



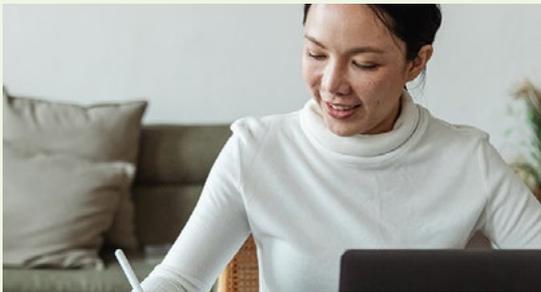
# Quarterly newsletter

ISSUE 16 | MAY 2021

## Rotation of auditors

Did you know you may need to change auditors soon? The *Fair Work (Registered Organisations) Act 2009* (the RO Act) places limits on how many consecutive years a registered auditor can play a significant role in the audit of a reporting unit's financial report. This requirement commenced in 2017. We know that some reporting units are already at the limit and must act now to rotate their auditor.

To assist registered organisations and registered auditors to understand the legal requirements the ROC has a new factsheet: [Rotation of Auditors](#).



### The factsheet explains:

- how long a reporting unit can use the same auditor
- important definitions; and
- how you can calculate the number of consecutive financial years your auditor has played a 'significant role'.

To encourage voluntary compliance, the ROC may also send courtesy letters to reporting units and registered auditors when our records reveal an auditor is approaching their statutory limit and must be rotated.



## May Masterclasses: don't miss out!

Places are filling up quickly for the [three masterclasses](#) we are running this month!

- **Auditing under the RO Act**  
**11:00 am on Tuesday 25 May 2021.**  
[Click here to register](#)

In the registered auditors masterclass, we'll lead a discussion on the latest compliance issues concerning the auditor's report and provide practical guidance about the role and obligations of auditors under the RO Act.

- **Tips for better governance and compliance**  
**11:00 am on Wednesday 26 May 2021.**  
[Click here to register](#)

In this virtual classroom, your governance practices will be centre stage as the group shares what works with them, and we'll also give you practical steps and lessons to help you comply with the RO Act. Bring your best hints and tips and share them with your fellow attendees.

- **Officers' duties masterclass**  
**11:00 am on Thursday 27 May 2021.**  
[Click here to register](#)

In this masterclass we will highlight the duties of officers under the RO Act with contemporary examples and call on participants to contribute to our discussion about ethics and the law. Participants will work together on hypotheticals to identify risks, suggestions for preventative policies and ways to achieve best practice.

Places for each virtual classroom are limited, so don't delay registering to secure your place. Please come along with your own unique observations and experiences to contribute to the discussion. We hope to see you at one (or more) of our masterclasses!



## Update to prescribed information elections template for the election of non-office positions

We've recently updated the [prescribed information template for elections involving non-office positions](#).

Where the rules of a registered organisation permit a non-office position to be filled by an election, the RO Act requires the organisation to request permission in writing from the AEC for the election to be conducted before lodging its prescribed information with the ROC.

A copy of the letter sent to the AEC must be included with your prescribed information when you lodge it with the ROC. Our updated prescribed information template for the election of non-office positions now includes a template letter and clear instructions about how to ensure compliance with the legislation.



## New E-Learning module – whistleblower disclosures

Last month we released our latest E-Learning module about [protected disclosures \(whistleblowing\)](#) under the RO Act. The module will help you identify disclosable conduct, understand the protections available to whistleblowers and how reports are made with a registered organisation or a regulatory agency.

It can be viewed on desktop, laptop and tablet devices, and is suitable for home-based workers. Our whistleblower module follows our earlier E-Learning modules about [notifications of change and the officer and related party \(ORP\) disclosure statement](#).

Please let us know what you think about the module by completing the survey at the end. Your feedback will be considered as we design our Education Strategy for 2021–22.



## The ROC Flower (document finder) has been updated!

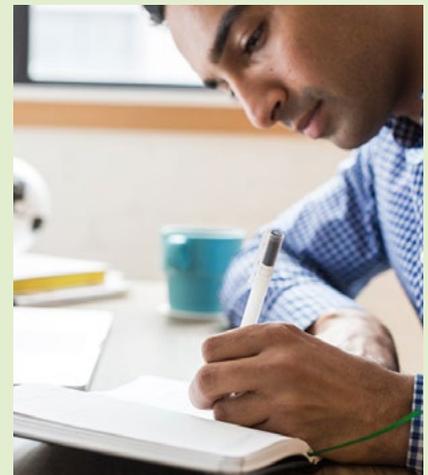
We have listened to your feedback about the ROC Flower – the document finder on the ROC website. We know this is a popular tool commonly used to find templates, factsheets and other resources on our website. Education survey respondents told us we could improve the accessibility of the ROC Flower by simplifying its design.

[Click here to launch the improved ROC Flower](#)

The improved resource finder includes links to the main ROC education materials including templates, factsheets and guidance notes, podcasts and panel discussions. It continues to work in the same way as it always has, and is enhanced by a more user-friendly design.

## Registered auditors: don't forget to update your details with the ROC

To keep the register of auditors up-to-date and accurate it's important that registered auditors let the ROC know about any change in details. We have a form available on our website [here](#).



## Annual Education Survey

Thanks to everyone who contributed to the Annual Education Survey for 2021. Your feedback helps to ensure we provide resources that reflect the needs of registered organisations.

We're currently finalising the design of the national Education Strategy for 2021–22 and carefully analysing your feedback to ensure our program continues to evolve with your needs. The national Education Strategy contains our schedule for education releases over the next financial year. Keep an eye out for its launch next month!



