Collins & Co
Audit Pty Ltd

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NFP ADVISOR

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Governance

AICD Governance Study Released

The Australian Institute of Company Directors has released its annual not-for-profit governance and performance study, which reveals that, while COVID-19's effects on the sector were not so damaging as predicted, many organisations could take years to recover.

The institute's *NFP Governance and Performance Study* is in its 12th year and remains the biggest governance report in the NFP sector. More than 1900 responded this year.

Last year's study highlighted that, in many areas, the pandemic had intensified financial pressures that had existed before the pandemic, some of them caused by the bushfires of 2019-20.

This year's study paints a more optimistic picture. Eighty-four per cent of respondents reported making a profit or breaking even in the 2020-21 financial year.

But 40 per cent said it would take at least two years to recover fully from the pandemic's effects.

Eighty-one per cent of NFP directors worried about the strength of the Australian economy, and 95 per cent of organisations changed their business models to deliver services.

Other key findings were:

- 20 per cent of NFP directors were remunerated (highest in the life of the study)
- 74 per cent of respondents reported that their time commitments were about the same, or somewhat more than the previous year
- 33 per cent reported that their boards had been operationally involved in their organisation's responses to COVID-19
- 83 per cent of directors agreed that they were confident in their leadership team's decision-making
- Merger activity was at a 10-year low, only 18 per cent of NFPs discussing merging in the next year. Only 1 per cent reported to be winding up their organisation, and
- 49 per cent of respondents believed that a post-COVID environment would create more opportunities for their organisation.

Key priorities for the next twelve months for NFPs included responding to post-pandemic opportunities, dealing with workforce issues, and focusing on innovation.

The study will include an online dashboard, enabling readers to delve deeper into emerging trends. It is due to be launched in 2022.

Manage Your Fraud Risk

ACNC commissioner Gary Johns says all charities may be vulnerable to fraud.

‘In 2020-21 we received approximately 2000 concerns about charities,’ said Dr Johns.

‘The most common [...] were about individuals obtaining private benefits from charities or perceived mismanagement of funds.

‘Charities are not immune to fraud. With billions of dollars being generated in revenue each year, [those] that do not have adequate financial and governance controls are vulnerable to fraudsters.’

Dr Johns said it was better to prevent fraud in the first place rather than investigate and act afterwards.

‘We always encourage charities to develop an anti-fraud culture from the very beginning,’ he said.

The Australian Charities and Not-for-profits Commission’s governance toolkit includes resources to help charities manage risks, including financial abuse, cybersecurity, and working with partners.

Many charities develop working relationships with partners, which might be other charities and not-for-profits, businesses, commercial enterprises, and suppliers. Charities should ensure that their partner relationships are well-planned, supported by a solid written agreement, and pursue the agreed charitable purposes.

Charities should be aware of partnership risks and be confident that they have the right processes to manage one.

The toolkit includes a comprehensive guide and accompanying assessment, a template document for monitoring a partnership, and a list of important partnership considerations.

Whistleblower-Policy Mandate began 1 January

Since 1 January, some charities have been required to have a whistle-blower policy.

The mandate applies to charities structured as public companies limited by guarantee with annual consolidated revenue of $1 million.

The Australian Securities & Investments Commission recently reviewed more than 100 whistle-blower policies, including those of charitable companies, and found that most failed to include all the information required under the *Corporations Act*.

ASIC is concerned that whistle-blowers will fail to get information about their legal rights and protections and how they can report misconduct. It is calling on companies, including charitable companies, to ensure that their policies comply with legal requirements and has published a guide explaining how to do it.

The commission recommends that all charities consider having a publicly available whistle-blower policy, even if they are not legally required to have one.

Compliance

Red Cross to back-pay $25m

The Australian Red Cross Society has entered into enforceable undertakings with the Fair Work Ombudsman that will back-pay employees more than an estimated $25 million.

The EUs have been entered into with the society's humanitarian-services and 'Lifeblood' divisions, which co-ordinate Australia's blood donations and services.

