the community resulting from the existence of your organisation?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Reflect on our performance during the period covered by the annual or performance report? <i>For example, if you did not achieve expected outcomes, you could explain why this occurred, what action was taken to address the situation and the lessons learned and any revisions to your strategic plan?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | Yes | No | N/A |
|------------|--|--------------------------|--------------------------|--------------------------|
| 2.5 | Future plans | | | |
| | Do we explain our plans for the future? Do we explain our long-term aims, the objectives we have set for next year and the activities we have planned to achieve these objectives? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.6 | Risk management | | | |
| | Do we explain how we identify and manage the major risks we face in realising our strategy/priorities, meeting our objectives and achieving our plans for the future? Do we include: | | | |
| | a. An acknowledgement of the board or governing body's responsibility for risk management? <i>For example, this could be acknowledged in the governance statement.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. An outline of the processes used to identify, monitor and mitigate the risks it faces? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Disclosure of the controls in place to mitigate risks? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. Details of the risks identified in the current year and how these were addressed? <i>Note that this disclosure covers all risks and not just those of a financial nature.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.3 Our stakeholders

This section of the checklist asks a series of questions to assess whether the annual or performance report or other publicly available information adequately identifies the organisation's stakeholders and explains how the NFP has responded to their expectations and interests.

| | | Yes | No | N/A |
|------------|---|--------------------------|--------------------------|--------------------------|
| 3.1 | Who are our stakeholders? | | | |
| | Do we identify our major stakeholder groups? Consider: | | | |
| | a. Donors or sponsors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. Volunteers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Employees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. The beneficiaries of our programmes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | e. Participants in our sport | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | f. Affiliated sporting bodies | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | g. The business community | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | h. The broader community | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | i. State and federal governments as funders | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | j. State and federal governments as regulators | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | k. Partners, including strategic partners | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | l. Suppliers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | m. The media | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <i>Consider whether the annual or performance report or other publicly available information would be enhanced by the inclusion of a 'stakeholder map' to provide an overview of your stakeholder groups and the relationships and interactions between those groups.</i> | | | |

3.2 Stakeholder engagement (including the government, donors, the business community and general public)

Do we explain our approach to stakeholder engagement? Consider:

a. Donors and sponsors

Do we explain:

- How we contact our donors? Yes No N/A
- If we have any policies regarding acceptability of sponsors or major donors? Yes No N/A
- How many donors were contacted? Yes No N/A
- How frequently we contact our donors and the manner in which we communicate? Yes No N/A
- The number of enquiries we receive from potential donors and the mode of enquiry (telephone, email, website, blog)? Yes No N/A
- How we communicate with donors about the choice of projects and the results of expenditure on those projects? Yes No N/A

b. The beneficiaries of our programmes, including how we receive and deal with feedback on our programmes?

(For example, if the organisation is engaged in the provision of support for sufferers of a disease, do you explain how you liaise with sufferers or their carers regarding the manner in which that care is delivered?)

Yes No N/A

c. The broader community

(For example, if you survey your community or conduct focus groups to a the community, have you included the results of the survey or outcomes of the focus group and how you have recognised those results or outcomes in or strategy? If you have a community advisory board or panel, do you explain the role of the group, its membership and its contribution to your strategy and activities?)

Yes No N/A

d. The business community

Do we explain:

- Acknowledgement of corporate donors? Yes No N/A
- The nature and extent of projects involving the business community? Yes No N/A
- Mutual benefits achieved for both parties? Yes No N/A
- The KPIs or other conditions specified in government funding agreements and the extent to which they were met during the reporting period? Yes No N/A

e. How we deal with donor complaints?

Yes No N/A

f. State and federal governments as regulators

Do we explain:

- The regulatory environment in which we operate? Yes No N/A
- The regulatory environment in which we operate? Yes No N/A
- How compliance with legislation is monitored by management? Yes No N/A

g. Partners, including strategic partners

Do we explain what strategic partnerships or alliances we have entered into?

Yes No N/A

h. Suppliers

Do we explain how we engage with our suppliers (for example, payment terms and any conditions we impose on our suppliers such as being ethical employers or environmentally conscious)?

Yes No N/A

Has the organisation considered the entity supply chains in respect of the Modern Slavery requirements ?

Yes No N/A

| | | Yes | No | N/A |
|------------|--|--------------------------|--------------------------|--------------------------|
| i. | The media Do we explain our interactions with the media and the impact of this? <i>For example, how many times have you been quoted in the press, appeared on television or used other forms of media (such as websites or blogs)?</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.3 | Social media | | | |
| a. | Do we inform our stakeholders how they can contact us through social media such as Facebook, Twitter or our blog(s)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | Do we outline the degree to which social media has been used to engage with stakeholders and the impact of social media? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.4 | Privacy and data security | | | |
| a. | Do we inform our stakeholders how we protect their privacy and manage our data? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.4 Our employees

This section of the checklist asks a series of questions to assess whether the annual or performance report or other publicly available information adequately explains how the organisation has engaged with its employees and how it responds to their expectations and interests.

| | | Yes | No | N/A |
|------------|--|--------------------------|--------------------------|--------------------------|
| 4.1 | Employment policies? | | | |
| | Do we explain our employment policies? Consider: | | | |
| a. | An explanation of our organisation's employment policies regarding equal employment opportunities and affirmative action | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | Flexible work arrangements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Benefits provided to employees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. | Training provided and professional development supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. | Occupational health and safety (OH&S) policies | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.2 | Employee data | | | |
| a. | The number of employees and their deployment across the organisation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | Total number and rate of employee turnover by age group, gender and region | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Measures of employee engagement or satisfaction | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. | Information in respect of employee retention (such as retention rate or initiatives to improve) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. | Rates of injury, occupational diseases, lost days and number of work-related fatalities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. | Rates of unplanned absenteeism | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. | Average hours of training per year per employee, by employee category | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. | Our organisation's OH&S performance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | Yes | No | N/A |
|------------|---|--------------------------|--------------------------|--------------------------|
| 4.3 | Recognising our employees | | | |
| | a. Length of service | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. A description of our organisation's approach to the professional development of our employees (such as training or professional development) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Disclosing information about how our organisation assesses employee satisfaction | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. Providing a description of how our organisation recognises employees' contribution and achievements (for example, through public recognition or provision of awards) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.5 Our volunteers

This section of the checklist asks a series of questions to assess whether the annual or performance report or other publicly available information adequately explains how the organisation has engaged with its volunteers and how it responds to their expectations and interests.

| | | Yes | No | N/A |
|------------|---|--------------------------|--------------------------|--------------------------|
| 5.1 | Volunteer policies | | | |
| | Do we explain our policies regarding the involvement of volunteers? Consider: | | | |
| | a. Screening policies and processes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. Volunteer activities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Volunteer induction processes and ongoing training | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. National standards regarding the use of volunteers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | e. OH&S policy for volunteers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.2 | Employee data | | | |
| | Do we include the following data, including explanations of trends, relating to our volunteers? Consider: | | | |
| | a. The number of volunteers and their deployment across the organisation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. A measure of volunteer contribution, expressed in hours, staff equivalents or by assigning a dollar value to their contribution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Measures of volunteer engagement or satisfaction and the outcome of any surveys of volunteers to determine their level of satisfaction with the organisation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5.3 | Recognising our volunteers | | | |
| | Should we disclose how we recognise our volunteers' achievements? Consider: | | | |
| | a. Length of service | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. Outstanding client service or engagement with stakeholders | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Publications, including contributions to peer-reviewed publications | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | d. External awards received | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.6 Reporting performance and achievements

This section of the checklist builds on the overall picture covered in questions 2.4 to ask a series of questions to assess whether the annual or performance report or other publicly available information explains the results of the NFP's performance and its achievements during the year covered by the report.

| | | Yes | No | N/A |
|---|---|--------------------------|--------------------------|--------------------------|
| 6.1 | How have we met our objectives? | | | |
| Do we explain our actual performance against the objectives detailed in last year's report? Have we outlined: | | | | |
| a. | The output indicators we use to measure our performance and disclose actual and planned performance and explained any significant variances? <i>Output indicators are measures of the goods or services produced or provided by the organisation. Section 3 provides some examples. Each organisation needs to define its own output measures.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | The outcome indicators we use to measure our performance and disclose actual and planned performance and explained any significant variances? <i>Outcomes are the impacts on or the consequences for the community resulting from the organisation's activities. Section 3 provides some examples. Each organisation needs to define its own output measures. The following question will assist you in this task: "How will the participant's or community's knowledge, attitude, value, skill, behaviour, condition or status change as a result of our activity?"</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Examples of case studies and testimonials to illustrate our outcomes and impact? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. | Graphs, tables and photographs where necessary to summarise and highlight our performance and achievements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. | Matters we are able to control and those that are outside our control? <i>Consider a commentary on relationships with employees, users or beneficiaries of services, significant funders or occupational health and safety and training. Other commentary might include factors affecting fundraising and government policy that affects or may in future affect the organisation's operations.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. | The challenges faced and how they were identified and addressed, any lessons from them and the future outlook? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.2 | Have we explained our source of fundraising, our reliance on fundraising and the results of our fundraising? | | | |
| Do we include and explain: | | | | |
| a. | Our revenue model and our approach to fundraising, including how this is evolving to observed changes in donations and fundraising? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | The extent to which we are reliant on specific sources of fundraising to meet our objectives (for example, ongoing philanthropic grants, corporate or public donations, sponsorships)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Actual fundraising against fundraising targets (with supporting commentary)? <i>Consider separate disclosure of fundraising through public appeals, regular giving programmes, legacies and bequests, philanthropic grant</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. | Explanation of our policy for managing and protecting funds raised that are surplus to our needs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. | The costs of our fundraising efforts, including a clear definition of what is included in fundraising costs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. | The costs of our fundraising efforts as a percentage of funds raised? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. | A commentary on our investment in fundraising? <i>Where the organisation has incurred significant expenditure relating to future fundraising, comment should be included. Commentary should include an explanation of the impact on the current year's return from fundraising and future years' fundraising income. Commentary should also include a self-assessment on performance.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| h. Our treatment of and accounting for in-kind donations, such as time, goods and professional services? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Information about the policies for public fundraising, application of funds raised (how each dollar of funding is spent) and how this compared to target/budget? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| j. Have we identified the jurisdictions in which the entity conducts its primary fundraising, and are the relevant regulatory approvals current? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.3 Do we show how efficiently we have used our resources and investments? | | | |
| 6.3.1 Do we include and explain the following information regarding the use of our funds? | | | |
| a. The ratio of funds spent on our primary purpose(s) to total expenditure? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. The ratio of funds spent on our primary purpose(s) as to total funds received during the year? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Investments | | | |
| - Do we provide a description of our organisation's investment policy and how this aligns to the strategic/priorities plan/statement? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| - Do we disclose insight into the management of investments within our organisation and the involvement of any third parties such as investment advisers or managers (if applicable)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| - Do we provide information about our organisation's investments that includes the performance of the investments against short-term or long-term targets (3-5 years) and the investment performance objectives? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.3.2 Do we disclose and explain the following information regarding the services we provide? | | | |
| a. The outputs we have delivered? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. The outputs delivered per employee or volunteer? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. The cost per unit of output? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.3.3 Do we disclose and explain the following information regarding our commercial activity? | | | |
| a. Gross profit margin? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. The commercial activity's cash contribution to our core activity? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. The cash contribution per person employed in the commercial activity? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. The hours of employment provided by the commercial activity to those served by our core activities? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Insight regarding the commercial activity's contribution to the organisation's core activity in terms of materiality compared to the overall organisation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.4 Do we explain our financial performance and position? | | | |
| 6.4.1 Do we include a financial discussion and analysis? | | | |
| a. Trends in revenue? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Revenue shortfalls in the current period compared with the prior period or budget/target? <i>This includes the reasons for the shortfall and what your organisation is doing to address such a shortfall in the future.</i> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Key events (both positive and negative) and the effects of significant economic or other events (such as natural disasters) on our operations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. The revaluation or impairment of assets, the reason for the revaluation/impairment and the financial impact? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | Yes | No | N/A |
|---|--------------------------|--------------------------|--------------------------|
| e. The impact of any other one-off events in the year? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f. The main influences on costs of our operations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g. Appropriate measures of our financial performance? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Changes (from the prior year) in the composition of our assets? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Significant movements (from the prior year) in our assets, liabilities and reserves? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| j. Changes in our cash flow (from the prior year)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| k. The financing of our capital expenditure programmes? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| l. The purpose of our reserves and any restrictions on the use of our assets? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| m. Any deficiency in the organisation's current position (excess of current liabilities over current assets)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| n. The future outlook for our organisation (for example, funding levels, future events, anticipated changes to operations)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.4.2 Have we considered reporting about our long-term performance? Have we: | | | |
| a. Provided insight into and analysis of both our longer-term financial and non- financial performance (such as number of clients assisted or programmes run) for a minimum 3-5 year period? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Provided linkage between the long-term goals and the short-term achievements made against these goals? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Provided data of performance against prior periods or budgets (with supporting narrative) so stakeholders can gain a greater understanding and context of the overall performance in the year? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Outlined the sustainability of current levels of funding and the extent to which our organisation relies on certain revenue streams? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.5 Environmental and sustainability policies | | | |
| a. Explaining initiatives to mitigate the environmental impacts of our programmes or fundraising projects | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Explaining initiatives to reduce usage of resources such as paper and energy and any recycling initiatives | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Providing commentary and quantitative data on our approach to ensure all activities are sustainable and our performance against any targets set | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Approach to combatting modern slavery, and whether we are required to lodge a modern slavery statement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.6 Distributing our annual report | | | |
| Have we considered making our annual report available on our website rather than distributing hard copies? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

