



Australian Government

Registered Organisations Commission

Registered Organisations Commission (ROC)

Financial reporting update

26 March 2019



Overview of topics

Update on compliance rates and common issues

Assessment of 2018 financial reports

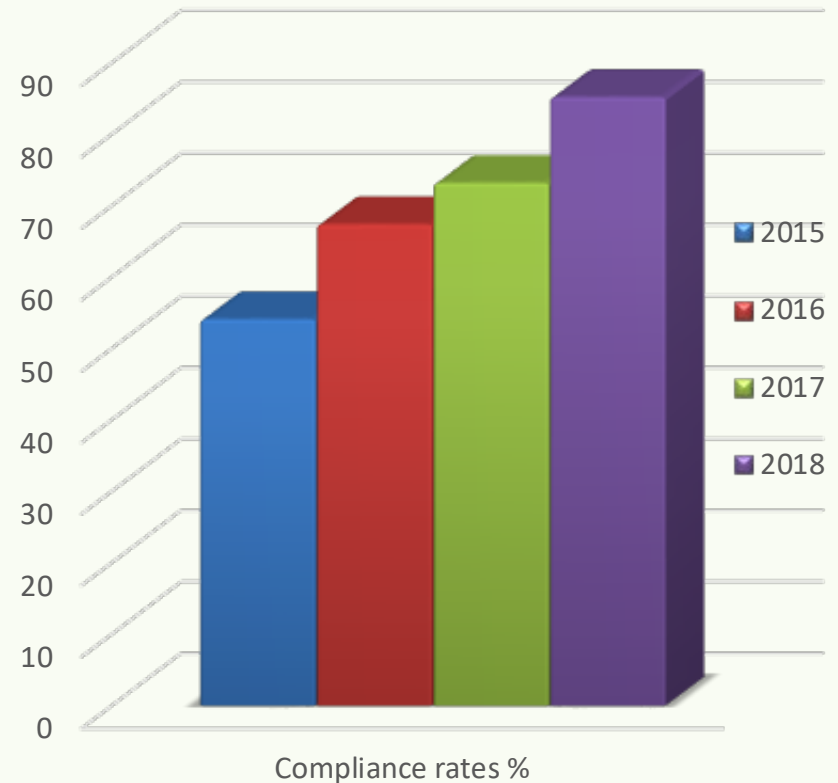
New accounting standards



Compliance rates

are based on the items included in the primary checklist

2015 – 2018 Compliance Data





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**



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

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

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 - <https://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



- Comparative year disclosures
- 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

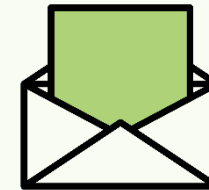


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