The Humanitarian Services Division self-reported in 2018 that it had underpaid employees across Australia after identifying the underpayments during an internal review.

The underpayments occurred mostly due to the Red Cross's applying the incorrect award or enterprise agreement to employees and incorrectly classifying them as award-free, resulting in underpaying a wide range of minimum rates and entitlements.

The Humanitarian Services Division underpayments affected more than 10,000 employees, and it is estimated that they might have been underpaid by more than $22 million between 2012 and 2021.

The investigation by the FWO following the initial self-report led to the discovery of underpayments in the 'Lifeblood' division, which occurred as a result of the Red Cross's incorrectly believing that some employees were outside the coverage of relevant enterprise agreements.

As a result, up to 1160 Lifeblood employees were underpaid various leave entitlements, shift-work and public-holiday loadings, overtime, redundancy entitlements, superannuation and minimum rates of pay between 2010 and 2021, totalling more than $3.5 million.

In total, it is estimated that the Red Cross has underpaid more than 11,000 current and former employees more than $25 million. Individual underpayments range from less than $100 to more than $20,000.

'Under the two enforceable undertakings, the Red Cross has committed to stringent measures to comply with the law and protect its workforce,' Fair Work Ombudsman Sandra Parker said.

'This includes engaging at its own cost an expert auditing firm to check its workplace law compliance for the next two to three years.

'This matter serves as a warning to all employers, particularly those in the not-for-profit sector, that if you don't prioritise the lawful payment of your staff, you risk underpaying them on a large scale and face significant additional costs of auditing and addressing the non-compliance. Any employers who need help meeting their workplace obligations should contact [the FWO] for free advice. Workers should also contact us with any concerns.'

Under the EUs, the Red Cross is also required to fund an independent company to operate a hotline for employees and commission workplace-relations training for staff.

NFPs underpay workers

St Peter's Lutheran College in Brisbane will back-pay staff more than $2 million and has entered into an enforceable undertaking with the FWO.

It self-reported in November 2020, disclosing underpayments of its co-curricular sports staff working as coaches and coordinators at both campuses.

The college believed it could engage the staff as volunteers while paying them lump sums in recognition of their time and expertise. Having received external legal advice that these were employment relationships, the college asked a law firm to conduct an audit and calculate any underpayments, an accounting firm checking the methodology.

The college has admitted it breached a relevant award and enterprise agreement. Contraventions related to minimum rates of pay, casual loading, weekend penalty rates, overtime, vehicle allowances, a failure to apply pay-point progression, and breaches of record-keeping obligations.

A total of $2,460,519.59, including interest and superannuation, will be back-paid to 753 current and former employees who were underpaid between July 2012 and December 2020.

The Paraplegic & Quadriplegic Association of NSW has back-paid staff more than $705,000 and entered into an enforceable undertaking with the FWO. The organisation self-reported underpayments in November 2020.

Prompted by a pay query, ParaQuad identified underpayments of a forklift allowance under a collective agreement. Its board then endorsed a comprehensive review of employee entitlements of 1137 current and former staff.

External consultants who conducted the review found minimum pay rates were applied incorrectly for employees covered by various awards and collective agreements

The employees were underpaid minimum wage rates, annual leave and leave-loading pay, casual loading, overtime, and various allowances. ParaQuad also failed to keep all required employee records.

The Creche and Kindergarten Association Limited has back-paid staff around $200,000 and entered into an enforceable undertaking with the FWO.

C&K conducted a self-initiated review of its payroll systems in preparing their upgrade and discovered it had applied an incorrect interpretation of the terms of its enterprise agreement. The company self-reported underpayments in October 2020.

Some part-time and casual employees were being paid at ordinary or penalty rates for certain hours that should have been classified as overtime.