5. Optional reporting frameworks

Some NFPs and charities, particularly larger ones, are adopting reporting frameworks designed to enhance their reporting beyond the recommendations included earlier in this guide. Information on three of the more commonly adopted frameworks is included here, as a starting point for NFPs wishing to take their reporting journey further.

Optional reporting frameworks:

- Integrated reporting: communicates how an organisation's strategy, governance, performance and prospects lead to creation of value in the short, medium and long term.
- Global reporting initiative standards: global standards for sustainability reporting.
- Reporting on the United Nation's Sustainable Development Goals.

5.1 Integrated reporting (IR)

Organisations are using IR to communicate a clear, concise integrated story that explains how all of their resources are creating value. By focusing on conciseness, strategic relevance and future orientation, reports applying the IR framework enable a better understanding of the factors that materially affect an organisation's ability to create value over time. Launched by the International Integrated Reporting Council (IIRC) in July 2010, with a final framework issued in December 2013, IR is gaining momentum globally and in Australia and New Zealand.

What is IR?

An integrated report, prepared in accordance with the international IR framework, is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to creation of value in the short, medium and long term. IR is more than just stapling the financial report and sustainability report together – it is about integrated thinking. Experience to date shows that IR is a journey of organisational cultural change and it takes time.

Innovation is also at the core of IR, including the use of technology.

Although the IR framework has been developed primarily for the corporate sector, principally aimed at providers of financial capital allocation decisions, the principles can apply equally to the NFP sector as donors and government are also making important decisions regarding allocation of funds. The IR framework now represents best-practice guidance in this area, and a number of NFPs are already embracing IR, or some of its broader reporting concepts, as part of their reporting to stakeholders.

What are the objectives of IR?

IR aims to:

- improve the quality of information available to providers of finance capital to enable a more efficient and productive allocation of capital
- promote a more cohesive and efficient approach to reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organisation to create value over time
- enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies
- support integrated thinking, decision making and actions that focus on the creation of value over the short, medium and long term.

Who is the IIRC?

The IIRC is a global coalition of regulators, investors, companies, standard setters, the accounting professions and non-government organisations. Together, this coalition shares the view that communication about businesses' value creation should be the next step in the evolution of reporting.

The IIRC's mission is to establish integrated reporting and thinking within mainstream business practice as the norm in the public and private sectors.

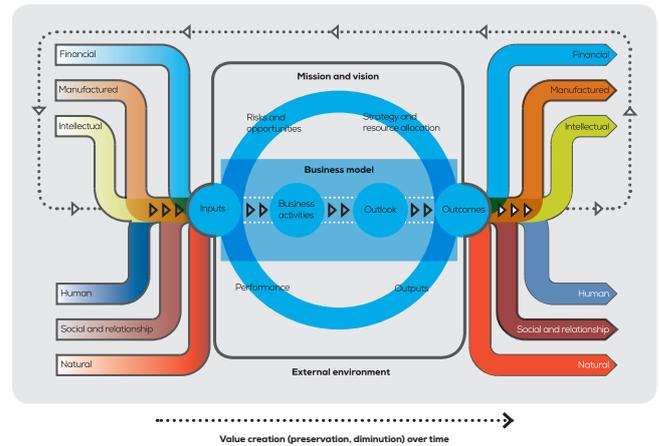
The IIRC's vision is to align capital allocation and corporate behaviour to wider goals of financial stability and sustainable developments through the cycle of integrated reporting and thinking.

The IR Framework

The IR framework covers:

| | |
|-------------------------------|---|
| Fundamental principles | <ul style="list-style-type: none"> a. Introduction b. Value creation for the organisation and for others c. The capitals (financial, manufactured, human, intellectual, social and relationship, and natural) d. The value creation process |
| Guiding principles | <ul style="list-style-type: none"> a. Strategic focus and future orientation b. Connectivity of information c. Stakeholder relationships d. Materiality e. Conciseness f. Reliability and completeness g. Consistency and comparability |
| Content elements | <ul style="list-style-type: none"> a. Organisational overview and external environment b. Governance c. Business model d. Risks and opportunities e. Strategy and resource allocation f. Performance g. Outlook h. Basis of preparation and presentation i. General reporting guidance |

The diagram below depicts the value creation process.



Value creation (preservation, diminution) over time

Learn more:

[<http://integratedreporting.org/>].

5.2 Global Reporting Initiative (GRI) standards

What is the GRI?

The GRI is an international independent standards organisation that helps businesses, governments and other organisations understand and communicate the impact of businesses on critical sustainability issues such as climate change, human rights, corruption and many others.

What are the GRI standards?

The GRI's Sustainability Reporting Standards are the first global standards for sustainability reporting and have been developed based on the previous G4 GRI Guidelines. These have been restructured into a set of modular, interrelated standards. Any organisation claiming it is reporting in accordance with the Standards was required to use the GRI Standards from 1 July 2018.

Flexibility is permitted in using the GRI Standards, as organisations can use selected Standards, or parts of their content, to report specific information, without preparing a report in accordance with the Standards.

Non-government organisations sector supplement

The previous G4 Sustainability Guidelines included a Non-governmental Organisations (NGO) Sector Supplement. As at September 2019 this was yet to be updated as part of the transition to the GRI Standards. This means NGOs are able to continue to the G4 NGP Sector Disclosures, although it is not a requirement for preparing a report in accordance with the Standards. <https://www.globalreporting.org/Documents/ResourceArchives/GRI-G4-NGO-Sector-Disclosures.pdf>

The NGO Sector Disclosures document contains a set of disclosures for use by all organisations in the NGO sector. The disclosures cover key aspects of sustainability performance that are meaningful and relevant to the NGO sector and which are not sufficiently covered in the G4 Guidelines.

The term 'non-governmental' is used to describe a wide variety of organisations, which may also be referred to as private voluntary organisations, civil society organisations and not-for-profit organisations.

Aspects dealing with evaluating program effectiveness have been included in the NGO supplement because of their particular relevance to the sector and also as they are a core element of being accountable. These are:

- affected stakeholder engagement
- feedback, complaints and action
- monitoring, evaluation and learning
- gender diversity
- public awareness and advocacy
- coordination.

Learn more:
www.globalreporting.org

5.3 Sustainable Development Goals

Launched in 2016 and agreed to by all nations in the United Nations (UN), the Sustainable Development Goals (SDGs) are a set of 17 goals and 169 targets created to end poverty, fight inequality and tackle climate change by 2030.

Corporate reporting is regarded as key to providing the transparency needed to assess progress against the SDGs in a meaningful way, and NFPs have a role to play in this too.



Although some organisations are already reporting on their progress against the SDGs, work on developing reporting guidelines is at its early stages at the time of writing (September 2019).

Learn more:
<https://www.charteredaccountantsanz.com/member-services/technical/business-issues/sustainable-business>

5.4 Converging reporting frameworks

The Corporate Reporting Dialogue (CRD) is an initiative designed to bring together the major standard setters and framework providers internationally and incorporates the reporting framework setting bodies discussed above. In 2018 the CRD announced the Better Alignment Project, a two-year project focused on driving better alignment in the corporate reporting landscape to make it easier for companies to prepare effective and coherent disclosures that meet the information needs of capital markets and society.

Learn more about the work of the CRD at:
<https://corporatereportingdialogue.com/>

6. Australian and New Zealand Councils for International Development: Codes of conduct

6.1 Australian Council for International Development (ACFID) Code of conduct

The Australian Council for International Development (ACFID) is the peak body for the not-for-profit aid and development sector in Australia. ACFID's purpose is to lead and unite its members in action for a just, equitable and sustainable world. ACFID's work is focused on driving positive change towards: sustainable and inclusive development; peace and human security; and strong and effective civil society.

A key purpose of ACFID is to equip and encourage members to observe the highest ethical standards in all their activities, including strict observance of the ACFID Code of Conduct and to work towards improving practice over time. The ACFID Code aims improve development outcomes and increase stakeholder trust by enhancing the transparency, accountability and effectiveness of its members.

It defines standards of program effectiveness, fundraising, governance, financial control and reporting.

