

# Charities

A guide to financial reporting  
and assurance requirements



ISBN: 978-1-921742-48-4

CPA Australia Ltd ('CPA Australia') is one of the world's largest accounting bodies representing more than 144,000 members of the financial, accounting and business profession in 127 countries.

For information about CPA Australia, visit our website [cpaaustralia.com.au](http://cpaaustralia.com.au)

First published 1995

Second edition 2012

Third edition 2013

CPA Australia Ltd

ACN 008 392 452

Level 20, 28 Freshwater Place

Southbank Vic 3006

Australia

#### **Legal notice**

Copyright CPA Australia Ltd (ABN 64 008 392 452) ("CPA Australia"), 2012. All rights reserved.

Save and except for third party content, all content in these materials is owned by or licensed to CPA Australia. All trade marks, service marks and trade names are proprietary to CPA Australia. For permission to reproduce any material, a request in writing is to be made to the Legal Business Unit, CPA Australia Ltd, Level 20, 28 Freshwater Place, Southbank, Victoria 3000.

CPA Australia has used reasonable care and skill in compiling the content of this material. However, CPA Australia and the editors make no warranty as to the accuracy or completeness of any information in these materials. No part of these materials are intended to be advice, whether legal or professional. Further, as laws change frequently, you are advised to undertake your own research or to seek professional advice to keep abreast of any reforms and developments in the law.

To the extent permitted by applicable law, CPA Australia, its employees, agents and consultants exclude all liability for any loss or damage claims and expenses including but not limited to legal costs, indirect special or consequential loss or damage (including but not limited to, negligence) arising out of the information in the materials. Where any law prohibits the exclusion of such liability, CPA Australia limits its liability to the re-supply of the information.

# Contents

## Contents

<b>Contents</b>	<b>1</b>
<b>Contributors</b>	<b>2</b>
External Reporting Centre of Excellence	2
Technical Support	2
<b>Foreword</b>	<b>3</b>
<b>Overview</b>	<b>4</b>
<b>Introduction</b>	<b>6</b>
<b>The Australian Charities and Not-for-profits Commission (ACNC)</b>	<b>8</b>
<b>New laws and regulations</b>	<b>8</b>
<b>Interaction with existing laws and regulations – Commonwealth and state/territories</b>	<b>8</b>
Table 1: Different types of charities registered with the ACNC	9
<b>Taxation and the ACNC</b>	<b>10</b>
<b>ASIC and the ACNC</b>	<b>10</b>
<b>State/territory based regulators and the ACNC</b>	<b>10</b>
Table 2: State/territory regulators for incorporated associations and cooperatives	11
<b>Existing and new charities – Registration considerations</b>	<b>11</b>
<b>Financial reports</b>	<b>12</b>
<b>Reporting and non-reporting entities</b>	<b>12</b>
Table 3: Reporting entity – Some considerations	13
<b>Joint/collective reporting</b>	<b>14</b>
<b>Basic religious charities</b>	<b>14</b>
<b>The Annual Information Statement</b>	<b>15</b>
<b>Audit/review of charity financial reports</b>	<b>15</b>
<b>Audit</b>	<b>16</b>
<b>Review</b>	<b>17</b>
<b>Commonwealth grant guidelines</b>	<b>17</b>
<b>Taxation</b>	<b>17</b>
<b>CPA Australia's requirements for members involved in the preparation of charity financial reports or audit/review of charity financial reports</b>	<b>19</b>
<b>Professional and ethical standards</b>	<b>19</b>
<b>Competency requirements for assurance practitioners undertaking review engagements</b>	<b>19</b>
<b>Professional Indemnity Insurance (PII)</b>	<b>20</b>
<b>Knowledge members should hold prior to undertaking audits/review</b>	<b>21</b>
<b>CPD requirements</b>	<b>21</b>
<b>Appendix I – useful links</b>	<b>23</b>
<b>Appendix II – financial reporting flowchart</b>	<b>24</b>
<b>Appendix III – audit/review requirements flowchart</b>	<b>25</b>
<b>Appendix IV – checklist for additional reporting and audit or review requirements for registered charities</b>	<b>26</b>

# Contributors

CPA Australia acknowledges the work of the External Reporting Centre of Excellence.

## External Reporting Centre of Excellence

**Jeffrey Luckins CPA**, Chairman

**Indra Abeysekera CPA**

**Tong-Gunn Chew FCPA**

**Thomas Egan FCPA**

**David Hardidge FCPA**

**Piotr Jakubicki CPA**

**Alan Lee CPA**

**Meg Richards CPA**

**Carmen Ridley**

**Veronique Row CPA**

## Technical Support

**Amir Ghandar CPA**

**Eva Tsahuridu**

**Mark Shying CPA**

**Ram Subramanian**

CPA Australia also acknowledges the contributions from the staff of the Australian Charities and Not-for-profits Commission in the development of this guide.

# Foreword

More than a decade of inquiry into the not-for-profit sector has resulted in regulatory reforms that are being realised through a new legislative package and a national regulator. The regulatory reforms are initially focused on charities, with coverage of other not-for-profits anticipated at a later stage. The policies of the new Australian Government may also be an influencing factor on the future direction of regulatory reform in this area.

*Charities – A guide to financial reporting and assurance requirements* is intended to inform charities and their advisers on their financial reporting and assurance obligations under the new *Australian Charities and Not-for-profits Commission Act 2012* and other associated legislation and regulations. This guide aims to provide the key elements of regulation on financial reporting and assurance for charities, and present some useful reference material to assist with compliance with these regulations. The guide also provides an overview of the obligations of CPA Australia members in financial reporting and assurance. It is our intention to update the guide as further regulatory changes arise.

The guide is an initiative of the External Reporting Centre of Excellence. I congratulate its members on their contribution to this CPA Australia publication, which has an important role to play in providing useful information to those involved in financial reporting and assurance for charities.

**Alex Malley FCPA**

Chief Executive  
CPA Australia Ltd

# Overview

The commencement of the Australian Charities and Not-for-profits Commission (ACNC) on 3 December 2012 marked the beginning of a new era in the oversight of charities.

Charities registered with the ACNC will be required to comply with financial reporting and audit/assurance obligations under the [Australian Charities and Not-for-profit Act 2012](#) (the ACNC Act), the [Australian Charities and Not-for-profits Commission \(Consequential and Transitional\) Act 2012](#) (the ACNC Consequential and Transitional Act), and associated [financial reporting regulations](#).

The focus of Part 1 of this guide is the statutory financial reporting and assurance obligations applicable to registered charities, as set out in the ACNC Act and the ACNC Consequential and Transitional Act and the accompanying *financial reporting regulations*. The remainder of this section provides an overview of the ACNC and some other relevant considerations applicable to charities. Flowcharts providing a graphic representation of the financial reporting and audit/review requirements are provided in the appendices. A checklist (Appendix IV) is also appended to this guide to assist registered charities to ascertain financial reporting and audit/review requirements they may have in addition to those required by the ACNC Act.

Part 2 provides guidance on the relevant requirements applicable to CPA Australia members involved in the preparation of charity financial reports or those members involved in the conduct of audit/review of charity financial reports.

# Part 1

– the new reporting  
and assurance  
regime for charities

# Introduction

Charity size (based on annual revenue)	Reporting requirements	Audit/review requirements
<b>Small</b> Revenue less than \$250k	Annual Information Statement	None
<b>Medium</b> Revenue \$250k and above but less than \$1m	Annual Information Statement Annual financial report	Review of financial reports
<b>Large</b> Revenue \$1m and above	Annual Information Statement Annual financial report	Audit of financial reports

Charities are divided into three tiers for financial reporting and audit/review purposes (basic religious charities are exempt from the financial reporting and audit/review requirements). Charities with an annual revenue below \$250,000 are classified as small and are not required to prepare or submit financial reports to the ACNC. Medium charities (annual revenue of \$250,000 and above but less than \$1 million) and large charities (annual revenue of \$1 million and above) are required to prepare financial reports that comply with Australian accounting standards and are subject to external audit or review, and to then submit the reports to the ACNC. Large charities will require an external audit whilst medium charities can choose to have an external audit or review of their financial reports. Audits must be conducted by a registered company auditor (RCA), or a firm with at least one member who is a RCA, or an authorised audit company (AAC). The terms RCA and AAC are discussed further in the section of the guide on audit/review of charity financial reports. Reviews must be conducted by those qualified to conduct an audit, or by members of one of the Professional Accountancy Bodies, CPA Australia, Institute of Chartered Accountants in Australia and Institute of Public Accountants.

Charities of all sizes will be required to complete and lodge an Annual Information Statement (AIS) with the ACNC (except for basic religious charities who are exempt from providing financial information in an AIS). The AIS is a two-part statement of non-financial and financial information, but no financial information is required in the first year (2013). All charities will be required to provide the financial information annually (proportionate to entity size), and updates and changes to non-financial information provided in the first year (2013).



The first financial reports to be prepared and submitted to the ACNC are for the year ending 30 June 2014. Registered charities will have six months (until 31 December 2014) to prepare and submit their first financial reports. Charities with a year end that is not 30 June should notify the ACNC of this and subject to approval by the ACNC, they will be allowed to submit their financial reports within six months from their financial reporting year-end (an approved substituted accounting period). For example, a charity with a 31 December 2014 year-end will be required to prepare and lodge financial reports by 30 June 2015.

The financial reports consist of:

- financial statements and notes prepared in accordance with Australian accounting standards that give a true and fair view of the financial position and performance of the entity; and
- a signed declaration by the charity's responsible entities (those responsible for the governance of the registered charity, for example directors of the board) whether in their opinion, the entity is able to pay its debts as and when they fall due, and the financial statements and notes are prepared in accordance with the requirements of the ACNC Act

For charities that have not been required under another Australian law to prepare financial reports during the 2012–13 year, and have not prepared financial reports that complied with or purported to comply with Australian accounting standards, the *financial reporting regulations* introduce a transitional provision for the financial reports for the year to 30 June 2014 (or approved substituted accounting period). Under this provision, for the transitional year to 30 June 2014, charities will only be required to provide financial information required in the Annual Information Statement (see below) that medium and large charities have to provide to the ACNC. Registered charities availing themselves of the transitional provision should note the following:

- the audit/review requirements set out in the ACNC Act will still apply to the financial information that charities provide under this option
- charities preparing and lodging financial reports in the following year to 30 June 2015 will be required to provide comparatives for the previous year to 30 June 2014
- charities with a different year-end to 30 June can avail themselves of the transitional provision for their specific year-end which falls within the 2014–15 period

Financial reports and AISs submitted to the ACNC will be made publicly available through the ACNC website unless a request is made to withhold the information and the request is approved.

