



**Australian Government**

**Registered Organisations Commission**

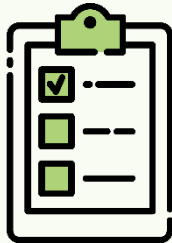
# Registered Organisations Commission (ROC)

## Financial reporting update

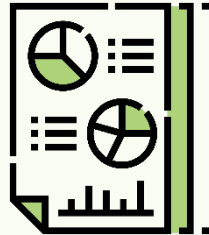
5 September 2019



# Overview of topics



Update on compliance rates and common issues



Assessment of 2018 financial reports

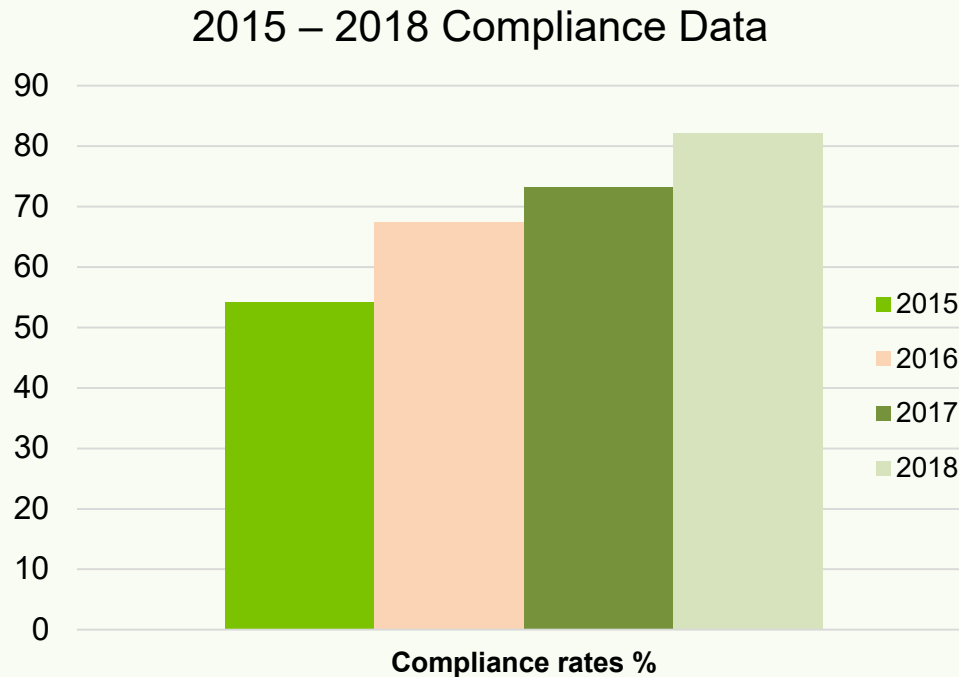


New accounting standards



# Compliance rates

are based on the items included in the primary checklist

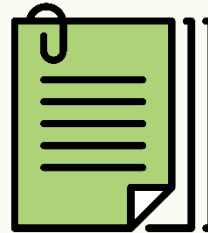




# Common non-compliance issues



Financial reporting  
timeframes



Subsection 255(2A)  
report omitted

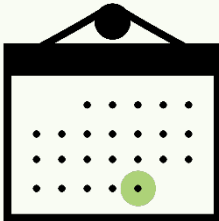


A failure to rectify  
previous errors



# Financial reporting timeframes

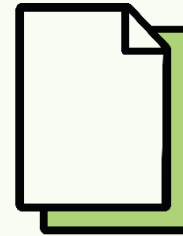
## Three most common non-compliance areas



Lodgement to the ROC within  
14 days of s.266 meeting



Provision of full report  
before s.266 meeting



Providing members with a  
copy of the full report



# Financial reporting timeframes under the RO Act

1

General purpose financial report and operating report to be prepared

2

Committee of management statement – resolution passed by the committee of management in relation to the general purpose financial report (**1st meeting**)

3

Auditor prepares and provides a signed auditor's report.



