



Australian Government
Office of the Registrar of Indigenous Corporations

CORPORATION REPORTING GUIDE

Corporations (Aboriginal and Torres Strait Islander) Act 2006

This guide is designed to help corporation auditors and accountants (or bookkeepers) prepare reports

corporation reports are
due by 31 December each year.



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Reporting requirements under the CATSI Act

Aboriginal and Torres Strait Islander corporations must report under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (the CATSI Act). The reports for each corporation will vary depending on its registered size and income.

What's CGOI?

Consolidated gross operating income = gross income of the corporation and any entities it controls.

Registered size and income of corporation	Report required
Small corporations with a consolidated gross operating income (CGOI) of \$100 000 or less.	1. General report only.
Small corporations with a CGOI of \$100 000 or more and less than \$5 million. Medium corporations with a CGOI of less than \$5 million.	1. General report. 2. Audited financial report or financial report based on reports to government funders.
Large corporations or any corporation with a CGOI of \$5 million or more.	1. General report. 2. Audited financial report. 3. Directors' report.

TIP: if you have your member list already prepared, you can simply attach it to the general report rather than writing or typing it again.

Need to know your registered size? Ring ORIC on 1800 622 431 (freecall except for mobiles) or check the public register on www.oric.gov.au.

Deadline for lodging reports

All corporations must lodge their reports with the Registrar by 31 December each year. If a corporation cannot meet this requirement, they may be eligible for an exemption from lodging the report, or an exemption that allows the corporation an extension to lodge the report.

If you are a member or director of a corporation, find out if your reports have been lodged. If they haven't or if you need some extra help to fill them in, call ORIC on 1800 622 431 (freecall except for mobiles) or email info@oric.gov.au.

Reporting online

Corporations now have the option of reporting online (<https://online.oric.gov.au>), saving them quite a bit of time.

Exemptions from reporting

The Registrar may grant an exemption to a corporation to lodge a particular report or extend the time in which a particular report must be lodged.

When considering an application for exemption, the Registrar must consider whether the current reporting obligations:

- make a report misleading
- are inappropriate in the circumstances or
- if it would impose an unreasonable burden on the corporation.


The Registrar must take the following into account:

1. if the corporation provides services, what the consequences would be if the corporation stopped providing those services
2. whether the corporation is at high risk of becoming insolvent or not complying with reporting requirements
3. the expected costs of complying with the reporting requirements
4. the expected benefits of having the corporation comply with the reporting requirements (including the number and position of creditors and potential creditors and the nature and extent of liabilities of the corporation)
5. any practical difficulties that the corporation might have to effectively comply with the reporting requirements
6. any unusual aspects in the way a corporation operates during the financial year concerned
7. any other matters that the Registrar considers relevant.

The Registrar will look at every case individually. Applications must be made in writing. The Registrar will then examine the application and let the corporation know in writing whether it has been granted an exemption or whether further information is required.

To apply for an exemption, complete the *Application for exemption form* and lodge with ORIC.

A corporation granted an exemption from reporting under the CATSI Act is still required to maintain proper accounts and records.

 Did you know you can complete this form online at <https://online.oric.gov.au>?

Current exemptions

The Registrar has granted two class exemptions that apply to 2008–09 reporting and future years. These affect reporting in the following ways:

- all corporations have been exempted from providing trust and land information in their general report. ORIC's general report form has been changed to reflect this.
- small and medium size corporations with CGOI less than \$5 million have been exempted from providing a directors' report.

Further information

Please contact ORIC on 1800 622 431 (freecall except for mobiles) or email info@oric.gov.au if you need any further information or help about:

- finding out whether your corporation has lodged this year's reports or previous reports
- whether your corporation is eligible for exemption from preparing and lodging reports
- help in completing any of the documents mentioned in this guide.

This guide is designed to help corporation auditors and accountants (or bookkeepers) prepare corporation reports.

1 General report

WHO NEEDS TO PROVIDE A GENERAL REPORT?

Under the CATSI Act **all** Aboriginal and Torres Strait Islander corporations are required to submit a general report to the Registrar every financial year.

WHEN DO GENERAL REPORTS NEED TO BE LODGED?

Between 1 July and 31 December each year.

This means that 2009–10 reports are due by 31 December 2010.

WHAT'S IN THE GENERAL REPORT?

The general report has information about the corporation, its members and officers.