## The value of the whistleblower scheme

Recently the ROC received a query from an organisation that was the subject of a protected disclosure. The organisation fully co-operated with the ROC, however it challenged what it called a 'vexatious complaint', asked how many contraventions had been identified by protected disclosures and whether there is any value in organisations promoting a 'speak up' culture.



Although we understand that there can be a range of motivations involved in the making of disclosures, the evidence has demonstrated that whistleblowers have been important in helping registered organisations and regulators identify both non-compliance as well as significant opportunities for improvement. During the past four years:

- a range of disclosures have led to formal inquiries under s.330 or formal investigations under s.331 of the RO Act
- those inquiries and investigations have identified contraventions and led to the ROC helping organisations take remedial action to address apparent civil penalty contraventions
- in some cases involving serious non-compliance, the organisation elected to voluntarily cancel its registration. Once that happened, public interest considerations meant that in those cases enforcement action was not required
- in several matters the ROC has identified that risks existed, even though the available evidence did not warrant enforcement action. When this happens the ROC provides advice to the organisation to empower them to mitigate or prevent the risk of contravention and/or to give the organisation the opportunity to review its own policies, procedures and practices; and
- the protected disclosure scheme has had a direct and positive impact on levels of voluntary compliance and efficiency more generally within federally registered organisations.

For more information on a 'speak up' culture please see our most recent [good governance podcast](#) with practical hints and tips to help you.

## Consultation now open on the Australian Government's new Regulator Performance Guide

As part of Australia's Deregulation Agenda to support economic recovery and growth, the Australian Government is refreshing how it sets out its expectations for regulator performance and reporting.

A Regulator Performance Guide has been developed that outlines principles of best practice and supporting guidance to assist Commonwealth regulators – including the ROC – to report on their performance against the principles.

The principles are:

- continuous improvement and building trust
- risk-based and data driven; and
- collaboration and engagement.

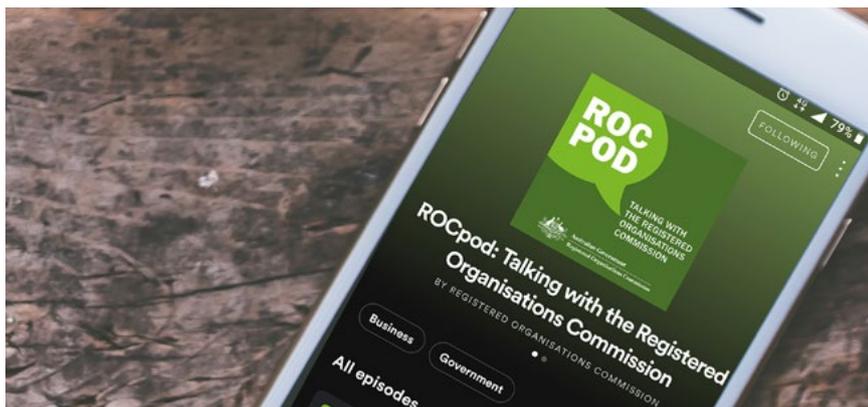
The Australian Government is consulting publicly on the draft guide to ensure it is informed by business and community expectations of regulators.

Submissions are open on the draft guide until Friday 21 May 2021. More information on the draft guide, and how to submit feedback, is available on the [Deregulation Agenda website](#).



## Podcasts

Our podcast, ROCpod: Talking with the Registered Organisations Commission continues to gain momentum. Episodes have been downloaded more than 3000 times!



Click below to listen to our latest episodes:

- [Lessons from the Federal Court](#)

We talk about the ROC's approach to compliance and litigation and the lessons all registered organisations can learn from recent Court decisions. Only a fraction of non-compliance reaches the courts, and there are other tools available to resolve matters, including engaging with organisations to provide education, seeking co-operation through inquiries, and investigations. However, a small number of serious matters proceed to the Federal Court and there are important lessons to be learnt from them.

- [Good governance in practice: Creating a 'speak up' culture](#)

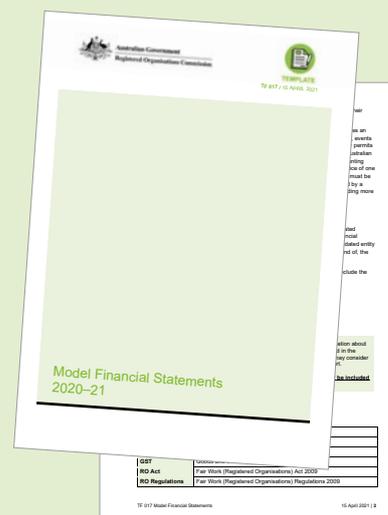
We discuss how leaders of registered organisations can model ethical behaviour and encourage people to speak up against misconduct. The ROC's Executive Director Chris Enright shares his experience of handling whistleblower matters and provides strategies and examples to organisations to effectively resolve matters themselves.

- [Election exemptions – what are they and how do they work?](#)

Elections are again underway after they were suspended in 2020 due to COVID-19. Organisations interested in conducting their own elections (instead of using the Australian Electoral Commission, which is the default position under legislation) have approached the ROC for guidance and we have assisted them to navigate the process. We discuss the contemporary challenges and provide practical solutions, including how a registered organisation can obtain an election exemption.

## 2020-21 model financial statements now available

The ROC has released its [updated model financial statements for the 2020–21 year](#). Our model financial statements are designed to help organisations to structure their general purpose financial reports in accordance with the RO Act and the Australian Accounting Standards.



## Did you know?

90% of survey respondents who have accessed one of the [ROC's E-learning modules](#) told us that they learned something new about compliance!