Organisations that are signatories to the ACFID Code aim to build creative and trusting relationships with people of developing countries and to meet programme standards that:

- give priority to the needs and interests of the people they serve
- encourage self-help and self-reliance among beneficiaries and thus avoid creating dependency
- involve beneficiary groups to the maximum extent possible in the design, implementation and evaluation of projects and programmes

- respect and foster internationally recognised human rights, both socio-economic and civil-political
- seek to enhance gender equity
- are based on an understanding of the history and culture of the people served.

The Code of Conduct places significant emphasis on financial management and reporting. The need for irreproachable management and application of donated funds and transparent, easily comparable financial reporting are central to the credibility of aid and development organisations. The ACFID Code requires a signatory organisation to publish, in their Annual Report, ACFID-Code compliant financial statements. These financial statements must be prepared in accordance with the Code of Conduct Summary Financial Report Format found in the Good Practice Toolkit of the ACFID Code of Conduct.

ACFID Code summary Financial Reports and Full Financial Reports must be audited by at least a qualified accountant who is a member of CPA Australia, Chartered Accountants Australia and New Zealand or the National Institute of Accountants or by a registered company auditor. The Auditor's statement of the summary reports presented must accompany the financial report in the Annual Report.

Learn more:

More information about the ACFID Code and its specific requirements can be found at <https://acfid.asn.au/code-of-conduct> and <https://acfid.asn.au/content/commitment-83-we-report-acquisition-and-use-our-resources>

6.2 Council for International Development (CID) in New Zealand: Code of conduct

The Council for International Development (CID) in New Zealand is the national umbrella agency for New Zealand non-government organisations active in international development. Its members have the vision for New Zealand as a leader working towards a sustainable world free from poverty and injustice with a mission of being the guardians of professional standards, by promoting learning, innovation, the principles of good development, and shared practice.

The membership of CID adopted a Code of Conduct in October 2014, with the latest version dated December 2017 and a review to be undertaken in 2019. The structure, principles, obligations and processes detailed in this Code are predominantly based on the ACFID Code of Conduct.

The Code is a voluntary, self-regulatory sector code of good practice that aims to improve international development and humanitarian outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. Similar to the ACFID, the Code of Conduct places significant emphasis on financial management and reporting.

A guiding principle is that signatory organisations will use their annual report as a key part of their accountability to all stakeholders.

- 1 A written annual report will be produced and be made available to the signatory organisation's stakeholders.
- 2 The annual report will provide stakeholders with:
 - a A description of the signatory organisation's purpose, objectives/aims and values;
 - b a plain language summary of the signatory organisation's income and expenditure and overall financial health;
 - c a description of the most significant aid and development activities undertaken during the reporting period and their impact; and
 - d information about evaluations into the effectiveness of and the learning from aid and development activities conducted by the organisation.
- 3 The annual report will also specifically include:
 - a A report by the management and/or the governing body;
 - b financial statements prepared in accordance with the requirements of relevant New Zealand legislation;
 - c a statement of commitment to adherence to the Code;
 - d identification of the ability to lodge a complaint against the organisation and a point of contact; and
 - e identification of the ability to lodge a complaint for breach of the Code with the Code Committee and a point of contact.

Signatory organisations are required to comply with the requirements of the *Charities Act 2005* regarding auditing and review of financial statements.

Learn more:

More information about the CID Code and its specific requirements can be found at <https://www.cid.org.nz/resources-2/guiding-documents/>

7. Enhancing assurance

Audit, assurance and related services enhance the credibility of the information contained within the organisation's report so the users of those reports can make assessments and decisions with confidence.

Many NFPs and charities are required to have their report audited or reviewed. Because of the value of assurance, others request an audit or review of their report on a voluntary basis. The key considerations in undertaking this decision are:

- Is the organisation required by legislation, regulation or contract terms to have their report audited or reviewed?
- Does the constitution or trust deed specify there must be an audit or review?
- Will any other users of the report (e.g. funders or a bank) require the report to be audited or reviewed?
- Is there benefit in an audit or review being conducted?

CA ANZ and other organisations provide a range of tools and resources to assist NFPs and charities and their auditors/accountants to provide the most effective assurance related service appropriate to their needs.

What is an audit, assurance or related service?

Audit: provides a report giving an opinion on the auditor's assessment of whether your account of your operations comply with the required rules or standards

Review: assesses what you have done to prepare your account of your operations, and provides a report on whether anything came to the reviewer's attention suggesting that you did not follow the required rules or standards.

Other assurance engagements or related services:

- **Compliance:** assesses whether your business has adhered to specific requirements such as compliance with health and safety procedures or compliance with the terms of a grant.
- **Agreed-upon procedures:** you would discuss, and agree in writing, your specific information requirements upfront with an accountant who would then perform the set of procedures that will provide this information for you. Unlike an audit, review or compliance engagement, performing these procedures will not result in the accountant expressing an opinion or conclusion.

CA ANZ resources:

CA ANZ Audit, Assurance and Related Services: a publication designed to assist accounting practitioners when discussing audit, assurance and related service offerings with clients. It contains a number of parts which explain, in simple language, what these service offerings mean for a small organisation. It also assists organisations to determine if they need an audit, review, or other type of engagement.

Available at www.charteredaccountantsanz.com

CA ANZ Audit and Review Requirements for Australian Entities: a guide providing a high-level summary of the legislative requirements to prepare financial reports, have an audit or review of those financial reports performed and the qualifications of auditors and reviewers for common types of Australian entities.

Available at www.charteredaccountantsanz.com

CA ANZ Guidance on Statutory Assurance Engagements in New Zealand: a guide providing a high-level summary of the legislative requirements to prepare financial statements or other report, have an audit or review of those financial statements or report performed and the qualifications of auditors and reviewers for common types of New Zealand entities.

Available at www.charteredaccountantsanz.com

CA ANZ Guidance and resources to enhance audit quality: refer to the CA ANZ website for resources to assist auditors to enhance audit quality.

Available at <https://www.charteredaccountantsanz.com/member-services/technical/audit-and-assurance/audit-quality>

Other resources:

1 The ACNC website contains guidance for Australian charities on when an audit or review is required, and a table to help organisations decide whether to have a charity's financial report reviewed or audited. It also provides a template, designed for use by auditors and developed with the assistance of the Australian Auditing Standards Board Technical Group. This template contains six examples of Auditors' Reports relating to Australian Charities and Not-for-profits Commission financial reporting requirements.

Available at: <https://www.acnc.gov.au/reviewaudit>
<https://www.acnc.gov.au/tools/templates/audit-and-review-report-templates>

2 The AUASB has issued guidance note GS 019 specifically dealing with auditing fundraising revenue of NFP entities

Available at: <https://www.auasb.gov.au/Pronouncements/AUASB-Guidance-Statements.aspx>

3 Charities Services provides guidance on its website for charities in New Zealand outlining the difference between an audit and review, and when they are required.

Available at: <https://charities.govt.nz/im-a-registered-charity/annual-returns/new-statutory-audit-and-review-requirements/>

4 The External Reporting Board (XRB) has also published a booklet on small charities' assurance needs.

Available at: <https://charities.govt.nz/assets/Uploads/Small-Charities-Assurance-Needs-199307.pdf>

8. Legislative frameworks

8.1 Australia

Australia's NFPs are subject to a myriad of legislation. NFPs must understand and apply all the legislation that affects a business, including taxation, occupational health and safety, environmental and so on. In addition to this, NFPs will have additional reporting obligations driven by the type of entity (the legal form) adopted as the business structure of the NFP in conjunction with their charitable status. In this section of the guidance we provide an overview of the legislated financial reporting provisions applicable to much of the NFP sector.

The charitable status, legal form and the activities an NFP undertakes determine the legislation under which a NFP reports.

NFPs that are registered charities will need to have regard to the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), as well as the legislation under which it is formed. For companies limited by guarantee and some incorporated associations, the reporting requirements are prescribed by the ACNC Act. For others, the requirements are contained in the

respective state or territory legislation. The tables that follow summarise the requirements, and the ACNC maintains up to date information on the interaction of the various legislations at www.acnc.gov.au

For NFPs that are not registered charities reporting, generally is determined by the legal form of the entity, i.e. reporting by companies limited by guarantee is governed by the *Corporations Act 2001*, incorporated associations by the *Associations Incorporation Act* in their state of incorporation and cooperatives by various state legislation, while others that are constituted under Royal Charters or Acts of Parliament must comply with the reporting requirements of their constituting document.

On the following pages, we provide an overview of the record-keeping, reporting and auditing provisions of the *Corporations Act 2001* (Table 1), the ACNC Act (Table 2) and the relevant state incorporated associations legislation (Tables 3 to 7).

This section was based on current information as at 30 September 2019.

Table 1: The Corporations Act – record-keeping, reporting and auditing

The record-keeping, reporting and auditing requirements of the *Corporations Act 2001*.

Applicable for all companies limited by guarantee that are not registered charities under the ACNC Act.

| Section | Summary | Detail | | | | | | | | | | | | | | | | |
|-----------------------|--|---|------------------------------|----------|------------------|-----------------|---|--|--|-----|---|---|----------|------------------------------|---|---------------------------------------|----------|----------------|
| 286–289 | Record-keeping | <p>Companies to keep written financial records that:</p> <ul style="list-style-type: none"> • correctly record and explain its transactions and financial position and performance • enable true and fair financial statements to be prepared and audited. The financial records can be kept: <ul style="list-style-type: none"> • in any language but must be capable of translation into English if required • in electronic form but must be convertible into hard copy • at any place, including outside Australia, so long as sufficient information is available in Australia to enable true and fair financial statements to be prepared. | | | | | | | | | | | | | | | | |
| 45B, 285A, 294A, 294B | Reporting requirements | <p>A three-tier differential reporting framework applies for most companies limited by guarantee:</p> <table border="1"> <thead> <tr> <th>Tier</th> <th>Criteria</th> <th>Financial report</th> <th>Audit or review</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Small companies limited by guarantee with annual revenue <\$250,000 that do not have deductible gift recipient status*</td> <td>Exempt unless required to do so under member direction (s294A) or ASIC direction (s294B)</td> <td>N/A</td> </tr> <tr> <td>2</td> <td>Annual revenue between \$250,000 and \$1,000,000 or annual revenue <\$250,000 with deductible gift recipient status</td> <td>Required</td> <td>Review (or audit if desired)</td> </tr> <tr> <td>3</td> <td>Annual revenue of \$1,000,000 or more</td> <td>Required</td> <td>Audit required</td> </tr> </tbody> </table> <p>* An exception to these requirements are Commonwealth companies or subsidiaries of Commonwealth companies and Commonwealth authorities as well as entities permitted to use the expressions "building society", "credit society" or "credit union" under section 66 of the Banking Act 1959. These entities are all required to produce an annual report and have an audit.</p> | Tier | Criteria | Financial report | Audit or review | 1 | Small companies limited by guarantee with annual revenue <\$250,000 that do not have deductible gift recipient status* | Exempt unless required to do so under member direction (s294A) or ASIC direction (s294B) | N/A | 2 | Annual revenue between \$250,000 and \$1,000,000 or annual revenue <\$250,000 with deductible gift recipient status | Required | Review (or audit if desired) | 3 | Annual revenue of \$1,000,000 or more | Required | Audit required |
| Tier | Criteria | Financial report | Audit or review | | | | | | | | | | | | | | | |
| 1 | Small companies limited by guarantee with annual revenue <\$250,000 that do not have deductible gift recipient status* | Exempt unless required to do so under member direction (s294A) or ASIC direction (s294B) | N/A | | | | | | | | | | | | | | | |
| 2 | Annual revenue between \$250,000 and \$1,000,000 or annual revenue <\$250,000 with deductible gift recipient status | Required | Review (or audit if desired) | | | | | | | | | | | | | | | |
| 3 | Annual revenue of \$1,000,000 or more | Required | Audit required | | | | | | | | | | | | | | | |
| 295 | Financial report requirements | <p>Where a financial report is required, it comprises:</p> <ul style="list-style-type: none"> • the financial statements for the year • the notes to the financial statements • the directors' declaration about the statements and notes. <p>The financial report must comply with Accounting Standards. (A non-reporting entity required to lodge a financial report under the Corporations Act 2001 should be aware of the requirements of ASIC Regulatory Guide 85 (RG85) Reporting requirements for non-reporting entities.) The financial statements and notes for a financial year must give a true and fair view of the financial position and performance of the company. (If consolidated financial statements are required, they must give a true and fair view of the financial position and performance of the consolidated entity.)</p> | | | | | | | | | | | | | | | | |