# The Australian Charities and Not-for-profits Commission (ACNC)

## New laws and regulations

The powers of the ACNC and much of the regulatory framework applicable to the financial reporting and assurance requirements for registered charities are set out in the ACNC Act and the ACNC Consequential and Transitional Act.

Upon commencement of the ACNC, approximately 56,000 charities which were registered with the Australian Taxation Office (ATO) were automatically transferred to it. These entities have been assessed by the ATO as being eligible to obtain certain charity tax concessions, which include exemptions from income tax, fringe benefits tax, goods and services tax, refund of franking credits, and deductible gift recipient status.

There is no obligation for charities to register with the ACNC, but registration is a prerequisite for charities seeking access to certain Commonwealth tax concessions, which are discussed further in the taxation section below. Registration applications by new charities to the ACNC will include the application to the ATO for tax concessions. The ACNC presently relies on common law and ACNC legislation to decide whether an organisation is a charity, however from 1 January 2014 the ACNC will rely on the statutory definition of charity as set out in the [Charities Act 2013](#). Once the ACNC has assessed and registered a charity, the tax concessions application will be passed on to the ATO, as the ATO will retain responsibility for the granting of tax concessions to charities.

The role of the ACNC is to achieve the following three objectives set out in the ACNC Act:

- to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector
- to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector
- to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector

In order to achieve these objects, the ACNC is required to:

- be responsible for the establishment and operation of a national regulatory framework for charities
- be responsible for the registration of charities
- assist registered charities to comply with their statutory obligations by providing guidance and education

At the time of publication, aspects of the regulatory framework are still under development. These include external conduct standards, and reducing regulatory duplication with other government agencies. Many of the ACNC registered charities (such as incorporated associations) are also registered with state and territory based regulators, with additional reporting, governance and other obligations. A Council of Australian Governments (COAG) not-for-profit (NFP) reform working group has been formed with the objective of all Australian jurisdictions working together to develop an effective approach to the regulation of the NFP sector which will reduce regulatory burden on the sector where possible.

## Interaction with existing laws and regulations – Commonwealth and state/territories

The ACNC is the Commonwealth regulator with primary responsibility for overseeing the charity sector as articulated above, but some aspects of regulation remain outside the scope of the ACNC. For example, a charity may be incorporated as a company limited by guarantee under the *Corporations Act 2001*, and the responsibility for the incorporation process rests with the Australian Securities and Investments Commission (ASIC). Similarly, the endorsement of a charity for tax concessions remains the responsibility of the ATO.

Table 1 provides information on the different types and number of charities registered with the ACNC when it commenced in December 2012, and some of their existing financial reporting obligations. The checklist accompanying this guide (Appendix IV) addresses many of the existing financial reporting obligations and provides a step-by-step approach for registered charities to determine any additional financial reporting obligations that may apply, depending on the entity type.

**Table 1: Different types of charities registered with the ACNC**

Type	Approximate number of charities accessing tax concessions from the ATO, December 2012 <sup>1</sup>	Non ACNC statutory financial reporting obligations (not intended as an exhaustive list, but an indicative list of some common reporting obligations arising from other legislation and regulations. For example, reporting obligations arising from fundraising legislation is not considered)
Incorporated associations	22,089	Varying reporting obligations dependent on the state/territory of incorporation (see Table 2 below for links to state/territory regulators). The checklist included in Appendix IV to this guide, and the CPA Australia guide <a href="#">Incorporated associations: Reporting and auditing obligations</a> provide information on the additional reporting and auditing obligations that will apply to registered charities that are also incorporated associations in their relevant jurisdictions.
Unincorporated associations	19,998	
Charitable trusts	7,144	Trusts include private ancillary funds and public ancillary funds, with reporting requirements set out in the <a href="#">Private ancillary fund guidelines</a> and <a href="#">Public ancillary fund guidelines</a> respectively.
Companies limited by guarantee	5,633	Reporting obligations under the <i>Corporations Act 2001</i> regulated by the Australian Securities and Investments Commission. However, for annual accounting periods from 1 July 2013 onwards, all <a href="#">companies limited by guarantee that are also charities</a> are excluded from the financial reporting provisions of the <i>Corporations Act 2001</i> .
Cooperatives	445	Varying reporting obligations dependent on the state/territory of incorporation (see Table 2 for links to state/territory regulators).
Indigenous corporations	597	Reporting obligations under the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i> and regulated by the Office of the Registrar of Indigenous Corporations (ORIC).
Other bodies	515	Entities include statutory corporations and entities established under royal charter or letters patent, with varying reporting obligations that may apply under the relevant statute.

The ACNC legislation allows the ACNC Commissioner to exercise their discretion (until 2014 – 15, unless extended by regulations) to accept information provided to another Australian government agency under another Australian law in lieu of the Annual Information Statement (AIS) or financial reports that must be provided to the ACNC. For example, under a Memorandum of Understanding signed with ORIC, the ACNC will accept financial statements lodged by Indigenous corporations with ORIC as meeting the ACNC Act requirements under these provisions.

<sup>1</sup> Source – [COAG regulatory impact assessment of potential duplication of governance and reporting standards for charities](#)

## Taxation and the ACNC

As stated above, the ATO continues to have administrative oversight of the taxation aspects of charities. Charities seeking tax concessions will still need to apply to the ATO through the ACNC, but they are able to do so through a single application when registering for the first time with the ACNC. The ACNC will pass on the parts of the application that relate to taxation over to the ATO for consideration once it has registered the entity as a charity. It should be noted that a charity cannot apply for tax concessions with the ATO without first registering with the ACNC.

## ASIC and the ACNC

Companies limited by guarantee under the *Corporations Act 2001* will continue to register with ASIC. Other entities such as incorporated associations that undertake activities in more than one state or territory or a foreign company conducting its business in Australia will also continue to be registered with ASIC. However, for periods commencing 1 July 2013 onwards, entities registered with ASIC no longer have financial reporting obligations to ASIC. Instead, they are required to comply with the ACNC's financial reporting requirements. Some other common notifications (such as change of name) are also to be made to the ACNC instead of ASIC. Many director duties set out in the *Corporations Act 2001* will also no longer apply, instead registered charities will have to comply with the requirements of the ACNC legislation, including the governance standards set out therein. However, criminal offences arising due to a breach of directors' duties set out under section 184 of the *Corporations Act 2001* will continue to apply under that legislation. More information can be obtained from the ACNC factsheet: [Charities registered with ASIC and the ACNC](#).

## State/territory based regulators and the ACNC

Each state and territory has its own regulator that administers the affairs of the not-for-profit sector, including the charities sector, with differences in the legislative and regulatory obligations that apply to charities. Many charities take the legal form of incorporated associations (under state/territory legislation). CPA Australia's guide [Incorporated associations: Reporting and auditing obligations](#) and the checklist (Appendix IV) accompanying this guide provide more information on the reporting and auditing obligations that apply to incorporated associations in different states and territories.

It should however be noted that any state or territory based reporting and auditing requirements for fundraising have not been addressed at present within these guides.

**Table 2: State/territory regulators for incorporated associations and cooperatives**

State/Territory	Regulator	Web Address
Australian Capital Territory	Office of Regulatory Services	<a href="http://www.ors.act.gov.au">www.ors.act.gov.au</a>
New South Wales	Office of Fair Trading	<a href="http://www.fairtrading.nsw.gov.au">www.fairtrading.nsw.gov.au</a>
Northern Territory	Consumer and Business Affairs	<a href="http://www.justice.nt.gov.au">www.justice.nt.gov.au</a>
Queensland	Office of Fair Trading	<a href="http://www.fairtrading.qld.gov.au">www.fairtrading.qld.gov.au</a>
South Australia	Office of Consumer and Business Affairs	<a href="http://www.ocba.sa.gov.au">www.ocba.sa.gov.au</a>
Tasmania	Office of Consumer Affairs and Fair Trading	<a href="http://www.consumer.tas.gov.au">www.consumer.tas.gov.au</a>
Victoria	Consumer Affairs	<a href="http://www.consumer.vic.gov.au">www.consumer.vic.gov.au</a>
Western Australia	Consumer and Employment Protection	<a href="http://www.docep.wa.gov.au">www.docep.wa.gov.au</a>

Charities that have reporting and other obligations to state or territory regulators will continue to do so until further notice. To date, the governments of South Australia and ACT have agreed to amend their not-for-profit legislation (applying to charities) so it is aligned with the requirements of the ACNC. Negotiations continue with other governments in Australia to achieve similar alignment so that there is no regulatory duplication.

## Existing and new charities – Registration considerations

Registered charities that are companies limited by guarantee are the first to benefit from the removal of regulatory duplication in regards to reporting and governance through amendments to the *Corporations Act 2001*. Charities that seek to be incorporated as companies limited by guarantee will incur incorporation costs. However, other regulatory fees, such as those charged for notifying changes or for lodging annual returns and financial reports, will not arise with the ACNC. Companies limited by guarantee provide rigor and structure to registered charities along with the veil of incorporation. The universal recognition of the legal

form of a company limited by guarantee across Australia could also prove beneficial for charities seeking to engage in fundraising or other charitable activities across state and territory borders. Of course, individual circumstances may differ and these have to be assessed in determining the best legal form for the charity to operate through. For example, a small charity operating exclusively within one geographical location within a state or territory and with minimal or no financial reporting or other obligations may find that becoming an incorporated association is the most suitable approach.

## Financial reports

As discussed in the Introduction, medium and large charities preparing financial reports are required to follow the Australian accounting standards issued by the Australian Accounting Standards Board (AASB).

A registered charity (medium or large) will need to decide whether it is classified as a reporting entity required to prepare general purpose financial reports (GPFR) or a non-reporting entity that can prepare special purpose financial reports (SPFR).