The internal review into its underpayments found that 1336 current and former employees were underpaid a total of $209,168 between July 2013 and September 2020

Deadline Extended for Senate Underpayment Report

The Senate economics committee's deadline to report on unlawful payments by employers has been extended to 10 February. Terms of reference for an inquiry into underpayments and non-payments were detailed in November 2019. They included measures to be taken to address the issue.

Among more than 120 submissions to the inquiry, the ACNC called 'wage and [...] superannuation theft' a serious breach of governance standards.

‘The ACNC currently undertakes proactive analysis to identify charities that may be a higher risk for wage and superannuation theft,’ the commission said.

‘While the ACNC regards wages and superannuation theft as serious issues in their own right, occurrences of such theft may also indicate additional governance issues in a charity. When we investigate a charity, we assess its compliance with the governance standards broadly. This can include persons setting up a charity for fraudulent purposes, or fraudulently stripping assets from a charity for private benefit.’

ROC Begins Proceedings Against CFMMEU

The Registered Organisations Commissioner has begun civil proceedings in the Federal Court against Stephen Smyth, president of the Queensland branch of the Construction, Forestry, Maritime, Mining and Energy Union’s mining-and-energy division.

The proceedings allege that Mr Smyth breached his duties as an officer under sections 285, 286 and 287 of the *Fair Work (Registered Organisations) Act 2009* by spending about $6700 in personal expenditure using branch funds. He allegedly made more than 80 transactions during the financial year ending 30 June 2016.

Transactions included expenses on home plumbing, dental treatment, driver’s-licence renewal, car hire while on annual leave in the United States, and travel and meals for himself and his family.

The commissioner alleges that, in his role as the most senior officer of the branch, Mr Smyth regularly used its funds for personal purposes unrelated to his employment.

Mr Smyth disclosed the unauthorised spending was personal, adding it to an unauthorised loan from the branch that was not in writing and did not incur interest.

ACNC Activities

ACNC Urges Use of Self-Audit Tool

Self-audits are among compliance initiatives introduced by the ACNC. By implementing a new program of self-audits, the ACNC says it is helping charities find and fix governance issues.

Along with other new compliance initiatives, self-audits allowed the ACNC to engage this year on compliance matters with 50 per cent more charities.

In an initial roll-out, 28 charities were involved. Seventy-five per cent of them provided a satisfactory response – 25 per cent of the charities were not up to standard.

Five of the 28 charities reported a plan to improve governance.

Of the charities that needed to improve, one found issues that came from rapid growth over 12 months. The charity had grown from small to large but had failed to upgrade governance to suit the more complex requirements for a larger charity. The charity acknowledged that addressing the gaps would ensure donor confidence and build broader community trust and confidence.

Your charity may download from the ACNC website the report and work through its sections. A self-evaluation poses questions and prompts you to describe the practical steps your charity is taking to meet its obligations and to list relevant policies and procedures.

If you identify areas needing improvement, the ACNC advises creating an action plan. The self-evaluation includes a template for an action plan.

The ACNC will continue its self-audit program, but charities are urged to assess their governance by using the self-evaluation tool.

Investigating Charity Concerns

To maintain confidence in the sector, receiving and investigating concerns about charities is a key component of the ACNC's work.

In 2020-21, the commission received 2001 concerns, a slight fall on the previous year's total of 2102. Most of these were received from the public or members of charities.

The most common concerns were about perceived mismanagement of funds or an individual allegedly obtaining private benefit from a charity.

Seventy-six investigations were concluded, close to the 79 finalised the previous year.

Thirteen charities had their registrations revoked for serious and ongoing non-compliance, down from 18 the previous year.

The commission made 71 referrals concerning about 50 charities to other government agencies when it thought they might be able to act.

To ensure the integrity of the information on the register, the ACNC reviewed 274 annual financial reports from the 2019 reporting period.

Charity Leaders Need to Get Involved

Charity leaders should be active in their charities' lives, the ACNC says.

An engaged board or committee is vital for a well-governed charity, so its leaders should be part of the approval and submission of an annual information statement.

