



Meals on Wheels™  
Queensland



# ACNC REPORTING UPDATE

Key insights and latest requirements.

**January 2025**

Hosts: Kath Neilsen

More  
than just  
a meal™



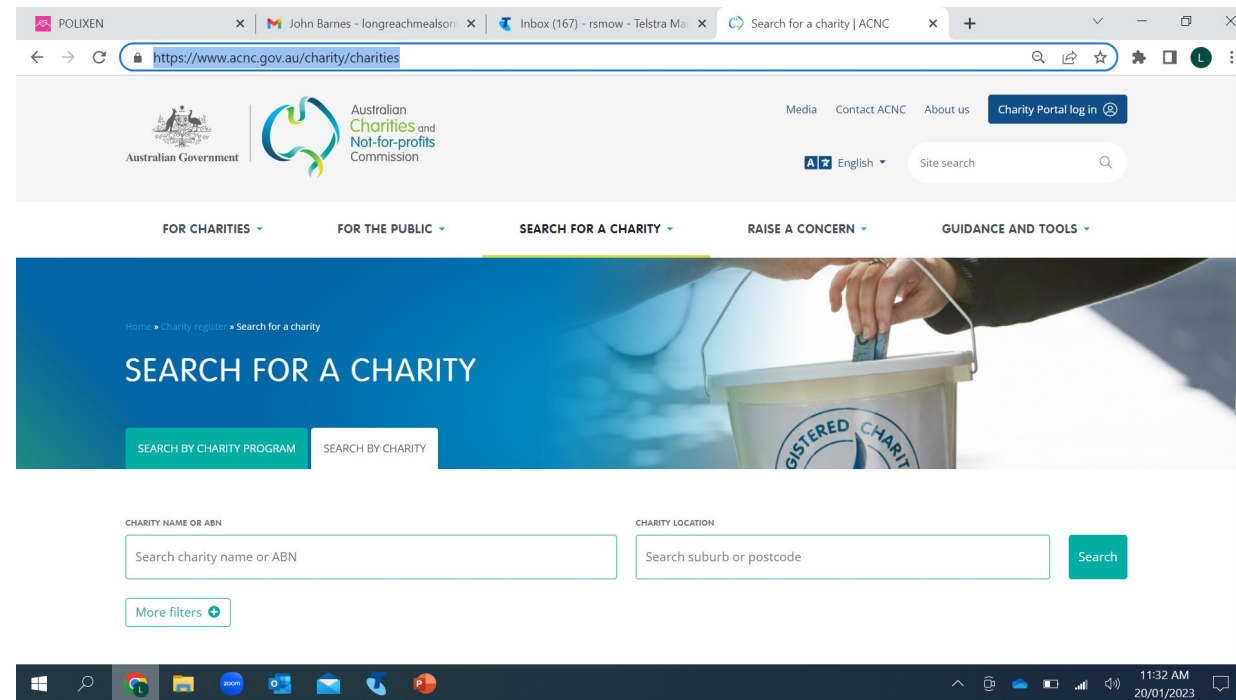
# What we will cover today:

- Are you registered with the Australian Charity and Not for Profit Commission (ACNC)?
- Annual Reporting Requirements for the ACNC
- Difference between a Review and Audit of financial reports
- Annual Information Statement (AIS)
  - a. Related Party transactions
  - b. Key Management Personnel Remuneration

# 1. Registration with ACNC

Do you know if you are registered with the ACNC? This affects the way you report annually.

Visit: <https://www.acnc.gov.au/charity/charities>





# Registered or Not

## Registered with ACNC

- report electronically the Annual Information Statement via charity portal only
- no fees
- different financial reporting dependant on size of charity

## Not Registered

- Annual Return via post or electronically to Office of Fair Trading
- fees to pay annually
- Financial reports returned with Annual Return and dependant on size



## 2. Annual Reporting Requirements

The ACNC has streamlined reporting arrangements in place with other federal and state and territory regulators.

Charities that meet the requirements to participate in these streamlined arrangements only need to report to the ACNC in the Annual Information Statement. The ACNC will then pass this information on to the other regulatory bodies, and this will fulfil the other regulator's reporting obligations as well.

### Changes

- You are no longer required to submit a separate annual return (the annual summary of financial affairs) or pay the annual lodgement fee with the Office of Fair Trading.
- The Charity Threshold sizes have changed along with the Financial Reporting Obligations.
- There are additional reporting requirements in the AIS this year.