The ACNC Act requires charities to keep adequate financial records that will enable the preparation of true and fair financial statements. The Act also includes governance standards that apply to all registered charities (except basic religious charities, discussed below) regardless of their size. It should be noted that whilst these standards do not incorporate any financial reporting obligations, Governance Standard 2: *Accountability to members* suggests that the steps a registered charity may take to ensure it is accountable to its members could include providing members with an annual report that includes financial information. Additionally, Governance Standard 5: *Duties of responsible persons* requires that the “financial affairs of the charity are managed responsibly”.

Registered charities, which are reporting entities preparing GPFR, can apply the reduced disclosure requirement (RDR) version of Australian accounting standards, according to AASB 1053 *Application of Tiers of Australian Accounting Standards*. The RDR versions of Australian accounting standards are designed to reduce the disclosure burden for qualifying entities (including registered charities) that would arise from the application of the full version of Australian accounting standards.

The flowchart included in Appendix II provides a step-by-step approach for charities to determine which financial reporting requirements apply. The checklist attached to this guide in Appendix IV also provides information to assist charities determine any additional statutory financial reporting requirements under other legislation or regulations.

## Reporting and non-reporting entities

A reporting entity will normally prepare GPFR (except for joint or collective reporting, as discussed below) that comply with all Australian accounting standards (RDR version), whilst a non-reporting entity can prepare special purpose financial reports (SPFR), which comply with selected Australian accounting standards. Statement of Accounting Concept 1 *Definition of the Reporting Entity* (SAC 1) and Statement of Accounting Concept 2 *Objective of General Purpose Financial Reporting* (SAC 2) issued by the AASB set out the detailed considerations in determining whether an entity must prepare GPFR or can prepare SPFR. It should be noted that the considerations are only indicative of whether an entity is a reporting entity. Table 3 provides a summary of applicable considerations and other information relevant to reporting and non-reporting entities.

**Table 3: Reporting entity – Some considerations**

Type	Summary of considerations	Standards that apply
<p><b>Reporting entity</b></p> <p><u>Definition:</u></p> <p>An entity (including an economic entity) in respect of which it is reasonable to expect the existence of users dependent on general purpose financial reports for information which will be useful to them for making and evaluating decisions about the allocation of scarce resources</p>	<ul style="list-style-type: none"> <li>• The greater the spread of membership and the greater the extent of the separation between management and members or others with an economic interest in the entity, the more likely it is that there will exist users dependent on GPFR</li> <li>• The ability of an entity to make a significant impact on the welfare of external parties. The greater the economic or political importance of an entity, the more likely it is that there will exist users dependent on GPFR</li> <li>• The larger the size or the greater the indebtedness of an entity or resources allocated to it, the more likely it is that there will exist users dependent on general purpose financial reports</li> </ul>	<ul style="list-style-type: none"> <li>• All Australian accounting standards (RDR version) must be applied in the preparation of GPFR</li> </ul>
Non-reporting entity	Entities that do not possess the characteristics of a reporting entity as discussed above would normally be considered a non-reporting entity.	<p>If SPFR are being prepared (instead of GPFR) in accordance with the ACNC <i>financial reporting regulations</i>, the following Australian accounting standards must be applied as a minimum:</p> <ul style="list-style-type: none"> <li>• AASB 101 <i>Presentation of Financial Statements</i></li> <li>• AASB 107 <i>Cash Flow Statements</i></li> <li>• AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i></li> <li>• AASB 1031 <i>Materiality</i></li> <li>• AASB 1048 <i>Interpretation and Application of Standards</i></li> <li>• AASB 1054 <i>Australian Additional Disclosures</i></li> </ul> <p>In addition, the entity should select any additional relevant Australian accounting standards that are necessary for an appropriate financial representation of its activities for the period, and to ensure the financial statements present a true and fair view of the entity's financial position and performance.</p>

It should be noted that a charity's determination of whether it is classified as a reporting entity is not entirely dependent on its size (medium or large), although this could be one of the factors in making that determination. Charities should assess their status (reporting entity or not) through consideration of the stakeholders who rely on the financial reports that they produce, with the assistance of the criteria set out in SAC 1 and 2 as outlined above.

The AASB has recently completed research into the reporting entity concept and the preliminary report highlights evidence of incorrect application of the reporting entity concept in determining the appropriateness of GPFR or SPFR. In light of these findings, the AASB is initiating a major project to examine the reporting entity concept and the direction the AASB is to take



in the future as a standard setter. The AASB will engage with regulators including ASIC, Treasury and the ACNC in determining the direction and anticipated outcomes from the project. This is likely to be a long-term project (initial estimates suggest a time frame of five years or more), and in the short to medium term, charities must continue to determine whether they are a reporting or a non-reporting entity, and the Australian accounting standards that will apply as a result of that determination.

## Joint/collective reporting

The ability to prepare joint or collective reports is a unique feature of the ACNC Act. Under its 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 of charities.

**Joint reporting** – Two or more charities that form a reporting group are allowed to prepare and lodge a single financial report or a single AIS for the financial year.

**Collective reporting** – Two or more charities that form a reporting group are allowed to prepare and lodge one or more single financial reports or single AIS, in relation to the reporting group for a financial year on a basis other than an entity-by-entity basis. For example a reporting group of affiliated charities that advance religion and relieve poverty may be allowed to prepare and lodge two financial reports, one report in relation to the reporting group's religious functions and one in relation to the reporting group's welfare functions.

Groups of charities wishing to access these provisions must make an application in the approved form to the ACNC outlining their reasons for doing so. The ACNC will consider the application against the below criteria set out in the ACNC Act in making its decision:

- the public interest in the transparency and accountability of charities, including the public's understanding of the activities of a charity, the information provided by it and the public's ability to rely on it
- ACNC's ability to assess compliance with on-going obligations under the ACNC Act
- whether the charities which form part of the group have access to the same or different tax concessions
- whether the altered reporting arrangements would affect the ATO's ability to assess a registered charity's compliance with taxation law

- the compliance and administrative costs of the reporting group
- the relationships between the charities in the reporting group
- the objects of the ACNC Act
- other relevant factors

## Basic religious charities

The ACNC Act exempts basic religious charities from the requirement to prepare and lodge financial reports and from having to provide financial information in the AIS. To qualify, basic religious charities must meet all of the following requirements:

- it is registered as a subtype of charity for the advancement of religion
- it could not be registered as any other subtype
- it is not a body corporate registered under the *Corporations Act 2001*, an Indigenous corporation under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, a corporation registered under the *Companies Act 1985* of Norfolk Island, or an incorporated association in any state or territory
- it is not endorsed as a deductible gift recipient (DGR) itself (however it can be endorsed to operate DGR funds, institutions or authorities as long as their total revenue is less than \$250,000 for the particular financial year)
- the ACNC has not allowed it to report as part of a group
- it has not received more than \$100,000 in grants from Australian government agencies in the current financial year or either of the previous two financial years

Basic religious charities that choose to prepare and submit a financial report to the ACNC must comply with the financial reporting requirements of the ACNC Act. They are also exempt from the governance standards, but will be required to complete and lodge non-financial information (but will not be required to lodge financial information) in an Annual Information Statement.



The ACNC Act sets out seven subtypes of charities as follows:

- entity with a purpose that is the relief of poverty, sickness or the needs of the aged
- entity with a purpose that is the advancement of education
- entity with a purpose that is the advancement of religion
- entity with another purpose that is beneficial to the community
- institution whose principal activity is to promote the prevention or the control of diseases in human beings
- public benevolent institution
- entity with a charitable purpose described in section 4 of the *Extension of Charitable Purpose Act 2004* (provision of child care services)

## The Annual Information Statement

From 2014, all charities are required to complete and lodge an Annual Information Statement (AIS) that includes non-financial and financial information (except for basic religious charities as they are exempt from completing and lodging financial information). All charities will have to submit an AIS for the year to 30 June 2013 by 31 December 2013 (charities with substituted accounting periods will have six months from the period end to submit the AIS). For this initial year, all charities will only be required to complete and submit non-financial information. The ACNC has published a [sample 2013 online AIS](#) setting out the information that will be required for the year to 30 June 2013.

The ACNC has also published the details of additional financial information that will be required in the AIS for years ending 30 June 2014 onwards. Under these requirements, small charities will need to provide basic information about income and expenditure, and assets and liabilities. This information can be compiled and provided either on a cash or accrual basis. Medium and large charities will be required to provide more detailed information, but most of this information can be derived from the financial reports they prepare. Other financial information may have to be extracted from the financial records of the charity. Examples of other information include grants received and breakdown of certain expenses.

Note:

- Transitional rules allow certain qualifying charities (as discussed in the Introduction of this guide) to lodge financial information for the year to 30 June 2014 that is the same as information required by the AIS
- Charities with a different year-end will be required to lodge an AIS within six months of their year-end

## Audit/review of charity financial reports

As discussed in the Introduction, the financial reports prepared by medium charities must be externally reviewed (or audited, either by choice or if otherwise required), and the financial reports prepared by large charities must be externally audited. Audits must be conducted by one of the following:

- Registered company auditor (RCA) – An RCA is a person registered under Part 9.2 of *Corporations Act 2001*. To be registered as an RCA a person must satisfy the requirements set out by ASIC in its Regulatory Guide [RG 180 Auditor Registration](#)
- A firm with at least one member who is an RCA
- An authorised audit company (AAC) – An AAC is a company registered under Part 9.2 of *Corporations Act 2001*. To be registered as an AAC a company must satisfy the requirements set out by ASIC in its regulatory guide [RG 180 Auditor Registration](#)

ASIC retains oversight of registered company auditors – the auditors who are required to conduct audits of large charities under the ACNC Act.

Reviews may be conducted by those qualified to conduct an audit, or by members of one of the three Professional Accountancy Bodies – CPA Australia (with CPA or FCPA designation), Institute of Chartered Accountants in Australia (with CA or FCA designation) and Institute of Public Accountants (with FIPA or MIPA designation). Part 2 of this guide sets out some additional considerations and obligations for members of CPA Australia who seek to carry out audits or reviews of financial reports of charities.