# Financial reporting timeframes

## General meeting of members

- 4 Provide full report to members at **least 21 days** before General Meeting
- 5 Present full report to a General Meeting of members within 6 months of the end of the financial year (**2nd meeting**)
- 6 Lodge full report and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**

## COM meeting

- 4 Provide full report to members **within 5 months** of end of financial year
- 5 Present full report to committee of management meeting within 6 months of the end of the financial year (**2nd meeting**)
- 6 Lodge full report and the designated officer's certificate with the ROC **within 14 days of the 2nd meeting**



## Financial reporting meetings – 5% rule

**If you have a 5% rule and utilise that rule for the purpose of the presentation of the full report, the two required committee of management meeting can happen on the same day.**

- First committee of management meeting – pass the resolutions in relation to the general purpose financial report. Finalise, sign and date the committee of management statement, then close the meeting
- Have your auditor complete their audit. The auditor then prepares and provides a signed auditor's report
- Second committee of management meeting – present the full report





# Financial reporting meetings – 5% rule

## Need to remember:

- the full report needs to be provided to members within five months of the end of the financial year
- the full report and the designated officer's certificate must be lodged with the ROC within 14 days of the second committee of management meeting
- the full report lodged with the ROC must be a copy of the full report provided to members
- need to ensure that proper minutes are taken at both meetings



# Full report

## **The full report consists of the:**

- operating report
- general purpose financial report, which includes the:
  - committee of management statement
  - subsection 255(2A) report
  - officer's declaration statement (if applicable)
- auditor's report



**The auditor's report must be signed and dated before providing to members**



# Subsection 255(2A) report

## Two issues identified during assessment

1

Subsection 255(2A) report not prepared and therefore not provided to members or lodged with the ROC

2

Subsection 255(2A) report prepared and lodged but the auditor did not refer to the statement in the auditor's report



## Subsection 255(2A) report – not prepared

**Subsection 255(2A) report forms part of the general purpose financial report as per s.253(2)(c) and items 22 and 23 in the s.253 reporting guideline**

### **RO Act sections (all civil penalty provisions)**

- 253(2) – reporting unit to prepare general purpose financial report
- 265(1)(a) – copies of full report to be provided to members
- 266 – full report to be presented to meetings
- 268 – reports etc. to be lodged with the Commissioner



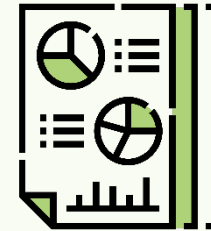
# Subsection 255(2A) report – reference in auditor’s report



*ASA 700 Forming an Opinion and Reporting on a Financial Report* paragraph 24(c) requires the auditor’s report to identify the title of each statement comprising the financial report



Auditor’s opinion does not therefore cover the subsection 255(2A) report



All elements of the financial report have not been audited as required under section 257(1) of the RO Act



## Failure to rectify previous errors

- Reporting units receive a letter once the lodged financial report has been assessed and has been filed by the ROC
- Issues identified during the assessment are included in this letter for the reporting unit to address in the preparation of future financial reports
- The ROC will confirm these matters have been addressed prior to filing next year's report
- The previous years filing letter should be reviewed before commencing the financial report for the current year



# Assessment of 2018 financial reports



Check for all reporting guideline disclosures



Identification of duplicate disclosures



Redaction of information:

ROC privacy policy –  
[www.roc.gov.au/  
about-us/roc-policies](http://www.roc.gov.au/about-us/roc-policies)

Officer and related party statement is separate from and does not form part of the general purpose financial report



# New accounting standards



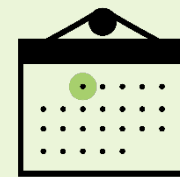
AASB 15  
*Revenue from  
Contracts with  
Customers*



AASB 1058  
*Income of  
Not-for-Profit-  
Entities*



AASB 16  
*Leases*



Annual reporting  
periods beginning  
on or after  
**1 January 2019**

Talk to your Accountant  
on how these  
Accounting Standards  
effect the way your  
reporting unit recognises  
income and leases





# For more information or to contact us



**ROC website**

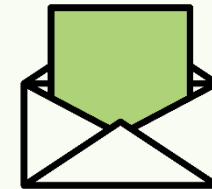
[www.roc.gov.au](https://www.roc.gov.au)



**ROC phone number**

1300 341 665

(service operates between  
9.00am and 5.00pm  
Monday to Friday)



**Mailing address**

GPO Box 2983  
Melbourne VIC 3001