| Section | Summary | Detail |
|---|-------------------|--|
| Chapter 2M.4, Chapter 2M.3, Division 3, 324BE | Audit/review | <p>Companies limited by guarantee that are required to have an auditor must comply with the provisions of the <i>Corporations Act 2001</i> dealing with the appointment and removal of auditors. These provisions cover almost 70 pages of this Act, so this guidance is a summary only. It should be noted that the person, firm or company appointed as auditor of a company limited by guarantee must (among other things):</p> <ul style="list-style-type: none"> • Be a registered company auditor • Comply with the auditor independence provisions of the <i>Corporations Act 2001</i>. • However, as noted above, Tier 2 companies can elect to have a review rather than an audit, depending on their constitution, and the requirements of any other legislation applicable or funding agreements. In circumstances where the second tier limited by guarantee company chooses to have a review, this can be performed by a member of one of the three accounting bodies (Chartered Accountants Australia and New Zealand, CPA Australia or Institute of Public Accountants) and holds a practising certificate. |
| 298, 300B | Directors' report | <p>The company (or consolidated entity if consolidated accounts are required) must prepare a directors' report for each financial year that, for a limited by guarantee company, contains:</p> <ul style="list-style-type: none"> • a description of the short-term and long-term objectives of the entity • the entity's strategy for achieving those objectives • the entity's principal activities during the year • a description of how the activities assisted in achieving the entity's objectives • a description of how the entity measures its performance, including any key performance indicators used by the entity • the name of each director and the period they have been a director during or since the end of the financial year • directors' qualifications, experience and special responsibilities • number of meetings of the board of directors held during the year and each director's attendance at those meetings • for each class of membership, the amount for which a member is liable to contribute if the company is wound up • the total amount that members are liable to contribute if the company is wound up. |

Table 2: The ACNC Act – record-keeping, reporting and auditing

The Australian Charities and Not-for-profits Commission (ACNC) commenced operation in December 2012. The ACNC is responsible for regulating the operations of charities in Australia. All charities that were endorsed for charity tax concessions by the Australian Taxation Office were automatically registered with the ACNC when it commenced operations. Entities that are registered charities with the ACNC must comply with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and its accompanying regulations.

This table focuses on the financial reporting and audit requirements of the ACNC Act, the *Australian Charities and Not-for-profits Commission Regulation 2013* (Reg) and the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012* (C&T).

| Section | Summary | Detail |
|---------|----------------|--|
| 55-5 | Record-keeping | <p>Registered entities are required to keep written financial records that:</p> <ul style="list-style-type: none"> • correctly record and explain its transactions and financial position and performance • enable true and fair financial statements to be prepared and audited. Registered entities must also keep written records that correctly record its operations. <p>The financial records can be kept:</p> <ul style="list-style-type: none"> • in English or • Readily accessible and easily convertible into English • Records must be retained for 7 years unless notified otherwise |

| Section | Summary | Detail |
|--|---|--|
| 205-25 | Tiered framework | <p>A three-tiered framework exists for registered entities as follows:</p> <ul style="list-style-type: none"> • Small – annual revenue is less than \$250,000. • Medium – annual revenue is \$250,000 or more but less than \$1,000,000. • Large – annual revenue is \$1,000,000 or more. |
| 60-5 | Annual information statement | <p>All registered entities (except corporations registered with the Office of the Registrar of Indigenous Corporations) must prepare an annual information statement (AIS). This is due for lodgement no later than 31 December (six months after the end of the financial year) unless the ACNC Commissioner has approved a substituted accounting period or has otherwise deferred lodgement.</p> |
| 60-10, 60-60 | Reporting requirements and lodgement | <p>Medium and large registered entities must prepare annual financial reports unless they are a basic religious charity. These are due for lodgement no later than 31 December (six months after the end of the financial year) unless the ACNC Commissioner has approved a substituted accounting period or has otherwise deferred lodgement.</p> |
| 205-35 | Basic religious charity | <p>A basic religious charity is defined in section 205-35 as one that:</p> <ul style="list-style-type: none"> • is a registered entity • is registered with a subtype that is the advancement of religion • is not entitled to be registered as any other subtype of charity (i.e. it does not have another independent purpose). <p>Basic religious charities cannot be:</p> <ul style="list-style-type: none"> • a body corporate registered under the <i>Corporations Act 2001</i> • a corporation registered under the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i> • a corporation registered under the <i>Companies Act 1985</i> of Norfolk Island • an entity that is incorporated under any of the relevant state or territory incorporated associations legislation • an entity that has deductible gift recipient status (except as excluded by s205-35(3A)) • an entity that forms part of a reporting group for the year (s60-95) • an entity whose total grants received from Australian government agencies in the current financial year or either of the previous two financial years exceeds \$100,000. |
| 60-15, Reg 60.5 | Requirements for annual financial reports | <p>Where annual financial reports are required, they comprise:</p> <ul style="list-style-type: none"> • the financial statements for the year • the notes to the financial statements • the responsible entity's declaration about the statements and notes. |
| C&T Part 4 Schedule 1 Item 10.1, Item 10.4 | Transitional relief in respect of reporting to state and territory regulators | <p>The financial report must comply with accounting standards. The notes are the notes required by the accounting standards and any other information necessary to give a true and fair view of the entity's financial position and performance. The financial statements and notes for a financial year must give a true and fair view of the financial position and performance of the entity and comply with accounting standards (subject to the transitional relief noted below).</p> <p>When special-purpose financial statements are prepared, the following minimum accounting standards must be applied:</p> <ul style="list-style-type: none"> • AASB 101 <i>Presentation of Financial Statements</i> • AASB 107 <i>Statement of Cash Flows</i> • AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> • AASB 1048 <i>Interpretation of Standards</i> • AASB 1054 <i>Australian Additional Disclosures</i> |

| Section | Summary | Detail |
|--|---|--|
| C&T Part 4 Schedule 1 Item 10.1, Item 10.4 | Transitional relief and streamline arrangements in respect of reporting to state and territory regulators | <p>For financial years up to and including the 2018–19 financial year, the ACNC Commissioner may treat a statement, report or other document given under an Australian law as being:</p> <ul style="list-style-type: none"> • an information statement or • the reports mentioned in 60-10 of the ACNC Act for a financial year given to the ACNC Commissioner in accordance with subdivision 60-C (Annual financial reports) or 60-D. <p>Based on this provision, at the date of this publication (September 2019) the ACNC website indicates that the Commissioner has agreed to accept state/territory financial reports up to and including the 2019 financial year required to be lodged in ACT, NSW, SA, VIC and QLD, by co-operatives, incorporated associations and charitable fundraising organisations. In WA, the ACNC will only accept state/territory financial reports for co-operatives and charitable fundraising organisations, whilst in NT and TAS the ACNC will accept financial reports from incorporated associations and co-operatives for the same financial period.</p> <p>As the ACNC moves to streamlined arrangements with a number of states and territories, we understand the ACNC will soon be updating the information on this page to explain the difference between streamlined vs transitional reporting arrangements.</p> |
| C&T Part 4 Schedule 1 Item 10.3A, Item 10.4 | Transitional relief in respect of schools | For financial years, up to and including the 2019 financial year, the Commissioner will accept financial questionnaires submitted to the Department of Education and under the <i>Australian Education Act 2013</i> (Cth) as meeting the requirements under Sub-division 60-C (Annual financial reports). |
| 60-95,60-105 | Collective or joint reporting | <p>Under the collective or joint reporting provisions, groups of charities that meet certain criteria can apply to the ACNC to prepare a combined set of financial reports that incorporate all the financial activities of a group.</p> <ul style="list-style-type: none"> • Joint reporting – two or more registered entities that form a reporting group are allowed to prepare and lodge a single annual information statement and a single annual financial report. • Collective reporting – two or more registered entities that form a reporting group are allowed to prepare and lodge one or more annual information statements or one or more single annual information statements and one or more single annual financial reports other than on an entity by entity basis. |
| Reg 60-15 | Responsible entity's declaration | <p>The declaration, to be attached with the annual financial report, should state:</p> <ul style="list-style-type: none"> • whether the registered entity is able to pay its debts as and when they become due and payable • whether the financial statements and notes satisfy the requirements of the ACNC Act. |
| 60-20, 60-25 | Audit/review requirement | <p>Medium-sized registered charities may have their financial reports audited or reviewed.</p> <p>Large registered charities must have their financial reports audited.</p> |
| 60-30 | Auditor/ reviewer qualifications | <p>Audits can be undertaken by:</p> <ul style="list-style-type: none"> • a registered company auditor (RCA) as defined under the Corporations Act • a firm with at least one member who is an RCA who is ordinarily resident in Australia • an authorised audit company as defined under the Corporations Act. <p>Reviews can be undertaken by:</p> <ul style="list-style-type: none"> • those suitable to provide audits (as above) or • a member of one of the three accounting bodies (Chartered Accountants Australia and New Zealand, CPA Australia or Institute of Public Accountants) and holds a practising certificate. |

| Section | Summary | Detail |
|----------------------------------|--|--|
| 60-30,60-35, 60-40, 60-45, 60-50 | Audit report/ review report requirements | <p>The audit or review must be undertaken in accordance with auditing standards. An independence declaration is required to be provided to the registered entity. The report must, in respect of the financial report:</p> <ul style="list-style-type: none"> • consider compliance with Division 60 of the Act • quantify the effect of any non-compliance if practicable (or state why not possible) • describe any material defect or irregularity and any deficiency, failure or shortcomings in respect of: <ul style="list-style-type: none"> – whether all information and assistance has been provided – whether financial records are sufficient – whether other records as required have been kept • consider compliance with the statement or disclosures required by auditing standards. |
| 60-65 | Errors in annual information statements and financial reports | <p>When a registered entity identifies a material error in a lodged annual information statement or annual financial report, it must give a corrected statement to the ACNC Commissioner as follows:</p> <ul style="list-style-type: none"> • Small registered entities – within 60 days after the entity identifies the error. • Medium or large registered entities – within 28 days after the entity identifies the error. |