For the year to 30 June 2014 registered charities (that are not currently preparing financial reports applying Australian accounting standards) can provide financial information that is the same as information provided in the AIS (transitional rules as set out in the *financial reporting regulations*). It must be remembered that these charities are still required to subject the financial information to audit or review as appropriate. Auditing standard [ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks](#) will be relevant to the audits, while [ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation](#) will be relevant to reviews conducted on financial information prepared under the transitional rules.

The flowchart included in Appendix III provides a step-by-step approach for charities to determine which external audit or review requirements apply. The checklist (Appendix IV) attached to this guide also provides a step-by-step guide for determining any additional statutory audit/review requirements under other legislation or regulations.

## Audit

An audit must be conducted in accordance with [Australian standards of auditing \(ASA\)](#) issued by the Australian Auditing and Assurance Standards Board (AUASB). The auditor must form an opinion whether:

- the financial report satisfies the requirements of Division 60 (Reporting) of the ACNC Act
- the auditor has been given all information, explanation and assistance necessary for the conduct of the audit
- the registered entity has kept financial records sufficient to enable a financial report to be prepared and audited
- the registered entity has kept other records as required by Part 3-2 (Record keeping and reporting) of the ACNC Act

An auditor's report must include statements and disclosures required by the ASA and contain a statement from the auditor that it was prepared in accordance with Division 60 (Reporting) of the ACNC Act. If the auditor has formed an opinion that the financial report has not been prepared in accordance with Division 60, the auditor's report is required to state why, and the auditor must, to the extent practicable, quantify the effect of non-compliance on the financial report. If the auditor is unable to fully quantify non-compliance, the audit report must state the reasons for not being able to do so. The auditor's report must describe any material defect or irregularity in the financial report and any deficiency, failure or shortcoming in respect of the following matters:

- if the auditor has not been given all information, explanation and assistance necessary for the conduct of the audit
- if the registered entity has not kept financial records sufficient to enable a financial report to be prepared and audited
- if the registered entity has not kept other records as required by Part 3-2 (Record keeping and reporting) of the ACNC Act

The resource links provided in Appendix I include links to example audit reports.

A charity is also required to obtain a written and signed independence declaration from the auditor which states that to the best of the auditor's knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit, and if there are any such breaches, the written declaration must set out those contraventions.

## Review

A review must be conducted in accordance with Australian standards for review engagements (ASRE) issued by the Australian Auditing and Assurance Standards Board (AUASB). The ASRE relevant for review engagements are:

- [ASRE 2400 Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity](#)
- [ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity](#)
- [ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation](#)

The reviewer must form a conclusion whether:

- on the basis of the review, anything has come to the reviewer's attention that causes the reviewer to believe that the financial report does not satisfy the requirements of Division 60 (Reporting) of the ACNC Act
- the reviewer has been given all information, explanation and assistance necessary for the conduct of the review
- the registered entity has kept financial records sufficient to enable a financial report to be prepared and reviewed
- the registered entity has kept other records as required by Part 3-2 (Record keeping and reporting) of the ACNC Act

A reviewer's report must include statements and disclosures required by ASRE and has to contain a statement as to whether the reviewer has concluded that, on the basis of the review, nothing has come to the reviewer's attention that causes them to believe that the financial report does not satisfy the requirements of Division 60 (Reporting) of the ACNC Act. If the reviewer concluded that the financial report does not satisfy the requirements of Division 60, the report must state why, and to the extent practicable, quantify the effect of non-compliance on the financial report. If the reviewer is unable to fully quantify non-compliance, the report must state the reasons for not being able to do so. The reviewer's report must describe any material defect or irregularity in the financial report and any deficiency, failure or shortcoming in respect of the following matters:

- if the reviewer has not been given all information, explanation and assistance necessary for the conduct of the review
- if the registered entity has not kept financial records sufficient to enable a financial report to be prepared and reviewed
- if the registered entity has not kept other records as required by Part 3-2 (Record keeping and reporting) of the ACNC Act

The resources links provided in Appendix I include links to example review reports.

A charity must also obtain a written and signed independence declaration from the reviewer which states that to the best of the reviewer's knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the review. If there are any such breaches, the written declaration must set out those contraventions.

## Commonwealth grant guidelines

The [Commonwealth grant guidelines](#) that commenced on 1 June 2013 require staff of Commonwealth agencies to not seek information from registered charities if such information has already been provided to the ACNC. Where acquittal or reporting requirements are stipulated as part of a grant, and the grant is not considered higher risk, the provision of audited financial information to the ACNC should satisfy such grant acquittal requirements.

## Taxation

There are a number of tax concessions available to non-profit organisations, including charities. Different tax concessions are available to different types of charity. It should be noted that not all NFP entities eligible for tax concessions such as income tax exemptions and deductible gift recipient status are charities. As the focus of this guide is primarily on the financial reporting and audit/review considerations for charities, it does not examine tax concessions. More information on tax concessions is provided in the ATO guide [Tax basics for non-profit organisations](#).

# **Part 2 –** considerations for CPA Australia members

## CPA Australia's requirements for members involved in the preparation of charity financial reports or audit/review of charity financial reports

This section is relevant to all CPA Australia members involved in:

- preparing financial reports for a registered charity (including as an employee, member of management team or board, or in a voluntary capacity) or as a public practitioner providing accounting services to a registered charity
- providing assurance services, either as an auditor or reviewer. Members providing audit or review services should also ensure that they hold the appropriate registrations required by legislation

## Professional and ethical standards

Before undertaking any engagement, a member must ensure they have obtained and maintained the appropriate skills at the level required to meet their professional obligations. To understand these obligations and to ensure the audit or review is conducted properly, members are referred to the [APES](#). The following may be of particular relevance:

- [APES 110 Code of Ethics for Professional Accountants](#) contains the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour
- [APES 205 Conformity with Accounting Standards](#)
- [APES 210 Conformity with Auditing and Assurance Standards](#)
- [APES 305 Terms of Engagement](#)

The principle of professional competence and due care imposes the following obligations on members:

- to maintain professional knowledge and skill at the level required to ensure that clients or employers receive competent professional service
- to act diligently in accordance with applicable technical and professional standards when providing their services

APES 110 *Code of Ethics for Professional Accountants* requires members to comply with the principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The principles of professional behaviour impose an obligation on members to comply with relevant laws and regulations and avoid any action or omissions that may discredit the profession.

CPA Australia members undertaking audit or review engagements must comply with Section 290 of APES 110 *Audit and Review Engagements* which examines the concept of independence in the context of audit and review engagements. The Code adopts a conceptual framework that requires the identification and evaluation of threats to independence and the application of safeguards to reduce any threats created to an acceptable level. This approach may contrast with the rules adopted in legislation, which are often prescriptive in nature. Accordingly, members and other readers of this Code should recognise that adherence to this Code is not a substitute for legislation but complements any such legislation.

## Competency requirements for assurance practitioners undertaking review engagements

Members undertaking review engagements must ensure they meet the minimum competency requirements set out in the [Competency Requirements for Assurance Practitioners Undertaking Review Engagements](#). These competency requirements have been developed by the Joint Accounting Bodies (CPA Australia, Institute of Chartered Accountants in Australia and Institute of Public Accountants) to set minimum standards for those members who undertake review engagements, regardless of whether they are being remunerated for them or not.

## Professional Indemnity Insurance (PII)

Any member providing public accounting services (including audit and review engagements), whether paid or unpaid, is required to hold appropriate levels of professional indemnity insurance.

Public accounting services include, but are not limited to:

- accounting
- bookkeeping
- auditing and assurance
- taxation
- insolvency and corporate reconstruction
- management accounting
- financial planning
- financial reporting

However Public Accounting Services do not include the above activities where they are provided by a member:

- for the member personally; or
- in the capacity of an employee, in the course of the member's employment with his or her employer (in either case excluding an employee who controls the quality of the work performed by his or her employer) or for the employer's own use

A more detailed description and discussion of Public Accounting Services is provided in Part 9 of CPA Australia's [By-Laws](#).

From August 2010, CPA Australia has provided complimentary professional indemnity insurance to any member providing pro-bono public accounting services, which includes audits and reviews in the community. To access this, members must opt-in to the policy and acknowledge the terms of the policy, via the Manage My Membership pages. Before taking any pro-bono audit or review engagement, members should undertake an individual risk assessment to ensure that the complimentary policy cover is appropriate for the services they are providing. This offering is designed for the audit or review of small community organisations and not for the audit or review of larger not-for-profit organisations. CPA Australia recommends that such engagements should only be undertaken by appropriately qualified members who hold a public practice certificate and appropriate professional indemnity cover.

Please note the above PII considerations are in the context of members providing public accounting services under CPA Australia By-Laws. Members working with registered charities either as directors (or equivalent) or employees (paid or pro-bono) are not subject to these considerations. Accordingly, those members should consider whether any PII is needed in their role with the particular registered charity, based on an assessment of the risks associated with their role, and any insurance (including PII) coverage provided by the registered charity for its employees and directors (or equivalent).

## Knowledge members should hold prior to undertaking audits/review

Compliance with the auditing and review standards issued by the Auditing and Assurance Standards Board is mandatory for any CPA Australia member undertaking an audit or review engagement. Members must also ensure they are familiar with APES 110 *Section 290 Audit and Review Engagements*, with regards to auditor independence before undertaking any audit engagement.

Any member undertaking an audit needs to have obtained and be able to demonstrate competencies in a number of key areas:

- risk assessment
- audit planning
- control evaluation and testing
- substantive testing
- forming an opinion

In order to address these areas adequately the auditor must be familiar with the requirements of the Australian Auditing Standards (ASAs), the Australian standards for review engagements (ASRE) and any other applicable requirements, including the ACNC Act, the ACNC Consequential and Transitional Act, associated regulations and other requirements imposed by the ACNC.

## CPD requirements

Mandatory [CPD requirements](#) apply to members providing any service to the community including those members on the retired list.