Keeping this important information up to date throughout the year will make it easier to complete the general report each year. The Registrar can determine the registered size of a corporation based on the accurate income, assets and number of employees of a corporation.

Each year ORIC partly fills in a general report form for each corporation based on information previously lodged with ORIC. Corporations can see a copy of their general report by logging into ORIC's online lodgment website, <https://online.oric.gov.au>. A printed general report is also mailed or emailed to all corporations. Corporations can contact ORIC to get another printed copy if they've not received one.

2 Financial report

WHO NEEDS TO PROVIDE A FINANCIAL REPORT?

- Small corporations with a CGOI of more than \$100 000.
- Medium corporations.
- Large corporations.

Consolidated entities

The accounting standards may require a corporation to include other organisations in its financial statements. An example of when this happens is when a corporation has subsidiaries. They will need to prepare consolidated financial statements that represent the group.

When a corporation has control over another organisation, including an unincorporated one, they are known as the parent. The organisation that is being controlled is called a subsidiary.

WHO DOES NOT NEED TO PROVIDE A FINANCIAL REPORT?

Small corporations with an income of \$100 000 or less are not required to prepare a financial report for the Registrar. This makes things a lot easier for corporations with little or no income.

WHEN DO FINANCIAL REPORTS NEED TO BE LODGED?

Between 1 July and 31 December each year.

WHAT'S IN THE FINANCIAL REPORT?

The financial report must contain audited financial statements for the year, notes to the financial statements and a directors' declaration. However, some corporations that receive public funding can choose a different financial report—see page 11.

Corporations must report on a consolidated basis if required by the accounting standards.

Accounting standards can be found at the Australian Accounting Standards Board website www.aasb.com.au.

The auditing standard can be found at the Auditing and Assurance Standards Board website www.auasb.gov.au/standards.htm.

WHAT'S IN THE FINANCIAL REPORT?

<p>General purpose financial report (to be prepared according to the accounting standards)</p>	<p>Small corporations with a CGOI more than \$100 000 Medium corporations Large corporations</p>
<p>FINANCIAL STATEMENTS, INCLUDING:</p> <ul style="list-style-type: none"> (a) a statement of financial position (b) a statement of comprehensive income (c) a statement of changes in equity showing either: <ul style="list-style-type: none"> (i) all changes in equity or (ii) changes in equity other than those arising from transactions with equity holders acting in their capacity as equity holders (d) a statement of cash flows <p>This list is a summary only. Financial statements must comply with all applicable accounting standards.</p>	<p style="text-align: center;">✓</p>
<p>Notes to the financial statements (prepared according to all applicable accounting standards).</p> <p>The financial statements, notes and any other information must give a true and fair view of the financial position and performance of the corporation or consolidated entity.</p>	<p style="text-align: center;">✓</p>
<p>DIRECTORS' DECLARATION</p> <p>A copy of the resolution of the directors' declaration.</p> <p>The resolution can be passed at a directors' meeting or by circulation. It must include:</p> <ul style="list-style-type: none"> - a statement that the corporation will be able to pay its debts when they are due - a statement that the financial statements and notes comply with the CATSI Regulations, accounting standards and provide a true and fair view of the financial position and performance of the corporation - the date the resolution was made - a signature of a director. <p>ORIC has an example resolution in attachment A.</p>	<p style="text-align: center;">✓</p>

<p>General purpose financial report (to be prepared according to the accounting standards)</p>	<p>Small corporations with a CGOI more than \$100 000 Medium corporations Large corporations</p>
<p>AUDIT REPORT</p> <p>The financial report must be audited according to the auditing standard.</p> <p>In conducting the audit and preparing the audit report, the auditor must form the following opinions:</p> <ul style="list-style-type: none"> - whether the financial report is in accordance with CATSI Act—and if not, say why - if the Registrar has imposed additional/increased reporting requirements, whether the financial report is in accordance with those requirements - whether the auditor has been given all information, explanations and assistance necessary to conduct the audit - whether the corporation has kept financial records sufficient to enable the financial report to be prepared and audited - whether the corporation has kept other records and registers as required by the CATSI Act. <p>The audit report must include any statements and disclosures required by the auditing standard, including a statement on whether in the auditor’s opinion, the financial statements present the financial transactions fairly according to applicable accounting standards and are based on proper accounts and records.</p> <p>If the auditor is of the opinion that the financial report does not comply with an accounting standard, the auditor must to the extent practical, quantify the effect the non-compliance has on the financial report, if it is not practicable to quantify the effect fully, the report must say why.</p>	<p style="text-align: center;">✓</p>

WHO CAN AUDIT THE FINANCIAL REPORT?

