



# Summary of financial reporting timelines – section 253 financial reports

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The **full report** consists of the following documents:

- General purpose financial report
- Committee of management statement
- Operating report
- Subsection 255(2A) report
- Signed auditors' report.

The financial reporting process must be followed in a particular order to achieve compliance with the *Fair Work (Registered Organisations) Act 2009* (the RO Act). Refer to the diagram on page 2.

All reporting units must follow steps 1 to 3 as described in the diagram. The process under steps 4 to 6 is contingent on the rules of the registered organisation – specifically, whether the rules contain what is referred to as a **5% rule**.



## What is a 5% rule?

EFG registered organisation is a reporting unit. Its rules contain the following provision:

The Secretary shall convene a meeting of the members of the organisation within 28 days upon receipt of a written request signed by no less than 5% of the membership calling for a General Meeting for the



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purposes of considering the auditor's report, the general purpose financial report and the operating report.

This rule allows EFG reporting unit to present the full report to a committee of management meeting (refer to steps 4 – 6 shaded in **grey** in the diagram below) instead of a general meeting of members (refer to steps 4 – 6 shaded in **green** in the diagram below).

Check your rulebook to determine the process your reporting unit must follow.

For a more detailed explanation of each step of the financial reporting process refer to the [financial reporting process factsheet](#) and [e-learning module](#).



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## Misconceptions

Over the years, Commission staff have noted some common misunderstandings in relation to the financial reporting process. They include:

Misconception	Requirement
<p><b>X</b> The committee of management statement is just copied from the reporting guidelines</p>	<p><b>✓</b> The committee of management statement must have the date of the committee of management resolution recorded upon it and it must be signed and dated <b>before</b> the auditor signs their report.</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made.</p>
<p><b>X</b> The auditor's report does not need to be signed until just before it is lodged with the Commission.</p>	<p><b>✓</b> The auditor's report must be signed and dated <b>before</b> the full report (including the auditor's report) is sent to members and presented to the second meeting.</p>
<p><b>X</b> The designated officer's certificate must be signed before the report is sent to members.</p>	<p><b>✓</b> The designated officer's certificate declares what the reporting unit <b>has already done</b> to provide the report to members and present it to the meeting. It must be signed and dated <b>after</b> sending the report to members and the second meeting.</p>



Misconception	Requirement
<p><b>X</b> Documents can be dated when they should have been signed or when the events in the document occurred.</p>	<p><b>✓</b> Documents must always be dated as the date they are actually signed by an officer or auditor.</p>
<p><b>X</b> Any auditor can audit a financial report.</p>	<p><b>✓</b> Only registered auditors can audit the financial report.</p>
<p><b>X</b> The committee of management statement can be signed at any time.</p>	<p><b>✓</b> The resolution passing the committee of management statement must occur and the statement signed and dated <b>before</b> the auditor's report is signed and dated.</p>
<p><b>X</b> Any reporting unit can present the full report to a second committee of management meeting.</p>	<p><b>✓</b> Only reporting units with a 5% rule in their rulebooks can present their report to a second committee of management meeting. Otherwise, it must be presented to a general meeting of members.</p>
<p><b>X</b> Everything can be done at one committee of management meeting.</p>	<p><b>✓</b> If the rules allow for presenting the report to the committee of management, there must still be two meetings. The first meeting resolves the committee of management statement (including signing and dating it). The auditor's report is then signed and dated. Only after these steps can the full report be presented to the second committee of management meeting (if the rules allow).</p>



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Misconception	Requirement
<b>X</b> The reporting unit has 6 months and 14 days to lodge its financial report with the Commission.	<b>✓</b> The reporting unit must lodge the financial report within 14 days of the second meeting.



**The compliance calculator will help you meet the timeframes**

Use the Commission's [online compliance calculator](#) to plan for and confirm compliance in your organisation.

## Further information

If you require further assistance regarding the information in this fact sheet please contact the Commission at [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au) or call us on **1300 341 665**.

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This fact sheet is not intended to be comprehensive. The Fair Work Commission does not provide legal advice. Users must rely upon the relevant legislation, which is set out in the *Fair Work (Registered Organisations) Act 2009*, the *Fair Work Act 2009*, the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*.