# Appendices



# Appendix I – useful links

## Financial reporting

- i) [Australian Accounting Standards Board – Accounting standards](#)
- ii) [Australian Accounting Standards Board – Accounting standards \(reduced disclosure requirements\)](#)
- iii) [ACNC – Reporting guidance](#)
- iv) [ACNC – Factsheet: Determining charity size based on revenue](#)

## Auditing resources

- [ASA 210 Agreeing the Terms of Audit Engagements](#)
  - Appendix 1 – example audit engagement letter
- [ASA 580 Written Representations](#)
  - Appendix 2 – illustrative management representation letter
- [ASA 700 Forming an Opinion and Reporting on a Financial Report](#)
  - Appendix 1 – audit report examples with unmodified opinions (for general purpose financial reports)
- [ASA 705 Modifications to the Opinion in the Independent Auditor's Report](#)
  - Appendix 1 – audit report examples with modified opinions (for general purpose financial reports)
- [ASA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report](#)
  - Appendix 3 – audit report examples with emphasis of matter/other matter paragraphs (for general purpose financial reports)
- [ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance With Special Purpose Frameworks](#)
  - Appendix 1 – audit report examples for special purpose financial reports
- [Guidance Statement GS 019 Auditing Fundraising Revenue of Not-for-Profit Entities](#)
  - Appendices 2-4 – audit report examples for not-for-profit entities

## Review resources

- [ASRE 2400 Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity](#)
  - Appendix 1 – example review engagement letter
  - Appendix 2 – example management representation letter

- Appendix 3 – example analytical procedures for a review engagement
- Appendix 4 – example detailed procedures for a review engagement
- Appendix 5 – example review engagement reports
- [ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation](#)
  - Appendix 1 – example review engagement report

## The National Standard Chart of Accounts

The [National Standard Chart of Accounts \(NSCOA\)](#) developed by the Queensland University of Technology (QUT) provides a simple system aimed at small and medium not-for-profit entities to capture accounting information. In June 2013, QUT handed over the intellectual property associated with the NSCOA to the ACNC for maintenance and further development. The NSCOA is a data capture tool based on a standard data dictionary for capturing accounting information in a consistent manner that will aid charities in the preparation of financial reports. However, it should be noted that the NSCOA is not a financial reporting tool.

## Guidance CPA Australia provides to members

CPA Australia offers a range of tools including fact sheets, online tools, forms, guides and templates, as well as auditing and accounting standards via the [Audit and Assurance](#) professional resources.

CPA also publishes a [Small Entities Audit Manual \(SEAM\)](#) annually which is available complimentary to all CPA Australia Public Practice Certificate holders or can also be purchased for a small fee by others.

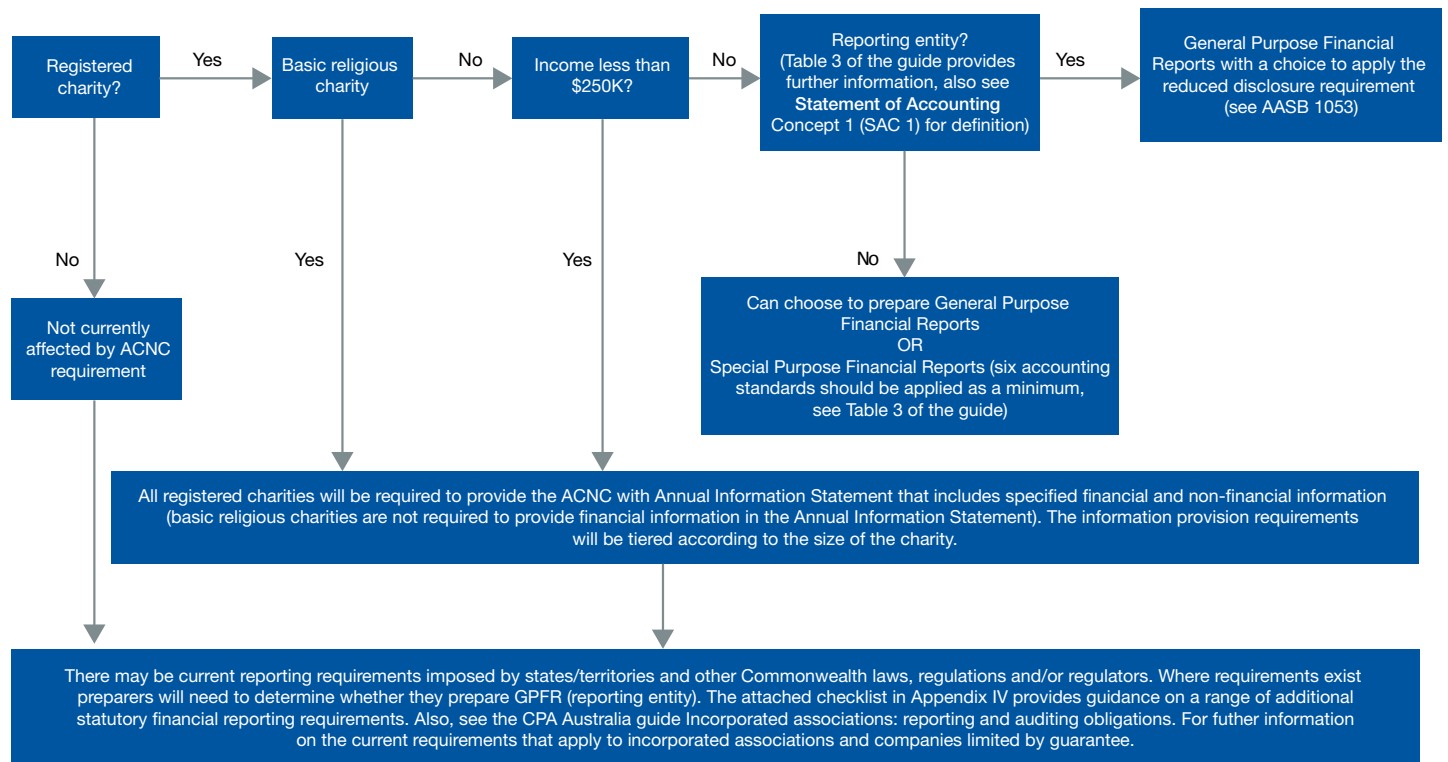
Additional guidance material includes:

- [Auditing and assurance toolkit](#) (fact sheets and reporting guides)
- [Independence guide](#)
- [Incorporated associations guide](#)
- [Competency standards and requirements](#)
- [Accounting professional and ethical standards](#)

# Appendix II – financial reporting flowchart

## The Australian Charities and Not-for-profit Commission (ACNC)

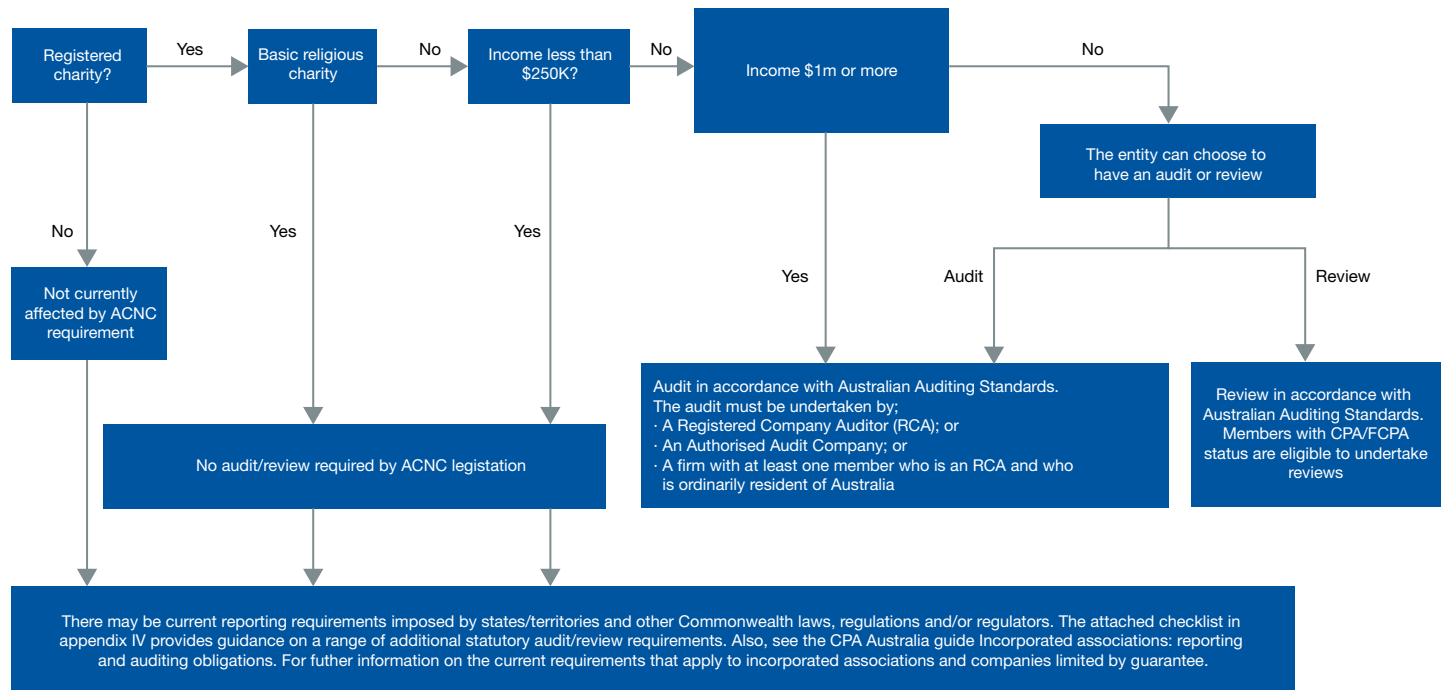
### Reporting requirements for registered charities



# Appendix III – audit/review requirements flowchart

## The Australian Charities and Not-for-profit Commission (ACNC)

### Reporting requirements for registered charities



# Appendix IV – checklist for additional reporting and audit or review requirements for registered charities

## GLOSSARY

**Accounting Standards** Australian accounting standards issued by the Australian Accounting Standards Board

**ICAA** Institute of Chartered Accountants in Australia

**IPA** Institute of Public Accountants

**Member of CPA Australia** Members of CPA Australia with CPA or FCPA designation. Members conducting audit or review engagements must comply with CPA Australia By-Laws, professional and ethical standards.

