

Report card – 2022 financial reporting of registered organisations

This report card identifies the common financial reporting compliance issues for financial reports lodged by registered organisations in 2022. When preparing financial reports in 2023, reporting units and registered auditors should pay close attention to the focus areas identified in this document.



Compliance issues and how to avoid them

We've identified the common non-compliance issues below and explained how you can prevent them in 2023.



33%

of non-compliant financial reports did not include lodgment of the full report with us within 14 days.

- The *Fair Work (Registered Organisations) Act 2009* requires reporting units to lodge their financial report along with a prescribed designated officer certificate with us within 14 days after being presented at a general meeting of members or a committee of management meeting.

This must be done unless the reporting unit has (in advance) received an extension of time to hold its general meeting or to lodge its financial report.



Our [Compliance Calculator](#) can be used as a planning tool to identify timeframes ahead of time and save the dates in your calendar.



11%

of non-compliant financial reports did not reconcile with the loans, grants and donations statement.

- Inconsistencies in these figures will be raised with the organisation or branch and may result in having to lodge an amended loans, grants and donations statement.



11%

of non-compliant financial reports did not include the section 255(2A) report and/or Officer's Declaration Statement in the auditor's scope.

- See the [model statements](#) for a sample independent auditor report.



Increase in provision to members

There was significant improvement by reporting units in 2022 in:

- providing the financial reports to members on time
- presenting to members within 6 months when required.

In 2022 the top issues that were not remedied from the previous year were:



30%

of non-compliant financial reports did not remedy the issues identified in the 2021 financial report.

1

Non-compliance with revenue accounting standards (AASB 15).



Use a heading 'revenue from contracts with customers' to help you separately disclose.



The model statements contain an example of the disaggregation of revenue from contracts with customers.



Compliance with AASB 15 is a focus of the Commission's assessment of financial reports in 2023. Non-compliance may require reporting units to fix the error and resubmit financial reports to members and the Commission.

2

Missing and/or incorrect disclosures relating to other reporting units.



Check that transactions with other branches or the national office are reported consistently.

3

Missing and/or incorrect nil activity disclosure required under the Reporting Guidelines.

Other areas of focus for financial reports in 2023

We're here to help you comply with the financial reporting requirements. Take note of our other assessment focus areas when preparing the 2023 financial report.

Related party disclosures



Ensure complete disclosure of related party information is provided such as a description of the nature of the related party relationship and the terms of transactions.



Use the model statements. The officer declaration statement template will help you comply with this requirement.

Remedy previous years issues



Don't forget to review last year's filing letter to ensure previous issues are addressed.



Talk to the financial analysis team about having your draft financial report review.