# Financial Reporting Obligations by Size

	Small	Medium	Large
<b>Charity Size Threshold - annual revenue</b>	under \$500,000	\$500,000 or more, but under \$3 million	over \$3 million
<b>Annual Information Statement</b>	✓	✓	✓
<b>Annual financial report</b>	(optional)	✓ <sup>1</sup>	✓ <sup>1</sup>
<b>Basis of accounting</b>	Cash or accrual	Accrual <sup>1</sup>	Accrual <sup>1</sup>
<b><u>Type of financial statement</u><sup>2</sup></b>	<p>Small charities can choose to submit a financial statement. The type of financial statement can be the same as a <u>Medium or Large</u> charity</p> <p>Special purpose financial statement (if not a "reporting entity") or</p> <p>General Purpose Financial Statement – Reduced/Simplified Disclosure Requirements (Tier 2) or</p> <p>General Purpose Financial Statement – Full (Tier 1)</p>		
<b><u>Review or audit for annual financial report</u></b>	No ACNC obligation for review or audit	The ACNC requires your financial reports to be either reviewed or audited <sup>2</sup>	The ACNC requires your financial reports to be audited

<sup>1</sup> Unless the charity is a Basic [Religious Charity](#) or other transitional [reporting arrangements](#) apply.

<sup>2</sup> The charity constitution/governing document or grant funding agreements may state whether the financial report needs to be reviewed or audited.



# Other Obligations by Size

Obligation	Small	Medium/Large
<b>Time to notify the ACNC of changes to its:</b> <ul style="list-style-type: none"><li>• legal name</li><li>• Address For Service</li><li>• Responsible People</li><li>• governing document</li><li>• material error in Annual Information Statement or annual financial report</li></ul>	ASAP but no later than 60 days	ASAP but no later than 28 days
<b>Administrative penalties for not submitting documents</b>	More on <a href="#">administrative penalties</a>	

# 3. Difference between a Review & Audit

	Review	Audit
Type of procedures performed	<ul style="list-style-type: none"><li>- Mainly analytical review and enquiry.</li></ul>	<ul style="list-style-type: none"><li>- More detailed enquiry around systems and processes.</li><li>- Analytical review.</li><li>- Substantiate a sample of transactions against source documents.</li></ul>
As an example, types of procedures performed in relation to payroll.	<ul style="list-style-type: none"><li>- Analyse movement against last year and consider if in line with expectations.</li><li>- Analyse avg pay per employee.</li><li>- Enquire whether award changes have been considered.</li></ul>	<ul style="list-style-type: none"><li>- More detailed enquiry around the payroll systems and processes.</li><li>- Sight evidence of the application of relevant controls.</li><li>- Analyse movement against last year and consider if in line with expectations.</li><li>- Analyse avg pay per employee.</li><li>- Use a statistical method to select a sample of payroll transactions to agree back to source documents including time sheets, employment agreements and award.</li><li>- Test the reconciliation of total pay per the annual payroll report to the payroll expense.</li></ul>
Report extract with key wording difference highlighted.	<p>Conclusion</p> <p>Based on our review, <b>nothing has come to our attention</b> that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of XYZ as at 31 December 20XX, and its financial performance and cash flows for the year then ended, in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Accounting Standards – Simplified Disclosures.</p>	<p>Opinion</p> <p>In our opinion the accompanying financial report of XYZ, <b>is in accordance</b> with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:</p> <ul style="list-style-type: none"><li>(i) Giving a true and fair view of the registered entity's financial position as at XX Month 20X1 and of its financial performance for the year then ended; and</li><li>(ii) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.</li></ul>



# 4. Annual Information Statement (AIS)

- The AIS is due by Wednesday, 31<sup>st</sup> January 2024 for the financial year ending 30 June 2024.
- You can complete the 2024 Annual Information Statement online in the [ACNC Charity Portal](#) by clicking on the Reporting TAB and the 2024 AIS report.
- Here you can also update the responsible person's and any business details if they have changed.

My Portal

Queensland Meals On Wheels Limited

Queensland Meals On Wheels Limited


Reporting

People


Charity Details

Your role


Other




**Manage reporting**  
This is where you submit the Annual Information Statement (AIS).



**Manage people**  
This is where you update your charity's Responsible and Authorised Persons.




**Manage other charity details**  
This is where you can change your charity's Address For Service, name, governing document and apply for different charity subtypes.