Table 3: Incorporated associations legislation

| State or territory | Title of legislation | Regulations | Supporting material |
|------------------------------|--|--|--|
| Australian Capital Territory | <i>Associations Incorporation Act 1991</i> (updated and 1991 (updated and effective 1 July 2019) | Associations Incorporation Regulation 1991 | accesscanberra.act.gov.au |
| New South Wales | <i>Associations Incorporation Act 2009</i> | Associations Incorporation Regulation 2016 | fairtrading.nsw.gov.au/associations-and-co-operatives |
| Northern Territory | <i>Associations Act 2003</i> | Associations Regulations 2004 Associations (Model Constitution) Regulation 2004 | https://nt.gov.au/law/rights/incorporated-associations |
| Queensland | <i>Associations Incorporation Act 1981</i> | Associations Incorporation Regulation 1999 (effective 13 July 2012) | qld.gov.au/law/laws-regulated-industries-and-accountability/queensland-laws-and-regulations/associations-charities-and-non-for-profits |
| South Australia | <i>Associations Incorporation Act 1985</i> | Associations Incorporation Regulations 2008 | cbs.sa.gov.au/associations-and-cooperatives/ |
| Tasmania | <i>Associations Incorporation Act 1964</i> | Associations Incorporation Regulations 2007 Associations Incorporation (Model Rules) Regulations 2017 | cbos.tas.gov.au/topics/clubs-fundraising/incorporated-associations |
| Victoria | <i>Associations Incorporations Reform Act 2012</i> | Associations Incorporation Reform Regulations 2012 | consumervic.gov.au/clubs-and-fundraising/incorporated-associations |
| Western Australia | <i>Associations Incorporation Act 2015</i> | Associations Incorporation Regulations 2016 | commerce.wa.gov.au/consumer-protection/charities-and-associations |

All hyperlinks current at September 2019. Changes may have occurred since publication.

Table 4: Record-keeping requirements of incorporated associations

| Provision | ACT ² | NSW | NT | Qld | SA ³ | Tas | Vic | WA |
|---|------------------|-----------------------|-----------|--|-----------------------|---------------------|----------|-------|
| An incorporated association shall: | | | | | | | | |
| Keep accounting records that correctly record and explain the transactions (including any transactions as trustee) and the financial position of the association. | 71(a) | 50(1)(a) ⁴ | 41(a) | Regulation 9(5)(a) | 35(1) and section 39C | 23A(1)(a) | 89(1)(a) | 66(a) |
| Keep its accounting records in such a way that: | | | | | | | | |
| • true and fair accounts of the association can be prepared from time to time | 71(b) (i) | - | 41(b)(i) | Regulation 9(5)(b) ⁵ | 35(1)(a) ⁶ | 23A(1)(b)(i) | 89(1)(b) | 66(b) |
| • a statement of the accounts of the association can conveniently and properly be audited in accordance with the legislation. | 71(b) (ii) | - | 41(b)(ii) | Regulation 9(5)(c) | 35(1)(b) | 23A(1)(b)(ii) | - | - |
| Retain its accounting records for at least seven years after the transactions to which they relate were completed. | 71(c) | - | 41(c) | Regulation Schedule 5, para 8 ⁷ | Regulation 7 | 23A(3) ⁸ | 89(2) | 67 |

Table 5: What is a “prescribed association”?

The term “prescribed association” is used in South Australia. The term is important because it determines the financial reporting and auditing responsibilities of incorporated associations.

| Jurisdiction | Section(s) of legislation | Summary | Criteria/definition |
|-----------------|---------------------------|---|--|
| SA ⁹ | Division 2 (ss. 35, 36) | This division of the <i>SA Associations Incorporation Act 1985</i> deals with: <ul style="list-style-type: none"> the manner in which a prescribed association must keep its accounting records the preparation, auditing of and reporting upon accounts for a financial year the holding of an annual general meeting the lodgement of periodic returns. | Section 3 of the Act defines a “prescribed association” as “an incorporated association: <ul style="list-style-type: none"> a. that had gross receipts in that association’s previous financial year in excess of – <ul style="list-style-type: none"> i. \$200,000; or ii. such greater amount as is prescribed by regulation; or b. that is prescribed or of a class prescribed by regulation”. |
| | 39 | This section deals with the annual general meeting of a prescribed association. | The current regulations specify that “for the purposes of paragraph (a) (ii) of the definition of prescribed in section 3(1) of the Act, the amount prescribed is \$500,000”. |

2 The ACT *Associations Incorporation Act 1991* record keeping and reporting requirements do not apply to an incorporated association that is an ACNC registered charity.

3 Applies to a *prescribed association* only.

4 The NSW legislation requires “an association to keep records that correctly explain its financial transactions and its financial position”. For Tier 1 associations, the records must be sufficient to enable financial statements to be prepared in accordance with the Australian Accounting Standards (s50(2)). Where the incorporated association is a fundraiser within the meaning of the *Charitable Fundraising Act 1991*, there are additional requirements. Clause 14 of the NSW Regulation requires an association keep each record and minute required to be kept under section 50 of the Act for a period of not less than 5 years after it was made.

5 *Queensland’s Associations Incorporation Regulations 1999* does not specify that the “statement” be true and fair.

6 Requires accounts that “present fairly” rather than are true and fair.

7 The Queensland legislation requires that the records be retained in Queensland.

8 The Tasmanian legislation requires that the records be retained in Tasmania.

9 South Australian charities that are registered with the ACNC and/or hold a Collections for Charitable Purposes Licence need to report to the ACNC and comply with the ACNC’s reporting requirements rather than the South Australian Act.

Table 6: Financial reporting and auditing incorporated associations

The following table summarises the provisions of the state and territory legislation dealing with the financial reporting and audit requirements for incorporated associations

| Jurisdiction | Section(s) of legislation | Provision | | | | | | | | | | | | |
|------------------------------|--|---|-----------------|---|-----------------|--------------------------|---------------|------------|------------|---|-----------------|------------|---------------------|-------|
| ACT ¹⁰ | 72(1) and (2) | The committee of the association must prepare a statement of the association's accounts. The statement of accounts must not be misleading and must give a true and fair account of: <ul style="list-style-type: none"> • the income and expenditure of the association • the assets and liabilities of the association • any mortgages, charges or other securities of any description affecting any property of the association. | | | | | | | | | | | | |
| | 70(B) | The ACT legislation splits incorporated associations into small, medium and large based on revenue as shown in the following table: <table border="1" data-bbox="475 667 1471 853"> <thead> <tr> <th></th> <th>Revenue</th> <th>Audit or review</th> </tr> </thead> <tbody> <tr> <td>Small</td> <td><\$400,000 pa</td> <td>Review</td> </tr> <tr> <td>Medium</td> <td>\$400,000 to <\$1,000,000</td> <td>Audit or review</td> </tr> <tr> <td>Large</td> <td>\$1,000,000 or more</td> <td>Audit</td> </tr> </tbody> </table> | | Revenue | Audit or review | Small | <\$400,000 pa | Review | Medium | \$400,000 to <\$1,000,000 | Audit or review | Large | \$1,000,000 or more | Audit |
| | | Revenue | Audit or review | | | | | | | | | | | |
| | Small | <\$400,000 pa | Review | | | | | | | | | | | |
| | Medium | \$400,000 to <\$1,000,000 | Audit or review | | | | | | | | | | | |
| Large | \$1,000,000 or more | Audit | | | | | | | | | | | | |
| 76 | The auditor of a large association must report whether the accounts are properly drawn up in accordance with accounting standards. | | | | | | | | | | | | | |
| 74(2) | The committee of an incorporated association must take reasonable steps to ensure that the association's accounts audit or review is completed at least 14 days before the statement of the accounts is required to be presented at the annual general meeting of the association. | | | | | | | | | | | | | |
| NSW ¹¹ | 42(1), Reg 8 | The NSW legislation splits incorporated associations into two Tiers as shown in the following table. Note that an organisation is considered a Tier 1 association when either the gross receipts (or revenue) or current assets thresholds are exceeded. The financial statements of a Tier 1 association must be audited. There is no requirement for a Tier 2 entity to be audited. <table border="1" data-bbox="475 1182 1471 1350"> <thead> <tr> <th>Tier</th> <th>Gross receipts/ revenue</th> <th>Current assets</th> <th>Other audit requirements</th> </tr> </thead> <tbody> <tr> <td>Tier 1</td> <td>>\$250,000</td> <td>>\$500,000</td> <td><i>Charitable Fundraising Act 1991 (section 24)</i></td> </tr> <tr> <td>Tier 2</td> <td><\$250,000</td> <td><\$500,000</td> <td></td> </tr> </tbody> </table> | Tier | Gross receipts/ revenue | Current assets | Other audit requirements | Tier 1 | >\$250,000 | >\$500,000 | <i>Charitable Fundraising Act 1991 (section 24)</i> | Tier 2 | <\$250,000 | <\$500,000 | |
| | Tier | Gross receipts/ revenue | Current assets | Other audit requirements | | | | | | | | | | |
| | Tier 1 | >\$250,000 | >\$500,000 | <i>Charitable Fundraising Act 1991 (section 24)</i> | | | | | | | | | | |
| | Tier 2 | <\$250,000 | <\$500,000 | | | | | | | | | | | |
| 43(2), Reg 9 C/O No 11/01 | Tier 1 associations must prepare accounts in accordance with Australian Accounting Standards and include details of any mortgages, charges or other securities affecting any property owned by the association. However, where revenue is <\$2,000,000, exemption is given from Australian Accounting Standards so long as an income and expenditure statement and a balance sheet is prepared that sets out appropriately classified individual sources of income and individual expenses incurred in the operation of the association and the assets and liabilities of the association. The assets and liabilities must be classified into current and non-current. A statement of movements in equity is to be prepared showing movements in retained funds and movements in any reserves, the recognition, measurement and classification of accounting standards must be applied, and compliance with AASB 1048 <i>Interpretation of Standards</i> , AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> and AASB 127 <i>Separate Financial Statements</i> is required. | | | | | | | | | | | | | |
| 47(2), Reg 10 | Tier 2 associations must prepare an income and expenditure statement and a balance sheet that sets out appropriately classified individual sources of income and individual expenses incurred in the operation of the association and the assets and liabilities of the association as well as details of any mortgages, charges or other securities affecting any property owned by the association. For both tiers, there are additional reporting requirements where the association is a trustee of a trust. | | | | | | | | | | | | | |

¹⁰ The ACT Associations *Incorporation Act 1991* record keeping and reporting requirements do not apply to an incorporated association that is an ACNC registered charity.