**RCA** Registered company auditor/auditor registered under Part 9.2 of the *Corporations Act 2001*

This checklist considers the financial reporting and assurance obligations imposed on registered charities by Commonwealth or state or territory based legislation other than those imposed by ACNC legislation, which is considered in the main guide.

The checklist addresses the majority (more than 90 per cent) of charities registered with the ACNC.

Examples of registered charities or other requirements this checklist does not address include:

- Registered charities that are also cooperatives registered under state or territory legislation, statutory corporations, entities established under royal charter or letters patent. Please consult the relevant legislation or regulator for further information.
- Specific financial reporting or audit or review requirements imposed by grant providers or fundraising legislation. Please consult with the relevant authority or grant making body or fundraising legislation to obtain this information.
- Specific financial reporting or audit or review requirements imposed by the registered charity's governing document(s) (such as trust deed) or by other stakeholders (for example members).

The information contained in this checklist is correct at 30 September 2013, and does not reflect any changes that have occurred since.

## Section 1

Q			
1	Company limited by guarantee	<input type="checkbox"/> Y	No additional requirements
		<input type="checkbox"/> N	Go to Q2
2	Unincorporated association	<input type="checkbox"/> Y	No additional requirements
		<input type="checkbox"/> N	Go to Q3
3	Incorporated association – Australian Capital Territory	<input type="checkbox"/> Y	Go to section 2
		<input type="checkbox"/> N	Go to Q4
4	Incorporated association – Northern Territory	<input type="checkbox"/> Y	Go to section 3
		<input type="checkbox"/> N	Go to Q5
5	Incorporated association – New South Wales	<input type="checkbox"/> Y	Go to section 4
		<input type="checkbox"/> N	Go to Q6
6	Incorporated association – Queensland	<input type="checkbox"/> Y	Go to section 5
		<input type="checkbox"/> N	Go to Q7
7	Incorporated association – South Australia	<input type="checkbox"/> Y	Go to section 6
		<input type="checkbox"/> N	Go to Q8
8	Incorporated association – Tasmania	<input type="checkbox"/> Y	Go to section 7
		<input type="checkbox"/> N	Go to Q9
9	Incorporated association – Western Australia	<input type="checkbox"/> Y	Go to section 8
		<input type="checkbox"/> N	Go to Q10
10	Incorporated association – Victoria	<input type="checkbox"/> Y	Go to section 9
		<input type="checkbox"/> N	Go to Q11
11	Public ancillary fund	<input type="checkbox"/> Y	Go to section 10
		<input type="checkbox"/> N	Go to Q12
12	Private ancillary fund	<input type="checkbox"/> Y	Go to section 11
		<input type="checkbox"/> N	End
13	Indigenous corporation	<input type="checkbox"/> Y	Go to section 12
		<input type="checkbox"/> N	End

## Section 2

Q Incorporated association – Australian Capital Territory		
	Legislation	<ul style="list-style-type: none"> <li>• <i>Associations Incorporation Act 1991</i></li> <li>• <i>Associations Incorporation Regulation 1991</i></li> </ul>
	Regulator	Office of Regulatory Services <a href="http://www.ors.act.gov.au">www.ors.act.gov.au</a>
	Criteria	Requirements
14	Do gross receipts exceed \$1,000,000?	<input type="checkbox"/> Y True and fair accounts that are not misleading and cover the activities of any trust controlled by the entity must be prepared, presented to members at the annual general meeting, and lodged with the Registrar-General.  Although there is no requirement specified in the legislation for the accounts to be prepared in accordance with accounting standards, the audit opinion must state whether the accounts have been prepared in accordance with proper accounting standards, and if not, whether this means the accounts are not true and fair. This would suggest the accounts do need to be prepared in accordance with Australian accounting standards. The accounts must be audited by a registered company auditor (RCA).
		<input type="checkbox"/> N Go to Q15
15	Do any of the following apply? <ul style="list-style-type: none"> <li>• Gross receipts exceeding \$400,000</li> <li>• Gross assets exceeding \$400,000</li> <li>• Number of members exceeds 1,000</li> <li>• Holds a licence under the <i>Liquor Act 2010</i></li> </ul>	<input type="checkbox"/> Y True and fair accounts that are not misleading and cover the activities of any trust controlled by the entity must be prepared and presented to members at the annual general meeting, and lodged with the Registrar-General.  The accounts must be audited by a member of CPA Australia, ICAA, IPA, or a RCA.
		<input type="checkbox"/> N Go to Q16
16	Financial reporting and audit requirements for all other associations	True and fair accounts that are not misleading and cover the activities of any trust controlled by the entity must be prepared, presented to members at the annual general meeting, and lodged with the Registrar-General.  The accounts must be audited by a person who is not an officer of the association, and has not prepared or assisted with the preparation of those accounts. Members of CPA Australia conducting the audit must comply with CPA Australia By-Laws, professional and ethical standards.

## Section 3

Q Incorporated association – Northern Territory			
	Legislation	<ul style="list-style-type: none"> <li>• <i>Associations Act 2003</i></li> <li>• <i>Associations Regulations</i></li> </ul>	
	Regulator	Department of Business <a href="http://www.dob.nt.gov.au">www.dob.nt.gov.au</a>	
	Criteria	Requirements	
17	Do any of the following conditions apply? 1. Gross annual receipts exceed \$250,000 2. Gross assets exceed \$500,000 3. A trading association 4. Association performing local government functions	<input type="checkbox"/> Y	True and fair accounts that are not misleading and cover the activities of any trust controlled by the entity must be prepared and presented to members at the annual general meeting, and lodged with the Commissioner. The accounts must be prepared in accordance with applicable Australian accounting standards.  If conditions 1, 2 or 3 apply, the accounts must be audited by a member of CPA Australia, ICAA or IPA who holds a public practice certificate, or a person who is approved by the Commissioner. If condition 4 applies, the audit must be conducted by a RCA.
		<input type="checkbox"/> N	Go to Q18
18	Do any of the following apply? <ul style="list-style-type: none"> <li>• Gross annual receipts exceed \$25,000</li> <li>• Gross assets exceed \$50,000</li> <li>• Holds a licence under the <i>Gaming Machine Act</i></li> </ul>	<input type="checkbox"/> Y	True and fair accounts that are not misleading and cover the activities of any trust controlled by the entity must be prepared and presented to members at the annual general meeting, and lodged with the Commissioner. The accounts must be prepared in the form specified in Sch4 of the Regulations, or in accordance with applicable Australian accounting standards and containing all the information specified in Sch4 (Reg10) of the <i>Associations Regulations</i> .  The accounts must be audited by a member of CPA Australia, ICAA, IPA, or a person who is approved by the Commissioner.
		<input type="checkbox"/> N	Go to Q19
19	Financial reporting and audit requirements for all other associations	True and fair accounts that are not misleading and cover the activities of any trust controlled by the entity must be prepared and presented to members at the annual general meeting, and lodged with the Commissioner. The accounts must be prepared in the form specified in Sch4 of the Regulations, or in accordance with applicable Australian accounting standards and are required to contain all the information specified in Sch4 (Reg10) of the <i>Associations Regulations</i> .  The accounts must be audited by a person who is: <ul style="list-style-type: none"> <li>• not a member of the association</li> <li>• not a partner (spouse, de facto or business partner), employer or employee of a member of the association</li> <li>• not a partner (spouse, de facto or business partner) of an employee of a member of the association</li> </ul> Members of CPA Australia are reminded that when conducting the audit they must comply with CPA Australia By-Laws, professional and ethical standards.	

## Section 4

Q Incorporated association – New South Wales			
	Legislation	<ul style="list-style-type: none"> <li>• <i>Associations Incorporation Act 2009</i></li> <li>• <i>Associations Incorporation Regulation 2010</i></li> <li>• <i>Class Orders 10/01 and 11/01</i></li> </ul>	
	Regulator	Office of Fair Trading <a href="http://www.fairtrading.nsw.gov.au">www.fairtrading.nsw.gov.au</a>	
	Criteria	Requirements	
20	Total revenue for the financial year \$2,000,000 or more?	<input type="checkbox"/> Y	<p>An <a href="#">annual summary of financial affairs</a> must be provided in prescribed form.</p> <p>Financial statements must be prepared in accordance with Australian accounting standards, including details of any mortgages, charges and other securities affecting any property, and cover the activities of any trust controlled by the entity. The financial statements must be presented to members at the annual general meeting, and lodged with the Director-General.</p> <p>The financial statements must be audited by a member of CPA Australia, ICAA, or IPA who holds a public practice certificate, or by a RCA.</p>
		<input type="checkbox"/> N	Go to Q21
21	Do any of the following apply? 1. Gross receipts exceed \$250,000 2. Current assets exceed \$500,000. Current assets are assets (other than real property) such as buildings, structures or other improvements on land or assets capable of depreciation, including amounts held in financial institutions, stocks and debentures.	<input type="checkbox"/> Y	<p>An <a href="#">annual summary of financial affairs</a> must be provided in prescribed form.</p> <p>Financial statements must be prepared in accordance with Australian accounting standards, including details of any mortgages, charges and other securities affecting any property and cover the activities of any trust controlled by the entity. The financial statements must be presented to members at the annual general meeting, and lodged with the Director-General.</p> <p>Under an exemption provided by <a href="#">Class Order 11/01</a>, compliance with all accounting standards is not required if the entity:</p> <ul style="list-style-type: none"> <li>• prepares a statement of income and expenditure and balance sheet, a statement of movements in equity, and a statement of accounting policies</li> <li>• applies the recognition, measurement and classification requirements of accounting standards, including compliance with AASB 1048</li> <li>• complies with requirements of AASB 108</li> <li>• prepares financial statements for a trust for which the entity acts as a trustee</li> <li>• prepares a consolidated statement of income and expenditure and a consolidated balance sheet which consolidates its investment in any subsidiaries, as defined by AASB 127, except for any trusts for which it acts as a trustee in accordance with the financial reporting requirements for individual associations</li> </ul> <p>The financial statements must be audited by:</p> <ul style="list-style-type: none"> <li>• a member of CPA Australia, ICAA, or IPA who holds a public practice certificate, or by a RCA</li> <li>• the Auditor-General of the Commonwealth or of a state or territory</li> </ul>
		<input type="checkbox"/> N	Go to Q22