The ACNC expects that a charity's responsible people – directors, trustees, board and committee members – are fully aware of the content of their organisation's AIS.

Charity leaders who take their duties and obligations seriously are critical in maintaining and building the confidence upon which the entire sector relies.

To ensure high standards of integrity and common sense, the responsibilities of charity leaders are set out in the ACNC's governance standard 5. The standard requires that responsible people act honestly and fairly in the best interests of their charity and for its charitable purposes. They need to act with reasonable care and diligence, disclose conflicts of interest, and ensure that finances are well-managed.

It also requires that responsible people don't misuse their position or allow their charity to operate while it is insolvent.

To support sector transparency and accountability, the commission publishes on the register the names and positions of charities' responsible people.

Charities must notify the commission of leadership changes, including new responsible people and those who have stepped down from their posts. Any role changes of responsible persons need to be reported.

New Search Features Connect Donors to Charities

The ACNC's charity register has new search features connecting more effectively donors with charities.

The register can be searched for charities based on type of programs they deliver, by beneficiary group, and program location.

'You can also seek out those that operate in a particular suburb, town or region. So you can look for local charities or those operating in a region that your organisation would like to support,' said ACNC commissioner Dr Johns.

'You can view results in the form of a list or on a map. And of course, you can still search by entering a charity's name or its ABN, just as you would have [done] previously.

'The advantage for charities is that they can now be found more easily. There is greater detail about their services and activities which helps donors make informed decisions. They can also find potential partners and collaborators by searching for other charities in their field.'

Information on the register is based on details charities submit in their annual information statements.

Charities are encouraged to include as much program detail as possible. Providing a specific location or catchment area for where each program is delivered in the AIS will best take advantage of the new functionality, help programs to be found, and possibly boost support.

Many Charity Directors Need DIN's

As part of a program to modernise business registers, directors of charities that are a company, a registered Australian body, or an Aboriginal and Torres Strait Islander corporation will need to apply for a director identification number (DIN).

More details about when and how to apply can be found at the Australian Business Registry website.

Governance Standard 3 Unchanged

Earlier this year, the federal government announced proposed amendments to governance standard 3 concerning charities that engaged in unlawful activity.

Proposed changes were subject to a Senate disallowance motion in November, meaning no changes will be made.

The current standard still applies. Governance standard 3 requires charities not to act in a way that, under commonwealth, state and territory laws, could be dealt with as:

- An indictable offence (being a serious crime that is generally tried by a judge and a jury), or
- A breach of law that has a civil (not criminal) penalty of 60 penalty units (currently $12,600) or more.

Charities are already required to follow Australian laws. This standard allows the ACNC to investigate potentially serious breaches of law.

Charities can take some simple steps to reduce the risk of breaching it. In most cases, common sense and good practice will reduce risk. Charities should:

- Be familiar with the main areas of regulation
- Have ways of protecting finances and assets, and
- Have a process to ensure that legal obligations are met.

Controls reasonable for each charity will vary.

PBI Decision by AAT

Global Citizen Ltd applied to the ACNC to add the subtype of Public Benevolent Institution to its existing charity registration. A PBI is a type of charitable institution that has a main purpose of providing benevolent relief to people in need.

The application was refused, and the ACNC Commissioner upheld the decision on objection. The Administrative Appeals Tribunal determined that GCL was entitled to registration as a PBI.

In reaching its decision, the tribunal found that GCL had only one purpose – the relief of global poverty – and that it engaged in educational and advocacy activities to achieve that purpose. It also found that if GCL's education and advocacy activities could be viewed as purposes, then they were incidental and ancillary to its main purpose of the relief of poverty.

The ACNC has published a *Decision Impact Statement – Global Citizen Ltd* that provides a detailed response to the tribunal's decision.

As a result of the judgement, entities that operate in a similar manner to the applicant – such as entities within a network of entities providing relief, that direct their advocacy or educational activities towards specific aid projects – may be entitled to registration as a PBI.