¹¹ From 1 October 2018 a NSW association that is also registered with the ACNC will prepare their financial reports under the ACNC's reporting requirements and report to the ACNC. Associations must complete all the required fields in the ACNC electronic lodgement to take advantage of this exemption. This exemption does not apply to Incorporated associations that form part of an ACNC approved reporting group and/or have certain details withheld from the ACNC Charity Register.

| Jurisdiction | Section(s) of legislation | Provision | | | | | | | | | | | | | | | | |
|------------------|---------------------------|--|---|----------------|---------|----------------|---------|------------|------------|-----|---------|--------------------|--------------------|---|---------|-----------|-----------|--|
| NT ¹² | 42(1) | The committee must ensure a statement of the association's accounts are prepared either before the annual general meeting or, if an annual general meeting is not required, as soon as practicable after the financial year end. | | | | | | | | | | | | | | | | |
| | 42(2) | The statement of accounts must not be misleading and must give a true and fair account of: <ul style="list-style-type: none"> the income and expenditure of the association the assets and liabilities of the association any mortgages, charges or other securities of any description affecting any property of the association. <p>There are additional requirements if the association is the trustee of a trust for all or part of the financial year.</p> | | | | | | | | | | | | | | | | |
| | 43(1) | At each annual general meeting of an incorporated association, the committee must present the following documents for the consideration of the meeting: <ul style="list-style-type: none"> The audited statement of the association's accounts in relation to the last financial year of the association. A copy of the auditor's report to the association in relation to the association's accounts for that financial year. | | | | | | | | | | | | | | | | |
| Qld | 59(1), (2) | Members of the management committee must ensure the association, within six months of the end of each financial year, prepares a financial statement for its last reportable financial year. "Financial statement" is defined as a statement containing particulars of the association's income and expenditure, assets and liabilities and details of any mortgages, charges or securities affecting the association's property. | | | | | | | | | | | | | | | | |
| | 59(1),(2) | The Association is required to have the financial statement audited if they are a Level 1 association or if they are a level 2 or level 3 association with an audit requirement under the Collections Act 1966, the Gaming Machine Act 1991 or any other law. See table below for further information. | | | | | | | | | | | | | | | | |
| | 58 59(1)(b),(c) | <table border="1"> <thead> <tr> <th>Level</th> <th>Current assets</th> <th>Revenue</th> <th>Audit required</th> </tr> </thead> <tbody> <tr> <td>Level 1</td> <td>>\$100,000</td> <td>>\$100,000</td> <td>Yes</td> </tr> <tr> <td>Level 2</td> <td>\$20,000-\$100,000</td> <td>\$20,000-\$100,000</td> <td>Yes, if required by <i>Collections Act 1966</i>, <i>Gaming Machine Act 1991</i> or any other law</td> </tr> <tr> <td>Level 3</td> <td><\$20,000</td> <td><\$20,000</td> <td></td> </tr> </tbody> </table> | Level | Current assets | Revenue | Audit required | Level 1 | >\$100,000 | >\$100,000 | Yes | Level 2 | \$20,000-\$100,000 | \$20,000-\$100,000 | Yes, if required by <i>Collections Act 1966</i> , <i>Gaming Machine Act 1991</i> or any other law | Level 3 | <\$20,000 | <\$20,000 | |
| | Level | Current assets | Revenue | Audit required | | | | | | | | | | | | | | |
| Level 1 | >\$100,000 | >\$100,000 | Yes | | | | | | | | | | | | | | | |
| Level 2 | \$20,000-\$100,000 | \$20,000-\$100,000 | Yes, if required by <i>Collections Act 1966</i> , <i>Gaming Machine Act 1991</i> or any other law | | | | | | | | | | | | | | | |
| Level 3 | <\$20,000 | <\$20,000 | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| SA ¹³ | 35(2) | A prescribed association must, after the end of a financial year of the association: <ul style="list-style-type: none"> cause accounts in respect of the financial year to be prepared cause the accounts to be audited. | | | | | | | | | | | | | | | | |
| | 35(6) | The committee of a prescribed association must cause the audited accounts, including the statement prepared in accordance with subsection (2)(c), the auditor's report on the accounts and the report of the committee in accordance with subsection (5), to be laid before the association's members at the association's annual general meeting. Accounts of an incorporated association means either: <ul style="list-style-type: none"> a combination of an account of receipts and payments recording the total receipts and payments based on the cash method of accounting and a statement of assets and liabilities or a combination of an account of income and expenditure recording the total income and expenditure based on the accrual method of accounting and a balance sheet <p>together with such statements, reports and notes, other than auditor's reports, as are attached to and intended to be read with the account, statement or balance sheet, as the case may be.</p> | | | | | | | | | | | | | | | | |
| | 3 | | | | | | | | | | | | | | | | | |

¹² From 1 July 2019 a NT association registered with the ACNC will only need to submit their AIS and financial reports directly to the ACNC. Their financial reports must meet both the ACNC and NT Associations Act. NT associations that are small charities will need to submit a financial report prepared in accordance with the Associations Act and submit to the ACNC in order to participate in the streamline arrangement. A 2-year transition period is provided to affected charities to transition them to ACNC reporting requirements.

¹³ South Australian charities that are registered with the ACNC and/or hold a Collections for Charitable Purposes Licence need to report to the ACNC and comply with the ACNC's reporting requirements rather than the South Australian Act.

| Jurisdiction | Section(s) of legislation | Provision | | | | | | | | | | | | | | | | |
|------------------------|---|--|--|--|--|--------------------------|--------|------------|-----|--|--------|-------------------------|-----|--|--------|--------------|-----|----------------|
| Tasmania ¹⁴ | 24(1) | Unless an incorporated association is exempted, the committee of an incorporated association shall, as soon as practicable after the end of its financial year, cause the financial affairs of the association to be audited. | | | | | | | | | | | | | | | | |
| | 24(1C) | An incorporated association is exempt from complying with subsection (1) in relation to a financial year if the revenue of the registered entity for that financial year is less than \$250,000. | | | | | | | | | | | | | | | | |
| | 24B(1) | Lodgement of an annual return is required within six months of the end of the financial year that includes such statements as in the opinion of the auditor are adequate to explain its financial transactions for the financial year and its financial position at the end of that financial year. | | | | | | | | | | | | | | | | |
| | 24B(1A) | An exempted associated is also required to lodge an annual return within six months of the end of the year that includes a statement of the association's income and expenditure for the financial year. | | | | | | | | | | | | | | | | |
| Vic ¹⁵ | 90 | The Victorian legislation provides for three tiers of incorporated associations based on revenue and specifies differential reporting and auditing requirements based on those tiers as indicated below. | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Level</th> <th>Revenue</th> <th>Financial report required</th> <th>Audit or review required</th> </tr> </thead> <tbody> <tr> <td>Tier 1</td> <td><\$250,000</td> <td>Yes</td> <td>No unless a review is requested by members, its own rules or the Registrar</td> </tr> <tr> <td>Tier 2</td> <td>\$250,000 – \$1,000,000</td> <td>Yes</td> <td>Review required, unless an audit is requested by members, its own rules or the Registrar</td> </tr> <tr> <td>Tier 3</td> <td>>\$1,000,000</td> <td>Yes</td> <td>Audit required</td> </tr> </tbody> </table> | Level | Revenue | Financial report required | Audit or review required | Tier 1 | <\$250,000 | Yes | No unless a review is requested by members, its own rules or the Registrar | Tier 2 | \$250,000 – \$1,000,000 | Yes | Review required, unless an audit is requested by members, its own rules or the Registrar | Tier 3 | >\$1,000,000 | Yes | Audit required |
| | Level | Revenue | Financial report required | Audit or review required | | | | | | | | | | | | | | |
| | Tier 1 | <\$250,000 | Yes | No unless a review is requested by members, its own rules or the Registrar | | | | | | | | | | | | | | |
| | Tier 2 | \$250,000 – \$1,000,000 | Yes | Review required, unless an audit is requested by members, its own rules or the Registrar | | | | | | | | | | | | | | |
| | Tier 3 | >\$1,000,000 | Yes | Audit required | | | | | | | | | | | | | | |
| | 92(1) 93(1) | | | | | | | | | | | | | | | | | |
| | 95(1) 96(1) | | | | | | | | | | | | | | | | | |
| | 98(1) 99(1) 92(2) | Tier 1 associations must prepare financial statements that give a true and fair view of the financial position and performance of the association and deal with any matter prescribed by the regulations. | | | | | | | | | | | | | | | | |
| | 95(2) 98(2) | Tier 2 and tier 3 associations must prepare financial statements in accordance with the Australian Accounting Standards and dealing with any matter prescribed by the regulations. | | | | | | | | | | | | | | | | |
| 101 | The financial statements must contain: <ul style="list-style-type: none"> • the income and expenditure during and at the end of its last financial year • the assets and liabilities at the end of its last financial year • mortgages, charges and security affecting any property • additional information in relation to trusts. | | | | | | | | | | | | | | | | | |
| WA | 64 | The WA legislation provides for three tiers of incorporated associations based on revenue and specifies differential reporting and auditing requirements based on those tiers as indicated below. | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Level</th> <th>Revenue</th> <th>Financial report required</th> <th>Audit or review required</th> </tr> </thead> <tbody> <tr> <td>Tier 1</td> <td><\$250,000</td> <td>Yes</td> <td>No unless a review is requested by members or the Commissioner</td> </tr> <tr> <td>Tier 2</td> <td>\$250,000 – \$1,000,000</td> <td>Yes</td> <td>Review required, unless an audit is requested by members or the Commissioner</td> </tr> <tr> <td>Tier 3</td> <td>>\$1,000,000</td> <td>Yes</td> <td>Audit required</td> </tr> </tbody> </table> | Level | Revenue | Financial report required | Audit or review required | Tier 1 | <\$250,000 | Yes | No unless a review is requested by members or the Commissioner | Tier 2 | \$250,000 – \$1,000,000 | Yes | Review required, unless an audit is requested by members or the Commissioner | Tier 3 | >\$1,000,000 | Yes | Audit required |
| | | Level | Revenue | Financial report required | Audit or review required | | | | | | | | | | | | | |
| | | Tier 1 | <\$250,000 | Yes | No unless a review is requested by members or the Commissioner | | | | | | | | | | | | | |
| Tier 2 | \$250,000 – \$1,000,000 | Yes | Review required, unless an audit is requested by members or the Commissioner | | | | | | | | | | | | | | | |
| Tier 3 | >\$1,000,000 | Yes | Audit required | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |

¹⁴ Tasmanian charities that are registered with the ACNC need to report to the ACNC and comply with the ACNC's reporting requirements rather than the Tasmanian Act.

