



15-17 July 2022

**DOCUMENT 10C**

<b>Title</b>	<b>Audit of Small Congregations Financial Reports</b>
Type of Paper (Information/Decision)	For decision
Assembly or ASC Minute	(See Rationale & Findings Summary below)
Consultation	The Assembly Legal Reference Committee
Purpose	To approve the regulations relating to the 16 <sup>th</sup> Assembly resolution re the audit of small congregations' financial reports.
Rationale & Findings Summary	<ul style="list-style-type: none"> <li>• The following resolution was made at the 16<sup>th</sup> Assembly reconvened meeting:</li> </ul> <p>To authorise the Assembly Standing Committee, on the advice from the Assembly Legal Reference to amend the following regulations:</p> <ol style="list-style-type: none"> <li>1. Regulation 3.8.7(c) – to amend through insertion after “The books of account” the words “when the gross receipts are above \$100,000”, the proposed wording of the revised Regulation being: <ul style="list-style-type: none"> <li>(c) The books of account, <u>when the gross receipts are above \$100,000</u>, shall be audited and certified by the auditors at least once in every year and at such other times as may be required by the chairperson of the Church Council or other body responsible as the case may require.</li> </ul> </li> <li>2. Regulation 3.8.7(e), Variations to Qualifications from 2.5 times the notional stipend to the Australian Charities and Not-for-profits Commission (ACNC) financial reporting revenue threshold for small charities, the proposed wording of the revised Regulation, subject to Assembly Legal Reference Committee advice, being: <ul style="list-style-type: none"> <li>(e) Where the gross receipts of a Congregation or body or fund in the year is below a figure that equates to <u>2.5 times the notional stipend the Australian Charities and Not-for-profits Commission (ACNC) financial reporting revenue threshold for small charities</u>, the books of account may be audited and certified by two persons who are not qualified in terms of (d) above, but who are, in the opinion of the body responsible, fit and proper persons to undertake the responsibility.</li> </ul> </li> </ol> <ul style="list-style-type: none"> <li>• The following notes were provided by the ALRC for the information of the ASC: <ol style="list-style-type: none"> <li>1. The resolution of the Assembly was proposed by the NSW Synod. In the rationale to the proposal the Synod advised that under the current formula, 2.5 times notional stipend</li> </ol> </li> </ul>

	<p>was \$150,000 and that the Australian Charities and Not-for-profits Commission financial reporting revenue threshold at that time for small charities was \$2500000. The Synod advised in the rationale that there were approximately 160 congregations with gross receipts below \$150000 who could utilize the current UCA Regulation and that, if the proposal was approved, an additional 70 congregations could benefit from the change to \$250000.</p> <p>2. Regulation 205.1 of the ACNC Regulation 2013 has been amended to increase the prescribed 'threshold' amount for small charities from \$250000 to \$500000 from 1 July 2022. This increase may allow most congregations to proceed without an audit by a qualified auditor because their gross receipts would be under \$500000.</p>
Attachments	Nil
Proposal/s	<p>That the Assembly Standing Committee:</p> <p>1. Approve amendments to Regulations 3.8.7(c) and 3.8.7(e), on the advice of the Assembly Legal Reference Committee as at 16 July 2022, as follows:</p> <p>(a) Regulation 3.8.7(c) – to amend through insertion after “The books of account” the words “when the gross receipts are above \$100,000”, the proposed wording of the revised Regulation being:  (c) The books of account, <u>when the gross receipts are above \$100,000</u>, shall be audited and certified by the auditors at least once in every year and at such other times as may be required by the chairperson of the Church Council or other body responsible as the case may require.</p> <p>(b) Regulation 3.8.7(e), Variations to Qualifications from 2.5 times the notional stipend to the Australian Charities and Not-for-profits Commission (ACNC) financial reporting revenue threshold for small charities, the proposed wording of the revised Regulation, subject to Assembly Legal Reference Committee advice, being:  (e) Where the gross receipts of a Congregation or body or fund in the year is below a figure that equates to <u>2.5 times the notional stipend the Australian Charities and Not-for-profits Commission (ACNC) financial reporting revenue threshold for small charities</u>, the books of account may be audited and certified by two persons who are not qualified in terms of (d) above, but who are, in the opinion of the body responsible, fit and proper persons to undertake the responsibility.</p>
Submitted by	Colleen Geyer (on behalf of the ALRC) Assembly General Secretary <a href="mailto:colleeng@nat.uca.org.au">colleeng@nat.uca.org.au</a> ; 0411 333 167