The ACNC will update guidance on PBIs, including the Commissioner's Interpretation Statement: *Public Benevolent Institutions*.

Financial Reporting Insights

ASIC Highlights Disclosures and Assessments for 31 December 21

The Australian Securities & Investments Commission is highlighting asset values, provisions, solvency and going-concern assessments for reporting periods that ended 31 December.

ASIC commissioner Sean Hughes said, 'COVID-19 conditions have continued through 2021 and companies will be affected differently depending on their industry, where they operate, how their suppliers and customers are affected, and a range of other factors.'

The commission calls on directors, financial-report preparers and auditors to focus on several key areas, including events occurring after year-end and before completing reports, and disclosures in reports.

Entities may continue to face some uncertainties about future economic and market conditions and their impact on business. Assumptions underlying estimates and assessments should be reasonable and supportable.

Uncertainties may lead to a wider range of valid judgements on asset values and other estimates. Uncertainties may also change from time to time. Disclosures in financial reports about uncertainties, key assumptions and sensitivity analysis will be important to investors.

ASIC's FAQs on the pandemic's effects inform on matters such as:

- Focus areas and factors to consider
- Disclosures in financial reports
- The use of non-IFRS financial information
- Loan and receivable provisioning
- Non-COVID-19 focus areas
- The extensions of time for financial reporting and AGMs, and
- Reporting by auditors.

ACNC Urges Charities to Comply

The ACNC urges charity leaders and their accountants to ensure that they comply with amended reporting regulations.

Amendments should be incorporated in 2022 annual information statements.

They affect charity-size thresholds based on revenue, disclosure of remuneration for key management personnel, and disclosure of related-party transactions.

ACNC director of reporting Mel Yates said it was important that charity leaders prepared for the changes as soon as possible.

'Charity leaders need to speak to their accountants right now. They need to ask them if they have the appropriate systems, processes and controls in place to capture transactions that these amendments require to be captured,' said Mr Yates.

A charity's ACNC financial-reporting obligations relate to size based on annual revenue. Medium and large charities must submit an annual financial report, while small charities are required only to submit an annual information statement.
From the 2022 AIS reporting period, revenue thresholds will rise for all three categories as follows:

Charity size	Defined now as:	From 2022 AIS reporting period, defined as:
Small	Revenue under $250,000	Revenue under $500,000
Medium	Revenue of $250,000 or more, but under $1 million	Revenue of $500,000 or more, but under $3 million
Large	Revenue of $1 million or more	Revenue of $3 million or more

The amendments will also require large charities to disclose in special-purpose financial reports remuneration of key management personnel. Key management personnel are senior managers and charity leaders such as directors, CEOs, and board members. The rule applies from the 2022 AIS reporting period. For medium and large charities, there will be increased requirements to disclose related-party transactions in special-purpose financial statements. The change applies from the 2023 AIS reporting period.

The commission will exercise discretion for charities preparing special-purpose financial statements for the first time.

Commissioner Johns has decided that charities preparing special-purpose financial statements for the first time under amended regulations will not have to provide comparative information for the preceding period in applying the relevant Australian accounting standard. They will need to provide disclosures for the reporting period only in the first year of adoption.

Helping NFPs With Best-Practice Reporting

Enhancing Not-for-Profit and Charity Reporting by Chartered Accountants Australia and New Zealand guides not-for-profits and charities in how to prepare top-quality annual, financial, and performance reports.

The guide is in two parts.

Part A – *Enhancing performance reporting* is designed for charity and NFP organisations in Australia and New Zealand and draws on learnings from sector regulators and leaders in each country given the commonalities in annual and performance reporting.

It aims to help NFPs to identify and define their strategic objectives and then track, monitor, and report on their performance. It's designed for organisations doing this kind of reporting for the first time, but others can benefit from information most relevant to them.

Part A contains these sections: setting the context for reporting, performance reporting, output and outcome reporting, governance reporting, sustainability and ESG reporting and collective impact, best-practice checklist, optional reporting frameworks, Australian and NZ councils for international development, codes of conduct, enhancing assurance, legislative frameworks, and useful resources.