¹⁵ A Victorian association that is also registered with the ACNC will prepare their financial reports under the ACNC's reporting requirements and report to the ACNC. This exemption does not apply to Incorporated associations that form part of an ACNC approved reporting group and/or have certain details withheld from the ACNC Charity Register.

| Jurisdiction | Section(s) of legislation | Provision |
|--------------|---------------------------|---|
| WA | 68(2) | Tier 1 associations must prepare financial statements as follows: <ul style="list-style-type: none"> • Where cash accounting is used, a statement of receipts and payments, a reconciled statement of bank balances and a statement of assets and liabilities. • Where accrual accounting is used, a statement of income and expenditure and a balance sheet. |
| | 71(2) | • Tier 2 and tier 3 associations must prepare financial statements in accordance with the accounting standards and provide a true and fair view of financial position and performance of the association. |
| | 74(2) | |

Table 7: Qualifications of auditors of incorporated associations

The requirement to appoint auditors and the prescribed qualifications of those who may be appointed vary from jurisdiction to jurisdiction. The relevant provisions are summarised in the following table.

| Jurisdiction | Section(s) of legislation | Provision |
|-------------------|--|--|
| ACT ¹⁶ | 74(1) and (2) | A medium and large association must appoint an auditor, a small association may appoint a reviewer. <ul style="list-style-type: none"> • is not an officer of the association • has not prepared or assisted with the preparation of those accounts. |
| | 70(B) | An auditor is a person who is not a member or officer of the association, has not prepared or assisted with the preparation of the accounts and is either registered as an auditor under the Corporations Act; or a member of CA ANZ, the Institute of Public Accountants, or CPA Australia. A reviewer means a person who is not a member or officer of the association and has not prepared or assisted with the preparation of the accounts. |
| NSW ¹⁷ | C/O 10/01 | Tier 1 The audit must be carried out by: <ul style="list-style-type: none"> • a registered company auditor within the meaning of the <i>Corporations Act 2001</i> • a member who holds a public practice certificate of Chartered Accountants Australia and New Zealand, CPA Australia or Institute of Public Accountants* or • the Auditor-General of the Commonwealth of Australia or of a state or territory or • a person approved by the Secretary. <p>* The auditor's report must identify which accounting body the auditor is a member of and that they hold a public practice certificate issued by one of those bodies.</p> |
| | 52(2) | Any person who is or who has at any time within the past two years been a member of the association or an employer of a provider of professional services (other than audit services) to the association or to a committee member or public officer of the association may not carry out the audit. |
| | C/O 10/02 | Relief is given on the above requirement if the audit is carried out in accordance with the code of conduct relating to independence APES 110 <i>Code of Ethics</i> and the audit report includes an auditor's independence declaration. |
| | <i>Charitable Fundraising Act 1991</i> Section 24 | The accounts of any organisation that holds an authority to conduct a fundraising appeal must be audited annually by a person qualified to audit accounts for the purposes of the Corporations Act or having other qualifications or experience approved by the Minister. |

¹⁶ The ACT *Associations Incorporation Act 1991* record keeping and reporting requirements do not apply to an incorporated association that is an ACNC registered charity.

¹⁷ From 1 October 2018 a NSW association that is also registered with the ACNC will need to have their financial reports audited or reviewed under the ACNC's requirements and report to the ACNC. This exemption does not apply to Incorporated associations that form part of an ACNC approved reporting group and/or have certain details withheld from the ACNC Charity Register.

| Jurisdiction | Section(s) of legislation | Provision | | | | | | | | | | | | | | | | |
|------------------|--|---|---------------------------------------|-----------------------|--------------|----------|---|-----------|-----------|-----|---|--------------------|--------------------|------------------------|---|------------|------------|---------------------------------------|
| NT | 46,47,48 | In order to determine the appropriate auditor, the Northern Territory's Association Act has adopted a tiering of associations, based on the gross annual receipts, gross assets and activities of the association. Note that only one of the criteria needs to be satisfied for an association to be classified within a tier. | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Tier</th> <th>Annual gross receipts</th> <th>Gross assets</th> <th>Activity</th> </tr> </thead> <tbody> <tr> <td>1</td> <td><\$25,000</td> <td><\$50,000</td> <td>N/A</td> </tr> <tr> <td>2</td> <td>\$25,000-\$250,000</td> <td>\$50,000-\$500,000</td> <td>Gaming machine licence</td> </tr> <tr> <td>3</td> <td>>\$250,000</td> <td>>\$500,000</td> <td>Performing local government functions</td> </tr> </tbody> </table> | Tier | Annual gross receipts | Gross assets | Activity | 1 | <\$25,000 | <\$50,000 | N/A | 2 | \$25,000-\$250,000 | \$50,000-\$500,000 | Gaming machine licence | 3 | >\$250,000 | >\$500,000 | Performing local government functions |
| | Tier | Annual gross receipts | Gross assets | Activity | | | | | | | | | | | | | | |
| | 1 | <\$25,000 | <\$50,000 | N/A | | | | | | | | | | | | | | |
| 2 | \$25,000-\$250,000 | \$50,000-\$500,000 | Gaming machine licence | | | | | | | | | | | | | | | |
| 3 | >\$250,000 | >\$500,000 | Performing local government functions | | | | | | | | | | | | | | | |
| 46(1) Tier 1 | A tier 1 incorporated association must ensure its accounts are audited by a person who: <ul style="list-style-type: none"> • is not a member of the association • is not the spouse or de facto partner or a business partner, employer or employee of a member of the association • is not the spouse or de facto partner or a business partner of an employee of a member of the association. | | | | | | | | | | | | | | | | | |
| 47(2) Tier 2 | The association must ensure its accounts are audited by: <ul style="list-style-type: none"> • a person who is a member of an accountants' body or • a person who holds qualifications in a prescribed class of qualifications or • a person who is, or is a member of a class of persons, approved by the Commissioner. | | | | | | | | | | | | | | | | | |
| 48(2) Tier 3 | The association must ensure its accounts are audited by: <ul style="list-style-type: none"> • a person who holds a public practice certificate issued by an accountants' body or • a person who is, or is a member of a class of persons, approved by the Commissioner or • a person who is registered as an auditor under the <i>Corporations Act 2001</i>. | | | | | | | | | | | | | | | | | |
| Qld | 59(2)(b) | The members of the management committee of the incorporated association must ensure the financial statement prepared under section 59(2)(a) is audited by an auditor or an accountant (in the case of a level 1 incorporated association) or an auditor, an accountant or an approved person (in the case of a level 2 or level 3 incorporated association). | | | | | | | | | | | | | | | | |
| | 58 | Queensland's Associations Incorporation Act 1981 defines the terms "accountant" and "auditor" as follows: "Accountant" means: <ul style="list-style-type: none"> • a member of CPA Australia who is entitled to use the letters CPA or FCPA or • a member of Chartered Accountants Australia and New Zealand who is entitled to use the letters CA or FCA or • a member of the Institute of Public Accountants who is entitled to use the letters MIPA or FIPA. "Auditor" means a person registered as an auditor under the Corporations Act. | | | | | | | | | | | | | | | | |
| SA ¹⁸ | 35(2)(b) | The accounts are to be audited by a registered company auditor, a firm of registered company auditors, a person who is a member of CPA Australia or Chartered Accountants Australia and New Zealand or such other person who may be approved by the Commission as an auditor of the accounts of the association for the purposes of the Act. | | | | | | | | | | | | | | | | |
| | 35(4) | Persons who cannot be appointed as auditor of the prescribed association are: <ul style="list-style-type: none"> • an officer • a partner, employer or employee of an officer • an employee • a partner or an employee of an employee of the prescribed association. | | | | | | | | | | | | | | | | |

¹⁸ South Australian charities that are registered with the ACNC and/or hold a Collections for Charitable Purposes Licence need to report to the ACNC and comply with the ACNC's reporting requirements rather than the South Australian Act.

| Jurisdiction | Section(s) of legislation | Provision |
|------------------------|---------------------------|---|
| Tasmania ¹⁹ | 24(1) | The financial affairs of the association can be audited by: <ul style="list-style-type: none"> • a person who is a registered company auditor within the meaning of the Corporations Act or • such other person as the Commissioner, having regard to the complexity of the financial affairs of the association, may approve. |
| | 24(3) | Persons who cannot be appointed as auditor of the association are: <ul style="list-style-type: none"> • a public officer or a member of the committee • a servant • an employee • a partner, employer or employee of the public officer or of a member of the committee of the association. |
| Vic ²⁰ | 96(1) | The accounts of a tier 2 association can be reviewed by an independent person who is: <ul style="list-style-type: none"> • a member of and holds a current practising certificate from CPA Australia or Chartered Accountants Australia and New Zealand or the Institute of Public Accountants or • approved by the Registrar under section 96(4). |
| | 99(2) | A tier 3 association must, after the end of each financial year, cause its accounts to be audited by: <ul style="list-style-type: none"> • a registered company auditor or • a firm of registered company auditors or • a person who is a member of and holds a current practising certificate from CPA Australia or the Institute of Chartered Accountants in Australia or the Institute of Public Accountants or • any other person who is approved by the Registrar under section 99(5) to audit the financial statements. |
| WA | 88(2) | A person is qualified for appointment as a reviewer or auditor if the person is: <ul style="list-style-type: none"> • a member of a professional accounting body who has a designation in respect of that membership that is prescribed by the regulations (an auditor will likely be required to have a current public practising certificate) or • a registered company auditor under the Corporations Act or • a person the Commissioner considers has appropriate qualifications or experience and approves. |

¹⁹ Tasmanian charities that are registered with the ACNC need to report to the ACNC and comply with the ACNC's reporting requirements rather than the Tasmanian Act.

²⁰ A Victorian association that is also registered with the ACNC will need to have their financial reports audited or reviewed under the ACNC's requirements and report to the ACNC.

This exemption does not apply to Incorporated associations that form part of an ACNC approved reporting group and/or have certain details withheld from the ACNC Charity Register.

8.2 New Zealand

Record keeping, reporting and auditing requirements for registered charities in New Zealand are set out in the *Charities Act 2005* (the Act), and accounting standards issued by the External Reporting Board (XRB). Not-for-profits that are not registered charities are subject to the legislation that governs their legal forms.

All charities must keep written records of accounts and prepare financial statements. The form of the financial statements, and whether they are required to be audited or reviewed, depends on their size. In some case a charity's rules may require an audit or review, even if they are below the respective threshold.