The audit report can be done by:	Small corporations with a CGOI between \$100 000 and \$5 million	Medium corporations with a CGOI less than \$5 million	Large corporations Any size corporation with a CGOI of \$5 million or more
– a registered company auditor	✓	✓	✓
– an audit firm that has at least one member who is a registered company auditor	✓	✓	✓
– an authorised audit company	✓	✓	✓
– a Certified Practising Accountant or a fellow of CPA Australia	✓	✓	✗
– a chartered member/affiliate of the Institute of Chartered Accountants in Australia.	✓	✓	✗

OPTION FOR PUBLIC-FUNDED CORPORATIONS (IF ELIGIBLE)

SMALL CORPORATIONS WITH A CGOI BETWEEN \$100 000 AND \$5 MILLION AND MEDIUM CORPORATIONS WITH A CGOI LESS THAN \$5 MILLION THAT RECEIVE PUBLIC FUNDING

These corporations may prepare and lodge a financial report as described on previous pages or, if they meet the eligibility requirements below, a financial report based on reports given to public funding bodies.

This option is only available when:

- at least 90 per cent of the corporation's CGOI during the financial year consists of government funding (Commonwealth, state or local)
- as a condition of the funding the corporation is required to lodge an annual report and
- the accounting standards do not require the corporation to provide consolidated financial statements.

Financial report for eligible public-funded corporations	Public-funded small corporations with a CGOI between \$100 000 and \$5 million Public-funded medium corporations with a CGOI less than \$5 million
A copy of the reports given to the funding bodies.	✓
A copy of the relevant auditor's report.	✓
An income and expenditure statement and a balance sheet for any income, expenditure, assets and liabilities that have not been included in the funding reports.	✓
<p>A copy of the resolution of the directors' declaration.</p> <p>The resolution can be passed at a directors' meeting or by circulation. It must include:</p> <ul style="list-style-type: none"> - a statement that the corporation will be able to pay its debts when they are due - a statement that the financial statements and notes comply with accounting standards and are a true and fair view of the financial position and performance of the corporation - the date the resolution was made - a signature of a director. <p>ORIC has an example resolution in attachment A.</p>	✓

3 Directors' report

WHO NEEDS TO PROVIDE A DIRECTORS' REPORT?

- Large corporations.
- Any size corporation with a CGOI of \$5 million or more.

Consolidated entities

The accounting standards may require a corporation to include other organisations in its financial and directors' report. An example of when this happens is when a corporation has subsidiaries. They will need to prepare a consolidated directors' report that represent the group.

When a corporation has control over another organisation, including an unincorporated one, they are known as the parent. The organisation that is being controlled is called a subsidiary.

WHO DOES NOT NEED TO PROVIDE A DIRECTORS' REPORT?

Small and medium corporations with an income of less than \$5 million.

WHEN DO DIRECTORS' REPORTS NEED TO BE LODGED?

Between 1 July and 31 December each year.

WHAT'S IN THE DIRECTORS' REPORT?

The report should contain information such as:

- a detailed overview of a corporation's business performance during the financial year
- reasons for the corporation's results and financial position
- directors' meetings and any sub-committees
- description of the corporation's activities
- qualifications and experience of the corporation's directors and secretary
- any court proceedings relevant to the corporation.

The directors' report helps members to understand the corporation's business.

Information required	Large corporations Any size corporation with a CGOI of \$5 million or more	CATSI Regulation
If details are already included in the financial report they do not have to be included in the directors' report. If they are not included, the directors' report must say so and state where they can be found in the financial report.	✓	333-10.02 (6) and (7)
General information		
A review of operations of the corporation during the year and the results of those operations.	✓	333-10.02 (1)(a)
Details of any significant changes in the corporation's state of affairs during the year.	✓	333-10.02 (1)(b)
A statement of the corporation's principal activities during the year and any significant changes in the nature of those activities during the year.	✓	333-10.02 (1)(c)
Details of any matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect: (i) the corporation's operations in future financial years or (ii) the results of those operations in future financial years or (iii) the corporation's state of affairs in future financial years.	✓	333-10.02 (1)(d)
Likely developments in the corporation's operations in future financial years and the expected results of those operations. <i>*This can be left out if it could result in unreasonable prejudice to the corporation or consolidated group. But the report must say so.</i>	✓	333-10.02 (1)(e) *(4) and (5)
If the corporation's operations are subject to any particular and significant environmental regulation under a Commonwealth, state or territory law—details of the corporation's performance in relation to environmental regulation.	✓	333-10.02 (1)(f)

