# FINANCIAL REPORTING POLICY

# TEMPLATE

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**1. PURPOSE**

This policy is designed to support senior management, the Board and the {ORGANISATION]’s accountants and Auditor identify the reporting requirements needed to ensure financial accountability, compliance and transparency.

**2. COMMITMENT TO ETHICAL PRACTICE AND FINANCIAL TRANSPARENCY**

In producing financial reports, the role of [ORGANISATION’s staff, accounts receivable/payable officers, accountants and auditors is critical to ensure ethical practice. The following provisions will be in place:

* Accountants are to be certified CPAs and independent from [ORGANISATION].
* The [ORGANISATION] Auditor is to be a qualified Auditor registered with ASIC, independent from [ORGANISATION, and is to be appointed at each AGM, with at least two auditors presented to members for consideration.
* Personal and/or family and/or domestic relationships between any [ORGANISATION] staff or Board Director with the accountancy firm or Auditor are to be avoided.
* Any staff member(s) in the role of Chief Financial Officer or book keeper or accounts payable/receivable officer is not to be in a family or other domestic relationship with the CEO, or the [ORGANISATION]’s accountants, or the Auditor.
* The [ORGANISATION]’s Financial Accountability Policy will be adhered to to ensure Financial Reports accurately reflect the [ORGANISATIONS]’s financial situation.
* The [ORGANISATIONS]’s Conflict of Interest Policy is to be adhered in relation to all financial decision-making.

**3. POLICY**

* 1. **External Reporting**

The [ORGANISATION] must ensure that it complies with its legal and contractual reporting obligations. Obligations include:

* 1. Reporting annually to [ORGANISATION’s Members, in accordance with the requirements of the constitution and relevant law, on the [ORGANISATION]’s activities in the preceding year, and providing an opportunity for questions;
	2. Preparing annual financial reports as required by law;
	3. Preparing an annual report;
	4. Reporting to government agencies in accordance with the terms of grants and funding contracts;
	5. Reporting to the Office of the Registrar of Indigenous Corporations;
	6. Reporting to the Australian Taxation Office, and/or other relevant Commonwealth Government departments, in accordance with the requirements of its deductible gift recipient status;
	7. Reporting to donors in accordance with the terms of any philanthropic grants issued;
	8. Reporting to the Australian Charities and Not-for-profits Commission.

In addition to its specific legal and contractual obligations, the CEO and the Board will consider each year whether there are any other stakeholder relationships which could benefit from receiving a report on [ORGANISATION]’s activities and performance.

**3.2 Internal Reporting**

The Board is to be provided with the following financial reports two weeks in advance of each Board Meeting as held in accordance with the [ORGANISATION]’s Constitution:

1. Statement of income and expenditure to date for the current financial year.
2. Balance sheet for the current financial year, with summary commentary on current and non-current assets liabilities.
3. Comparison of approved budget against actual, including any commentaries on significant overspend or underspend (above or below 5%).
4. Forecast to the end of the financial year.
5. Cash flow statement.
6. An up to date download of the current bank account details.

Internal financial reports are Confidential.

The Board may request through the CEO that the [ORGANISATION]’s accountants are present at any Board meeting to present the financial reports. The CEO may not unreasonably refuse that request.

**4. RESPONSIBILITIES**

**4.1 CEO Responsibility**

* The CEO is responsible for providing this Policy to:
	+ Board members when taking up their roles and making relevant content known at each Board meeting.
	+ The [ORGANISATION’s accountants and auditor.
	+ The [ORGANISATION]’s CFO or book keeper or accounts payable/receivable officer.
* The CEO is responsible for sourcing professional financial governance training for Board members. The CEO may not provide that training him/herself or have the training provided through any person in a family or domestic situation with a staff member of the [ORGANISATION].

**4.2 Board Member Responsibility**

Board members are responsible for:

* Engaging with financial governance training.
* Maintaining confidentiality on internal financial reports.

**5. RECORD KEEPING**

[ORGANISATION] will:

* Comply with legal requirements for the duration of storage of financial records.
* Store:
	+ **Internal financial reports** presented to Board Meeting with the Minutes of the relevant Board meeting.
	+ **General ledger records** in a suitable format and organisational form to allow efficient retrieval by authorised persons.
	+ **Bank statements** in a suitable format and organisational form to allow efficient retrieval by authorised persons.
	+ **Invoices and payment records** (including any authorised petty cash payments), including employment (full time, part time, casual, contractors) contracts in a suitable format and organisational form to allow efficient retrieval by authorised persons.
	+ **Funding and philanthropic agreements** and any other income stream agreements/licenses/documentation in a suitable format and organisational form to allow efficient retrieval by authorised persons.
	+ All **Annual Reports** as per Clause 3.1 in a suitable format and organisational form to allow efficient retrieval by authorised persons, and on the [ORGANISATION]’s website.
	+ All **Audited Annual Financial Statements** Reports as per Clause 3.1 in a suitable format and organisational form to allow efficient retrieval by authorised persons, and on the [ORGANISATION]’s website.

**ASSOCIATED POLICIES**

* Code of Conduct
* Conflict of Interest Policy (Board)
* Conflict of Interest (Staff)
* Delegations Policy
* Financial Accountability Policy
* Financial Management Policy
* Fraud Risk Management Policy
* Risk Management Policy

**RELEVANT LEGISLATION**

* Corporations (Aboriginal and Torres Strait Islander) Act 2006

## AUTHORISATION

<Signature of Board Chair>

<Signature of Manager>
<Date of approval by the Board>
<Name of Organisation>