## Section 4 (continued)

Q	Incorporated association – New South Wales	
22	Financial reporting and audit requirements for all other associations	<p>An <a href="#">annual summary of financial affairs</a> must be provided in prescribed form.</p> <p>True and fair financial statements must be prepared and presented to members at the annual general meeting. The financial statements must include:</p> <ul style="list-style-type: none"><li>• an income and expenditure account</li><li>• a balance sheet</li><li>• details of any mortgages, charges and other securities</li><li>• a separate income and expenditure statement and balance sheet for each trust for which the entity is a trustee</li></ul> <p>There are no audit requirements.</p>

## Section 5

Q Incorporated association – Queensland	
	<p>Legislation</p> <ul style="list-style-type: none"> <li>• <i>Associations Incorporation Act 1981</i></li> <li>• <i>Associations Incorporation Regulation 1999</i></li> </ul>
	<p>Regulator</p> <p>Office of Fair Trading  <a href="http://www.fairtrading.qld.gov.au">www.fairtrading.qld.gov.au</a></p>
	<p>Criteria</p> <p>Requirements</p>
23	<p>Do any of the following conditions apply?</p> <p>1. Total revenue exceeds \$100,000, or current assets exceed \$100,000. Current assets are assets (other than real property) such as buildings, structures or other improvements on land or assets capable of depreciation, including amounts held in financial institutions, stocks and debentures</p> <p>2. Required to have an audit under:</p> <p>a. the <i>Collections Act 1966</i></p> <p>b. the <i>Gaming Machine Act 1991</i></p> <p>c. any law for any other purpose</p> <p><input type="checkbox"/> Y</p> <p>Financial statements must contain particulars of the association's income and expenditure, assets and liabilities and the mortgages, charges and securities affecting the association's property. The financial statements must be presented to members at the annual general meeting, and lodged with the Chief Executive.</p> <p>If condition 1 applies, the financial statements must be audited by a member of CPA Australia, ICAA, or IPA, or by a RCA.</p> <p>If condition 2 applies, the financial statements must be audited by a member of CPA Australia, ICAA, or IPA, by a RCA, or by a person approved by the Commissioner of Fair Trading.</p> <p>The auditor must not be:</p> <ul style="list-style-type: none"> <li>• the secretary or a member of the entity's management committee</li> <li>• an employee of the entity</li> <li>• a partner, employee, or employee of the secretary, or a partner, employer or employee of a member of the entity's management committee</li> <li>• a spouse of any of the above, or a person wholly or partly dependent on any of the above</li> </ul> <p>Members of CPA Australia are reminded that when conducting the audit they must comply with CPA Australia By-Laws, professional and ethical standards.</p> <p><input type="checkbox"/> N</p> <p>Go to Q24</p>

24	<p>Do any of the following apply?</p> <p>1. Total revenue exceeds \$20,000</p> <p>2. Current assets (defined as assets other than real property and capable of depreciation, and including amounts held in financial institutions, stocks and debentures) exceed \$20,000</p>	<input type="checkbox"/> Y	<p>Financial statements must contain particulars of the association's income and expenditure, assets and liabilities and the mortgages, charges and securities affecting the association's property. The financial statements must be presented to members at the annual general meeting, and lodged with the Chief Executive of the Office of Fair Trading, Queensland.</p> <p>The financial statements must be verified (for CPA Australia purposes this is a review engagement) by a member of CPA Australia, ICAA, or IPA, or by a RCA, or by a person approved by the Commissioner of Fair Trading.</p> <p>The verifier must not be:</p> <ul style="list-style-type: none"> <li>• the secretary or a member of the entity's management committee</li> <li>• an employee of the entity</li> <li>• a partner, employee, or employee of the secretary, or a partner, employer or employee of a member of the entity's management committee</li> <li>• a spouse of any of the above, or a person wholly or partly dependent on any of the above</li> </ul> <p>Members of CPA Australia are reminded that when conducting the audit they must comply with CPA Australia By-Laws, professional and ethical standards.</p>
		<input type="checkbox"/> N	Go to Q25
25	Financial reporting and audit requirements for all other associations		<p>Financial statements must contain particulars of the association's income and expenditure, assets and liabilities, the mortgages, charges and securities affecting the association's property. The financial statements must be presented to members at the annual general meeting, and lodged with the Chief Executive of the Office of Fair Trading, Queensland.</p> <p>The financial statements must be verified (for CPA Australia purposes this is a review engagement) by the association's president or treasurer. Members of CPA Australia conducting the review must comply with CPA Australia By-Laws, professional and ethical standards.</p> <p>The verifier must not be:</p> <ul style="list-style-type: none"> <li>• the secretary or a member of the entity's management committee</li> <li>• an employee of the entity</li> <li>• a partner, employee, or employee of the secretary, or a partner, employer or employee of a member of the entity's management committee</li> <li>• a spouse of any of the above, or a person wholly or partly dependent on any of the above</li> </ul> <p>Members of CPA Australia are reminded that when conducting the audit they must comply with CPA Australia By-Laws, professional and ethical standards.</p>

## Section 6

Q Incorporated association – South Australia			
	Legislation	<ul style="list-style-type: none"> <li>• <i>Associations Incorporation Act 1985</i></li> <li>• <i>Associations Incorporation Regulations 2008</i></li> </ul>	
	Regulator	Consumer and Business Services <a href="http://www.cbs.sa.gov.au">www.cbs.sa.gov.au</a>	
	Criteria	Requirements	
26	Do gross receipts exceed \$500,000?	<input type="checkbox"/> Y	<p>Accounts must present fairly, the results of the operation, and can be prepared:</p> <ul style="list-style-type: none"> <li>• on a cash basis (including an account of receipts and payments and a statement of assets and liabilities)</li> <li>• on an accruals basis (including an account of income and expenditure and a balance sheet)</li> </ul> <p>The accounts must be presented to members at the annual general meeting, and lodged with Consumer and Business Services.</p> <p>The audit must be conducted by a RCA, a firm of RCAs, a member of CPA Australia or ICAA, or a person approved by the Corporate Affairs Commission.</p> <p>The auditor must not be:</p> <ul style="list-style-type: none"> <li>• an officer of the entity</li> <li>• a partner, employer or employee of an officer of the entity</li> <li>• an employee of the entity</li> <li>• a partner or employee of an employee of the entity</li> </ul> <p>Members of CPA Australia are reminded that when conducting the audit they must comply with CPA Australia By-Laws, professional and ethical standards.</p>
		<input type="checkbox"/> N	No financial reporting or audit/review requirements apply.

## Section 7

Q Incorporated association – Tasmania		
	Legislation	<ul style="list-style-type: none"> <li>• <i>Associations Incorporation Act 1964</i></li> </ul>
	Regulator	Consumer Affairs and Fair Trading <a href="http://www.consumer.tas.gov.au">www.consumer.tas.gov.au</a>
	Criteria	Requirements
27	The financial reporting and audit requirements apply to all associations (subject to exemption, see adjacent column for details)	<p>Accounts must be prepared, subjected to audit, and lodged with the Commissioner. The entity must keep accounting records that enable the preparation of true and fair accounts that can be audited.</p> <p>The audit must be conducted by a RCA or another person approved by the Commissioner.</p> <p>However, an association can seek exemption (must be sought every year) from the audit requirement if:</p> <ul style="list-style-type: none"> <li>• total revenue in any financial year is less than \$40,000</li> <li>• total assets of \$40,000 or less, not including real property (such as land and real estate)</li> <li>• three quarters of majority of members have voted in favour of not having an audit</li> <li>• the association has provision in the rules for members to requisition a special general meeting (where they can require an audit)</li> </ul>

## Section 8

Q Incorporated association – Western Australia		
	Legislation	<ul style="list-style-type: none"> <li>• <i>Associations Incorporation Act 1987</i></li> </ul>
	Regulator	Consumer and Employment Protection <a href="http://www.docep.wa.gov.au">www.docep.wa.gov.au</a>
	Criteria	Requirements
28	The financial reporting and audit requirements apply to all associations	<p>Accounts showing the financial position of the entity must be presented to members at the annual general meeting.</p> <p>There are no audit requirements.</p>