Information required	Large corporations Any size corporation with a CGOI of \$5 million or more	CATSI Regulation
Specific information		
Details of distributions paid to members during the year.	✓	333-10.02 (1)(g)
Details of distributions recommended or declared for payment to members, but not paid during the year.		333-10.02 (1)(h)
The name of each person who has been a director of the corporation during the year and the period of each director's tenure.	✓	333-10.02 (1)(i)
Details of each director's qualifications, experience and special responsibilities.	✓	333-10.02 (1)(j)
The number of meetings of the board of directors held during the year and each director's attendance record at those meetings.	✓	333-10.02 (1)(k)
The number of meetings of each board committee held during the year and each director's attendance record at those meetings.	✓	333-10.02 (1)(l)
The name of each person who has been a secretary of the corporation during the year.	✓	333-10.02 (1)(m)
Details of each secretary's qualifications and experience.	✓	333-10.02 (1)(n)
The name of each person who: (i) was an officer of the corporation at any time during the year and (ii) was, when an audit firm or audit company that is an auditor of the corporation undertook an audit of the corporation, a partner in the audit firm or a director of the audit company.	✓	333-10.02 (1)(o)
A copy of the auditor's declaration under section 339-50 of the Act for the audit for the financial year.	✓	333-10.02 (1)(p)
For any application for leave made during the year under section 169-5 of the Act: (i) the applicant's name (ii) a statement whether leave was granted.	✓	333-10.02 (1)(q)

Information required	Large corporations Any size corporation with a CGOI of \$5 million or more	CATSI Regulation
Specific information		
<p>For any proceedings that, during the year, a person has brought or intervened in for the corporation with leave under section 169-5 of the Act:</p> <ul style="list-style-type: none"> (i) the person's name (ii) the names of the parties to the proceedings (iii) sufficient information to enable members to understand the nature and status of the proceedings (including the cause of action and orders made by the court). 	✓	333-10.02 (1)(r)
<p>If the notes to the financial report include additional information to give a true and fair view of financial position and performance, the directors' report must include:</p> <ul style="list-style-type: none"> (i) the directors' reasons for why they decided the additional information was necessary and (ii) where the additional information can be found in the financial report. 	✓	333-10.02 (3)
The date the report was made.	✓	333-10.02 (8)(b)
The report must be signed by a director.	✓	333-10.02 (8)(c)
<p>A copy of the resolution approving the directors' report. This resolution can be passed at a directors' meeting or by circulation. ORIC has draft resolutions in attachment A.</p>	✓	333-10.02 (8)(a)

Attachment A

Director's declaration for approving financial and directors' reports under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) (minutes and resolution)

Corporation name: _____ (the corporation)

ICN: _____

MINUTES OF DIRECTORS' MEETING

Date: _____/_____/_____

Location: _____

Time: _____

Present: see attached attendance list

Apologies: see attached list of apologies

Chairperson: _____

Quorum: A quorum of directors was present at all times during the meeting.

Notice of meeting: The notice of the directors' meeting was, with the permission of the directors, taken as being read.

Resolution: The following resolution was passed by at least 50 per cent of directors attending the meeting.

THE DIRECTORS RESOLVED:

1. that in their opinion, there are reasonable grounds to believe that the corporation will be able to pay its debts when they become due and payable
2. that in their opinion, the financial statements and notes are in accordance with the Corporations (Aboriginal and Torres Strait Islander) Regulations 2007 (CATSI Regulations), including:
 - i. compliance with the accounting standards
 - ii. providing a true and fair view of the financial position and performance of the corporation/consolidated entity (strike out whichever is not applicable)
3. to approve the directors' report made on _____
(insert date of directors' report)

Closure: There being no further business the meeting was declared closed at _____ (insert time)

Confirmed: _____

(Signature of chairperson/director)

(Name of chairperson/director)