Summary of New Zealand NFP reporting requirements

| Tier | Criteria | NFP Accounting Standards | Reporting requirements |
|------|--|---|---|
| 1 | Public accountability; or Expenses >\$30m | Public benefit entities (PBE) standards including PBE FRS 48 <i>Service Performance Reporting</i> , applicable to annual financial reports covering periods beginning on or after 1 January 2021. | Financial Report: Service performance information (from 2021) plus full financial statements |
| 2 | No public accountability; and Expenses ≤\$30m | PBE standards – reduced disclosure regime (RDR) including PBE FRS 48 <i>Service Performance Reporting</i> , applicable to annual financial reports covering periods beginning on or after 1 January 2021. | Financial Report: Service performance information (from 2021) plus full financial statements (RDR) |
| 3 | No public accountability; and Expenses ≤\$2m | PBE simple format reporting standard – accrual (SFR-A (NFP)) | Performance Report: Entity Information, Statement of Financial Performance, Statement of Financial Position, Statement of Service Performance, Statement of Cash Flows, Statement of Accounting Policies (including Notes) |
| 4 | No public accountability; and Payments <\$125k (registered charities, and other entities depending on their legislation) | PBE simple format reporting standard – cash (SFR-C (NFP)) | Performance Report: Entity Information, Statement of Service Performance, Statement of Receipts and Payments, Statement of Resources and Commitments (this does not need to balance), Statement of Accounting Policies (including Notes) |

Learn more

Read CA ANZ's Guidance for Not-for-Profit Financial Reporting in New Zealand, designed to assist practitioners to understand and effectively implement the NFP reporting requirements at: <https://www.charteredaccountantsanz.com/member-services/technical/reporting/not-for-profit-reporting>

View the XRB's accounting standards for NFPs <https://www.xrb.govt.nz/accounting-standards/not-for-profit/>

Charities services has a range of resources to assist in the running of a charity in the community hub at Community Resource Kit at: <https://community.net.nz/>

This includes guidance on applying the reporting standards for registered charities at <https://community.net.nz/resources/charities-services/reporting-standards-for-registered-charities/>

Annual Returns

All registered charities must file an Annual Return. The Annual Return includes a completed Annual Return form, a copy of your financial statements, and the appropriate fee, if applicable.

The Annual Return form asks for information about:

- the sectors your charity operates in
- activities it is involved in
- who benefits from those activities
- your geographical area of operation
- the people in your charity
- your balance sheet position, and
- your income and expenditure.

Charities Services publishes this information on the Charities Register. Annual Returns must be filed within six months of a charity's balance date. Failure to file Annual Returns is one of the main reasons for deregistration of charities.

9. Useful resources

There are extensive resources available to NFPs and charities to assist them through the complexity of legislation and regulation and to adopt best practice. In the following table, we have provided a selection of links to government and other organisations that make resources available to NFPs and charities.

| Non-government organisations | Website | Resources available and comments |
|--|--|--|
| ASX Corporate Governance Council | www.asx.com.au | The ASX Corporate Governance Council seeks to provide leadership in enhancing corporate governance in Australia. Its Corporate Governance Principles provide guidance for best practice corporate governance disclosures. |
| Australian Council for International Development (ACFID) | www.acfid.asn.au | ACFID is the peak body of Australian non- government organisations involved in international development and humanitarian action. ACFID's purpose is to lead and unite members in action for a just, equitable and sustainable world. |
| Australian Institute of Company Directors (AICD) | www.companydirectors.com.au | The AICD provides leadership on directors' issues and governance. It provides professional development and resources for directors. |
| Centre for Social Impact (CSI) | www.csi.edu.au | CSI is involved in teaching, research, measurement and the promotion of public debate to create beneficial social impact. Go to the CSI Research link for access to research reports. |
| Chartered Accountants Australia and New Zealand | www.charteredaccountantsanz.com | Chartered Accountants Australia and New Zealand produces tools, resources and actively influences government in this sector. Access this content through Leadership & Advocacy > Reporting > Current issues. Not-for-profit- is identified as a current issue. Included in this section is the Westpac and CA ANZ "Guide for Community Financial Officers in Australia" designed to help Financial Officers of community organisations, of all shapes and sizes, to take on the role with greater knowledge and confidence. |
| Fundraising Institute of Australia (FIA) | www.fia.org.au | FIA provides career development opportunities for professional fundraisers and advocates on behalf of the fundraising industry. |
| Global Reporting Initiative (GRI) | www.globalreporting.org | GRI is an international independent organisation that produce the GRI guidelines – the world's standards for sustainability reporting. |

| Non-government organisations | Website | Resources available and comments |
|---|---|---|
| Governance Institute of Australia | www.governanceinstitute.com.au | The Governance Institute of Australia provides professional development and support for risk and governance professionals. It runs a NFP support programme and training for NFP governance professionals. |
| Institute of company Directors (NZ) | https://www.iod.org.nz/ | The Institute of Directors in New Zealand seeks to add value across New Zealand business and society including to the charity sector. It has a resource section dedicated to not-for-profits. |
| International Integrated Reporting Council (IIRC) | www.integratedreporting.org | The IIRC is a global coalition of regulators, investors, companies, standard setters, the accounting profession and non-government organisations. It promotes integrated reporting and has published the international integrated reporting framework. |
| Not-for-profit Resource | https://www.not-for-profit.org.nz/ | The NFP Resource website is published under the aegis of the NZ Association Resource Centre Trust (CC49299), NZARCT. We are pleased to offer this site to provide co-operative support to Not for Profit (non-profit) organisations and charities in New Zealand and those considering establishing such bodies. |
| Our Community | www.ourcommunity.com.au | Our Community provides extensive links to information and resources that can be used by all NFPs. Our Community has a code of governance for the Australian community sector. |
| Philanthropy Australia | www.philanthropy.org.au | Philanthropy Australia advocates for Australia's philanthropy and not-for-profit sectors. It provides extensive resources through its website. |
| Social Impact Measurement Association Australia (SIMNA) | https://simna.com.au/ | SIMNA is a membership organisation whose purpose is to help foster the emerging practice of social impact measurement in Australia. Its aim is to build a community of practice that can lead and shape the development of social impact measurement both in Australia and around the world. |
| Vicsport | www.vicsport.asn.au | Vicsport is an independent member-based organisation representing Victoria's sport and active recreation sector. It has a number of resources for associations and clubs including a good governance toolkit under the 'Organisation' tab and the heading 'Strengthen Governance' |

| Government organisations | Website | Resources available and comments |
|---|--|---|
| Australian Accounting Standards Board | www.aasb.gov.au | The AASB's website provides links to Accounting Standards. Links are also provided to resources regarding current proposed standards, such as Income of not-for-profit entities and Reporting Service Performance Information. |
| Australian Charities and Not-for-profits Commission | www.acnc.gov.au | The ACNC is Australia's national regulator for charities. Information is available on registration and managing a charity. There is also a 'find a charity' function on the website, where information can be obtained on registered charities in Australia (unless they have been withheld). Extensive research materials on the charity sector are also available along with publications and interpretation statements |

| Government organisations | Website | Resources available and comments |
|---|---|--|
| Australian Securities and Investments Commission | www.asic.gov.au | ASIC regulates companies limited by guarantee that are not registered charities. The 'Regulatory Resources' tab on the website has a section on financial reporting and audit that summarises the relevant requirements. |
| Australian Competition and Consumer Commission (ACCC) | https://www.accc.gov.au/publications/guide-to-the-acl-for-charities-not-for-profits-fundraisers | <i>The guide to the Australian Consumer Law (ACL) for fundraising and other activities of charities, not-for-profits and fundraisers</i> sets out general principles and examples to assist the charity and fundraising sector in understanding its obligations under the ACL. |
| Australian Sports Commission | www.ausport.gov.au | Follow the links to: Supporting Sport > Governance for a link to the ASC's governance principles. |
| Australian Taxation Office | www.ato.gov.au | Follow the link to the non-profit homepage for comprehensive overview of the application of taxation legislation to NFPs. |
| Australian Capital Territory: Access Canberra | www.accesscanberra.act.gov.au | Refer to Community Groups > Incorporated Associations for information about Associations' obligations, the public register and other resources. Information can also be accessed through this tab about Charitable Collections and the Charitable Collections Act 2003. |
| External Reporting Board (XRB) | https://www.xrb.govt.nz/accounting-standards/not-for-profit/ | Accounting standards for use by NFPs and charities in NZ. |
| Internal Revenue | https://www.ird.govt.nz/roles/non-profits | Outlines the tax obligations and exemptions applicable to a NFP in New Zealand. |
| Justice Connect | https://nfplaw.org.au/ | A charity providing free and low cost legal resources, training and advice to community organisations. |
| New South Wales: NSW Fair Trading | www.fairtrading.nsw.gov.au | Go to Co-operatives & Associations tab for extensive information regarding legislation and guidance regarding the operation of the incorporated associations legislation and compliance with legislation and regulations. Information and guidance on the new national co-operatives law is also available. Refer to the Charitable fundraising link within the Co-operatives & Associations tab for information about the <i>Charitable Fundraising Act 1991</i> , obtaining authority to fundraise and controls that exist over charities including expenses, record keeping, disclosure, financial reporting and audit, and lodgement of returns. |
| New Zealand: Charities Services | www.charities.govt.nz | Charity Services is part of the Department of Internal Affairs and is legislated by the <i>Charities Act 2005</i> . Their role is to promote public trust and confidence in the charities sector and to encourage the effective use of charitable resources. They provide educational support, advice and materials. |
| Northern Territory: Department of Business | www.nt.gov.au | Contains extensive information regarding legislation and guidance regarding the operation of the incorporated associations legislation and compliance with legislation and regulations. Refer https://nt.gov.au/industry/gambling/gambling/lotteries-community-gambling for information regarding the Gaming Control (Community Gaming) regulations that cover raffles. |

| Government organisations | Website | Resources available and comments |
|---|--|--|
| Queensland: Fair Trading | www.qld.gov.au/law/fair-trading | Refer to Associations, charities and not for profits > Incorporated Associations for extensive information regarding incorporated associations. Refer to Associations and not for profits > Charities and fundraising for information about registering a charity, rules for fundraising in Queensland and reporting and audit requirements. |
| South Australia: Consumer and Business Services | www.cbs.sa.gov.au | Refer to the Associations and Co-operatives tab for extensive information regarding legislation and guidance regarding the operation of the incorporated association and co-operatives legislation, compliance with legislation and regulations. Refer to Licensing and Registration >Charities section for information about fundraising in South Australia in accordance with the <i>Collections for Charitable Purposes Act 1939</i> . |
| Tasmania: Consumer Affairs and Fair Trading | www.consumer.tas.gov.au | Refer to the clubs and fundraising tab for extensive information regarding legislation and guidance regarding the operation of the incorporated associations legislation and compliance with legislation and regulations. |
| Victoria: Consumer Affairs Victoria | www.consumer.vic.gov.au | Refer to Clubs and fundraising tab for extensive guidance regarding incorporated associations in Victoria. |
| Western Australia: Department of Commerce | www.commerce.wa.gov.au | Refer to the consumer protection section for Information about Associations and Clubs (how to become an incorporated association and the rules/guidelines for running one) and also information for Charities about applying for a license, types of charitable collections and a list of licensed charities in WA. |

Information current at September 2019

10. Glossary of abbreviations

| Acronym | Name |
|---------|---|
| AASB | Australian Accounting Standards Board |
| ACFID | Australian Council for International Development |
| ACNC | Australian Charities and Not-for-profits Commission |
| AUASB | Auditing and Assurance Standards Board (Australia) |
| CA ANZ | Chartered Accountants Australia and New Zealand |
| CID | Council for International Development (New Zealand) |
| GPFR | General Purpose Financial Report |
| NFP | Not-for-Profit |
| PBE | Public Benefit Entity |
| SPFR | Special Purpose Financial Report |
| XRB | External Reporting Board (New Zealand) |