## Section 9

Q Incorporated association – Victoria					
	<p>Legislation (effective periods ending on or after 30 June 2013)</p> <ul style="list-style-type: none"> <li>• <i>Associations Incorporation Reform Act 2012</i></li> <li>• <i>Associations Incorporation Reform Regulations 2012</i></li> </ul>				
	<p>Regulator</p> <p>Consumer Affairs Victoria  <a href="http://www.consumer.vic.gov.au">www.consumer.vic.gov.au</a></p>				
	<p>Criteria</p> <p>Requirements</p>				
29	<p>Does total revenue exceed \$1,000,000?</p> <table> <tr> <td><input type="checkbox"/> Y</td><td> <p>The financial statements must be prepared in accordance with Australian accounting standards. Financial statements are required to contain particulars of the association's income and expenditure, assets and liabilities, mortgages, charges and securities affecting the association's property, and the activities of any trusts the entity was a trustee of. The financial statements must be lodged with the Registrar and presented to members at the annual general meeting.</p> <p>The financial statements must be audited and the audit must be conducted by an independent person who is one of the following:</p> <ul style="list-style-type: none"> <li>• a RCA</li> <li>• a firm of registered company auditors</li> <li>• a member of CPA Australia, ICAA, or IPA, who holds a Public Practice Certificate</li> <li>• a person approved by the Registrar</li> </ul> </td></tr> <tr> <td><input type="checkbox"/> N</td><td>Go to Q30</td></tr> </table>	<input type="checkbox"/> Y	<p>The financial statements must be prepared in accordance with Australian accounting standards. Financial statements are required to contain particulars of the association's income and expenditure, assets and liabilities, mortgages, charges and securities affecting the association's property, and the activities of any trusts the entity was a trustee of. The financial statements must be lodged with the Registrar and presented to members at the annual general meeting.</p> <p>The financial statements must be audited and the audit must be conducted by an independent person who is one of the following:</p> <ul style="list-style-type: none"> <li>• a RCA</li> <li>• a firm of registered company auditors</li> <li>• a member of CPA Australia, ICAA, or IPA, who holds a Public Practice Certificate</li> <li>• a person approved by the Registrar</li> </ul>	<input type="checkbox"/> N	Go to Q30
<input type="checkbox"/> Y	<p>The financial statements must be prepared in accordance with Australian accounting standards. Financial statements are required to contain particulars of the association's income and expenditure, assets and liabilities, mortgages, charges and securities affecting the association's property, and the activities of any trusts the entity was a trustee of. The financial statements must be lodged with the Registrar and presented to members at the annual general meeting.</p> <p>The financial statements must be audited and the audit must be conducted by an independent person who is one of the following:</p> <ul style="list-style-type: none"> <li>• a RCA</li> <li>• a firm of registered company auditors</li> <li>• a member of CPA Australia, ICAA, or IPA, who holds a Public Practice Certificate</li> <li>• a person approved by the Registrar</li> </ul>				
<input type="checkbox"/> N	Go to Q30				
30	<p>3. Total revenue \$250,000 or more?</p> <table> <tr> <td><input type="checkbox"/> Y</td><td> <p>The financial statements must be prepared in accordance with Australian accounting standards. Financial statements are required to contain particulars of the association's income and expenditure, assets and liabilities, mortgages, charges and securities affecting the association's property, and the activities of any trusts controlled by the entity. The financial statements must be lodged with the Registrar and presented to members at the annual general meeting.</p> <p>The financial statements must be reviewed and the review must be conducted by an independent person who is one of the following:</p> <ul style="list-style-type: none"> <li>• a member of CPA Australia, ICAA, or IPA, who holds a Public Practice Certificate</li> <li>• a person approved by the Registrar</li> </ul> </td></tr> <tr> <td><input type="checkbox"/> N</td><td>Go to Q31</td></tr> </table>	<input type="checkbox"/> Y	<p>The financial statements must be prepared in accordance with Australian accounting standards. Financial statements are required to contain particulars of the association's income and expenditure, assets and liabilities, mortgages, charges and securities affecting the association's property, and the activities of any trusts controlled by the entity. The financial statements must be lodged with the Registrar and presented to members at the annual general meeting.</p> <p>The financial statements must be reviewed and the review must be conducted by an independent person who is one of the following:</p> <ul style="list-style-type: none"> <li>• a member of CPA Australia, ICAA, or IPA, who holds a Public Practice Certificate</li> <li>• a person approved by the Registrar</li> </ul>	<input type="checkbox"/> N	Go to Q31
<input type="checkbox"/> Y	<p>The financial statements must be prepared in accordance with Australian accounting standards. Financial statements are required to contain particulars of the association's income and expenditure, assets and liabilities, mortgages, charges and securities affecting the association's property, and the activities of any trusts controlled by the entity. The financial statements must be lodged with the Registrar and presented to members at the annual general meeting.</p> <p>The financial statements must be reviewed and the review must be conducted by an independent person who is one of the following:</p> <ul style="list-style-type: none"> <li>• a member of CPA Australia, ICAA, or IPA, who holds a Public Practice Certificate</li> <li>• a person approved by the Registrar</li> </ul>				
<input type="checkbox"/> N	Go to Q31				
31	<p>Financial reporting and audit requirements for all other associations</p> <p>Financial statements must contain particulars of the association's income and expenditure, assets and liabilities, mortgages, charges and securities affecting the association's property, and the activities of any trusts controlled by the entity. The financial statements must give a true and fair view of the financial position and performance of the entity. The financial statements must be lodged with the Registrar and presented to members at the annual general meeting.</p> <p>If required by a majority of members present at a general meeting of the association, or directed by the Registrar, the financial statements must be reviewed and the review must be conducted by one of the following:</p> <ul style="list-style-type: none"> <li>• a member of CPA Australia, ICAA, or IPA, who holds a Public Practice Certificate</li> <li>• a person approved by the Registrar</li> </ul>				

## Section 10

Q Public ancillary funds			
	Legislation	• <i>Public Ancillary Fund Guidelines 2011</i>	
	Regulator	Australian Taxation Office <a href="http://www.ato.gov.au">www.ato.gov.au</a>	
	Criteria	Requirements	
32	Are revenue and assets \$1,000,000 or more?	<input type="checkbox"/> Y	Financial statements must be prepared in accordance with Australian accounting standards.  The financial statements must be audited by a RCA.
		<input type="checkbox"/> N	Go to Q33
33	Financial reporting and audit requirements for all other public ancillary funds	Financial statements must be prepared in accordance with Australian accounting standards.  Unless otherwise required by the Commissioner, the financial statements can be reviewed by a member of CPA Australia (with CPA/FCPA status), a member of ICAA (with CA/FCA status), or a member of IPA (with MIPA/FIPA status).	

## Section 11

Q Private ancillary funds			
	Legislation	• <i>Private Ancillary Fund Guidelines 2009</i>	
	Regulator	Australian Taxation Office <a href="http://www.ato.gov.au">www.ato.gov.au</a>	
	Criteria	Requirements	
34	Financial reporting and audit requirements for all private ancillary funds	Financial statements must be prepared in accordance with Australian accounting standards and are required to disclose all transactions (except gifts) between the fund and a founder of the fund, a donor to the fund, the trustee, a director, officer, agent, member or employee of the trustee, or an associate of any of these.  The financial statements must be audited by a RCA.	

## Section 12

Q Indigenous corporations	
	<p>Legislation</p> <ul style="list-style-type: none"> <li>• <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i></li> <li>• <i>Corporations (Aboriginal and Torres Strait Islander) Regulations 2007</i></li> </ul>
	<p>Regulator</p> <p>Office of the Registrar of Indigenous Corporations  <a href="http://www.oric.gov.au">www.oric.gov.au</a></p>
	<p>Criteria</p> <p>Requirements</p>
35	<p>Do any of the following apply?</p> <ul style="list-style-type: none"> <li>• Large corporation that satisfies two out of the following three criteria: <ul style="list-style-type: none"> <li>– gross operating income more than \$5 million</li> <li>– total gross assets more than \$2.5 million</li> <li>– more than 25 employees</li> </ul> </li> <li>• Consolidated gross income (gross income of the corporation and any controlled entities) exceeds \$5 million</li> </ul> <div> <input type="checkbox"/> Y <p>A general report in the prescribed form, containing information about the corporation, its members and officers.</p> <p>A financial report including financial statements and notes (prepared in accordance with accounting standards) and a director's declaration.</p> <p>The financial report must be audited by one of the following:</p> <ul style="list-style-type: none"> <li>• RCA</li> <li>• an audit firm with at least one member who is a RCA</li> <li>• authorised audit company</li> </ul> <p>The general report, financial report and audit report must be lodged with the Registrar.</p> <p><b>Exemptions</b></p> <ol style="list-style-type: none"> <li>1. A small or medium entity that receives public funding can lodge a copy of the reports provided to funding bodies along with any relevant auditor's report, an income and expenditure statement and balance sheet disclosing any details not including in the aforesaid reports, and a directors declaration, if they satisfy these conditions: <ul style="list-style-type: none"> <li>– gross income between \$100,000 and \$5 million</li> <li>– at least 90% of income from government funding</li> <li>– annual report lodged as part of funding requirements</li> <li>– not required to provide consolidated financial statements</li> </ul> </li> <li>2. Trust and land information is not required in the general report, and small entities with income less than \$5 million are not required to provide a directors report.</li> </ol> </div> <div> <input type="checkbox"/> N <p>Go to Q36</p> </div>



## Section 12 (continued)

Q	Indigenous corporations		
36	<p>Do any of the following apply?</p> <ul style="list-style-type: none"> <li>• Medium corporation that satisfies two out of the three following criteria: <ul style="list-style-type: none"> <li>– gross operating income exceeds \$100,000 but is less than \$5 million</li> <li>– total gross assets exceed \$100,000 but are less than \$2.5 million</li> <li>– between 5 and 25 employees</li> </ul> </li> <li>• Consolidated gross income between \$100,000 and \$5 million</li> </ul>	<input type="checkbox"/> Y	<p>A general report in the prescribed form, containing information about the corporation, its members and officers.</p> <p>A financial report including financial statements and notes (prepared in accordance with accounting standards) and a director's declaration.</p> <p>The financial report must be audited by one of the following:</p> <ul style="list-style-type: none"> <li>• RCA</li> <li>• an audit firm with at least one member who is a RCA</li> <li>• authorised audit company</li> <li>• member of CPA Australia (with CPA/FCPA status) or ICAA (member or affiliate)</li> </ul> <p>The general report, financial report and audit report must be lodged with the Registrar.</p> <p><b>Exemptions</b></p> <ol style="list-style-type: none"> <li>1. A small or medium entity that receives public funding can lodge a copy of the reports provided to funding bodies along with any relevant auditor's report, an income and expenditure statement and balance sheet disclosing any details not including in the aforesaid reports, and a directors declaration if they satisfy these conditions: <ul style="list-style-type: none"> <li>– gross income between \$100,000 and \$5 million</li> <li>– at least 90% of income from government funding</li> <li>– annual report lodged as part of funding requirements</li> <li>– not required to provide consolidated financial statements</li> </ul> </li> <li>2. Trust and land information is not required in the general report, and small entities with income less than \$5 million are not required to provide a directors report.</li> </ol>
37	Financial reporting and audit requirements for all other corporations	<input type="checkbox"/> N	<p>Go to Q37</p>
			<p>A general report in the prescribed form, containing information about the corporation, its members and officers.</p> <p>The general report, financial report and audit report must be lodged with the Registrar.</p> <p><b>Exemptions</b></p> <ol style="list-style-type: none"> <li>1. A small or medium entity that receives public funding can lodge a copy of the reports provided to funding bodies along with any relevant auditor's report, an income and expenditure statement and balance sheet disclosing any details not including in the aforesaid reports, and a directors declaration if they satisfy these conditions: <ul style="list-style-type: none"> <li>– gross income between \$100,000 and \$5 million</li> <li>– at least 90% of income from government funding</li> <li>– annual report lodged as part of funding requirements</li> <li>– not required to provide consolidated financial statements</li> </ul> </li> <li>2. Trust and land information is not required in the general report, and small entities with income less than \$5 million are not required to provide a directors report.</li> </ol>