Part B – *Enhancing financial reporting* consists of two separately published editions for each country, focusing on financial-reporting frameworks.

Part B (Aust) contains these sections: 20 recommendations to enhance NFP financial reporting, guidance when producing a financial report, frequently asked questions, and an example financial report.

Part B (NZ) contains these sections: on overview of New Zealand NFP and charity reporting requirements, recommendations to enhance NFP and charity financial reporting, guidance when producing a financial report, frequently asked questions, and future development.

Ethics

Mindset changes begin

From 1 January, amendments to APES 110 C*ode of Ethics for Professional Accountants (including Independence Standards*) came into effect to promote the role and mindset expected of members of accounting bodies – directors, accountants, auditors and advisers.

The amendments include a new requirement for accountants to have an inquiring mind when applying the conceptual framework. New guidance is provided on professional judgement, including on matters such as bias, and organisational and firm culture.

Fundraising

Raise funds within the law

While the ACNC does not regulate fundraising, the commission considers that the way charities conduct it is crucial to good governance. Practices must comply with governance standards.

Appeals and fundraising campaigns are a significant part of the sector's engagement with the community and must be conducted in ways that maintain and enhance public confidence, the commission believes.

Regardless of whether donations are sought in person or online, the manner of the approach must comply with relevant state and territory fundraising laws, be in the best interests of a charity, and meet community expectations.

A charity should have policies and procedures to address a range of pertinent matters, such as:

- Record-keeping
- Managing donors' data
- Responding to those who decline to give, and
- Engaging with vulnerable people, such as the elderly and those who have an intellectual disability.

They must also ensure that money raised, less reasonable expenses, is put towards pursuing the charity's purpose. Donations may be used only for activities that advance charitable purposes.

Regardless of the way fundraising is conducted, a charity's board and responsible persons are accountable.

Each state and territory has its own regulations, and it's important for charities to understand them. Different regulations apply to different types of charities. Some charities, for example, may offer donors a tax-deductible receipt but others are not eligible to do so.

At last – fundraising reform on national agenda

The federal government has agreed with states and territories to develop a national fundraising framework that should reduce red tape while retaining safeguards to maintain public confidence.

The Council on Federal Financial Relations concluded the agreement, which was endorsed by national cabinet.

Charities estimate that inconsistent, overlapping, and outdated state and territory fundraising regulations cost around $13.3 million a year in compliance.

A national fundraising-framework working group will be established to develop and implement the reforms. The federal Treasury and Victoria's Department of Justice and Community Safety will jointly chair the working group.

Treasurer Josh Frydenberg said that as charities had moved more of their fundraising efforts online in the wake of the COVID-19 pandemic, inconsistent and duplicate rules and regulations had become apparent.

Deductible-Gift Recipients

DGR Challenges

As part of deductible-gift-recipient reforms, the ACNC has proposed to review annually 2 per cent of DGR charities to assess their continued eligibility as charities.

The commission reviewed 303 DGR-endorsed charities in 2020–21 and found that many had issues to address, ranging from relatively straightforward matters to potentially serious concerns about registration entitlement. The commission will continue to work with charities on resolving issues in 2021–22.

Legislative instrument registered

Assistant Treasurer Michael Sukkar has registered a legislative instrument that supports new amendments requiring non-government deductible-gift recipients to be registered as charities.

Treasury Laws Amendment (2021 Measures No. 2) (Deductible Gift Recipients—Extended Application Date) Instrument 2021 was registered on 7 October and sets out prescribed criteria that must be considered for a three-year extended-application date.

Legislative Instrument Registered

Assistant Treasurer Michael Sukkar has registered a legislative instrument that supports new amendments requiring non-government deductible-gift recipients to be registered as charities.