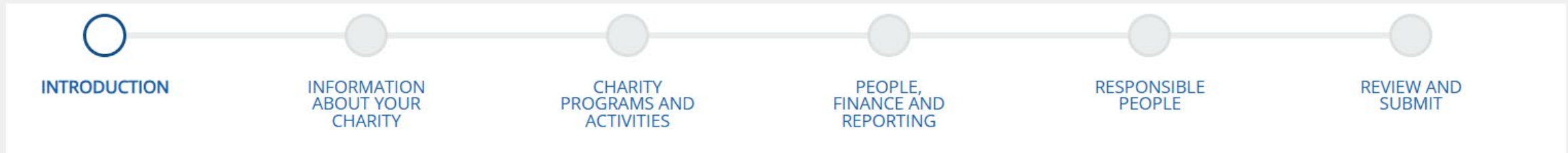
**Make an enquiry**  
This is where you contact us with an enquiry.

**Amend 2024 AIS**

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# 2024 ANNUAL INFORMATION STATEMENT



- There are 4 main sections to the AIS. The portal provides a link to a [guide](#) which outlines all sections and provides details on each questions.
- The AIS includes questions about your charity and its activities. It also asks for some basic financial information about your charity, as well as asking questions that help us understand the charity sector and reduce its overall reporting burden.
- Some questions are mandatory, others are optional.
- The ACNC have provided a [checklist](#) that outlines all the information you will require



# 4a. Related Party Transactions

The 2023 AIS and onwards requires charities to now disclose related party transactions.

- Small charities are only required to disclose '**reportable**' related party transactions
- Medium & large charities are required to disclose '**material**' related party transactions

## WHAT IS A RELATED PARTY

The ACNC define a related party according to the charity size.

### Small Charities

A simplified version is applied, a related party is a person or organisation that is connected to the charity and has **significant influence over the charity**.

This includes:

- a charity's Responsible People and their close family members. Example: President, Secretary & Treasurer
- a charity's senior management and their close family members. Example: CEO, general manager
- other people or organisations that can influence a charity's decision-making. Example: Local Government when they are the Lessor.
- another organisation where a related party controls the organisation, a related party has significant influence over that organisation, or a related party is a member of the key management personnel of that organisation.

### Medium to Large Charities

A related party is defined in AASB 124 Related Party Disclosures. For more information, please refer to the [ACNC](#)



# 4a. Related Party Transactions

## WHAT IS A RELATED PARTY TRANSACTION

A related party transaction is a transfer of **resources, services, or obligations** between related parties. **It does not have to include financial payment.**

A related party transaction can include:

- purchases, sales or donations
- receiving goods, services or property
- leases
- transferring property, including intellectual property
- loans
- guarantees
- providing employees or volunteers
- a Responsible Person of a charity providing professional services (for example, accounting or legal services) at a discounted rate or for free.

Examples could include:

- The President's daughter was employed & paid by the service as a finance officer.
- A responsible person is a director of a web development company that received payment under normal commercial terms for the creation of a new website for the service.

# 4b. Key Management Personnel Remuneration

Only certain charities need to report key management personnel (KMP) remuneration.

**Small charity:** no requirement

**Medium charity:** If it prepares:

General Purpose Financial Statements: **must** report key management personnel remuneration.

Special Purpose Financial Statements: reporting key management personnel remuneration is **optional**.

**Large charity:** must report key management personnel remuneration (unless an exemption applies).

**Remuneration** includes all forms of consideration paid, payable or provided by the charity, or on behalf of the charity, in exchange for services rendered to the charity.

Examples of what MOWQ is required to disclose:

- Reimbursement of travel expenses paid to directors
- The remuneration paid to senior management

The ACNC provides examples which can be found [here](#).

# Useful Links

<https://www.acnc.gov.au/about/red-tape-reduction>

<https://www.acnc.gov.au/for-charities/manage-your-charity/financial-and-other-reporting>

<https://www.acnc.gov.au/for-charities/manage-your-charity/financial-and-other-reporting/annual-financial-report-disclosures-best-practice>

<https://www.acnc.gov.au/2023-annual-information-statement-checklist>

<https://www.acnc.gov.au/tools/guides/2023-annual-information-statement-guide>



**THANK YOU!**