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Governments

NSW poker machine money laundering inquiry launched

The Commissioner of the NSW Crime Commission, Michael Barnes, invited submissions to the Commission's inquiry into money laundering in pubs and clubs.

'Working with the NSW Independent Liquor & Gaming Authority and the Australian Criminal Intelligence Commission, we've established that last year $85 billion was gambled in poker machines in pubs and clubs in NSW,' Mr Barnes said.

'We simply don't know how much of that was the proceeds of crime being laundered by or on behalf of criminal syndicates, but when so much money is involved it is reasonable to suspect some level of criminal activity.'

'We expect the expert investigators, data analysts, lawyers and intelligence officers working on this project to uncover activities not previously known to operators or regulators that will assist to ensure pubs and clubs stay profitable while the community is protected,' Mr Barnes said.

The terms of reference for the inquiry are to:

- Investigate the nature and extent of money laundering that may be occurring in licensed premises in NSW with reference to the use of electronic gaming machines
- Identify potential vulnerabilities within the regulations and legislation governing gaming machines which could be exploited for the purpose of money laundering, and
- To furnish reports about matters relating to money laundering through electronic gaming machines to government, pursuant to: s10(1)(e) of the Crime Commission Act 2012; ss 59AA of the Australian Crime Commission Act 2002; and the various provisions of the Gaming and Liquor Administration Act 2007 (NSW), the Gaming Machines Act 2001 (NSW), Registered Clubs Act 1976 (NSW), and the Liquor Act 2007 (NSW).

The deadline for submissions is 28 January.

South Australia Looks at Changing Lottery Rules

South Australia's gambling regulator has sought public comment on potential changes to lotteries regulations.

Commissioner for Liquor and Gambling Dini Soulio said feedback was being sought in several areas that would underpin the operation of a new Lotteries Act 2019 when it comes into effect in December.

'Lotteries can be a source of revenue for businesses – through what's known as trade promotions – and can be an integral part of charity and community fundraising work,' Mr Soulio said.

'And while some of the changes being considered are more of a technical nature, others would have a broader impact, such as the minimum amount of proceeds from a lottery that should go towards fundraising purposes.'

Other issues under consideration include:

- Regulating card jackpot games, such as flip the joker, to allow them to be conducted as a fundraiser lottery
- Including instant ticket-vending machines as a prescribed item to ensure more stringent regulation
- Whether auditing financial records and ensuring scrutineers are present for draws of major lotteries are necessary when the total prize value is less than $30,000
- How names of winners are published for major lotteries and trade promotions to ensure greater transparency, and
- Disclosure of certain information in lottery advertisements and on lottery tickets.

'We're looking to hear from charities, associations, businesses that conduct trade promotions and anyone else with an interest in the way that lotteries are managed in South Australia,' Mr Soulio said.

Audit

Revised Agreed-Upon Procedures Standard Operative

The Auditing and Assurance Standards Board's revised ASRS 4400 *Agreed-Upon Procedures Engagements begins operating on 1 January.*

It was revised to respond to the growing demand for these types of engagements, particularly when increased accountability around funding and grants is needed. A broad range of stakeholders, such as regulators, funding bodies and creditors, use agreed-upon-procedures reports for a variety of reasons.

The revised requirements and application material promote consistency and include enhancement on, among other matters, the exercise of professional judgement, compliance with independence requirements, engagement acceptance and continuance considerations, using the work of a practitioner's expert, and greater clarity and transparency in agreed-upon procedures reports.

Partnership News

Continuing partnership with the Small Non-Profits Alliance

We're pleased to announce our partnership with the Small Non-Profits Alliance will be continuing in 2022.

One of the many benefits of the partnership for our clients is a discounted Advanced Membership with the Alliance.

By using the code **COLLINS20** on the Alliance website here, you can save $40 on your membership in the first year.

The Small Non-Profits Alliance is the hub for Australia's small charities, offering online resources, webinars, coaching, and networking specifically designed to support and empower small non-profits. You can learn more about the Alliance here <www.smallnonprofits.com.au>.

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