

10 November 2015

Compliance and Reporting Directorate  
Australian Charities and Not-for-profits Commission  
GPO Box 5108  
Melbourne VIC 3001

By email: [consultations@acnc.gov.au](mailto:consultations@acnc.gov.au)

Dear Commissioner Pascoe and team

## **2016 Annual Information Statement (AIS): Public consultation paper**

Governance Institute of Australia (Governance Institute) is the only independent professional association with a sole focus on the practice of governance. We provide the best education and support for practising chartered secretaries, governance professionals and risk managers to drive responsible performance in their organisations.

Our members are all involved in governance, corporate administration and compliance with the Corporations Act 2001. Many of our members serve as officers of charities, or work for, or are involved with charities and are therefore involved in compliance with the requirements of the Australian Charities and Not-for-profits Commission (ACNC).

Governance Institute is itself a charity operating in the legal form of a company limited by guarantee, established to promote and advance the efficient governance, management and administration of commerce, industry and public affairs and the development of secretaryship of organisations through education and the dissemination of information. We welcome the opportunity to provide feedback on the *2016 Annual Information Statement (AIS): Public consultation paper* and commend the ACNC for its extensive consultation process which ensures that the sector is included in discussions about regulatory decisions that will affect their compliance obligations to the ACNC.

### **General comments**

We note that the requirement of information through the AIS which populates the Charities Register is one of the most important features of the current regulatory system, as it provides and promotes transparency and accountability by allowing all stakeholders who wish to donate, volunteer and be involved with charities easy access to information about the identity and operation of every charity and provides comparability.

The proposed changes in the 2016 AIS include both the deletion of questions and proposed additional questions and financial information that the ACNC proposes to collect in the 2016 AIS. Our members consider that the proposed changes are not wholesale changes and therefore we support the following:

- the removal of optional questions previously contained in Section D of the 2015 AIS — we agree that two years' worth of data regarding these questions is sufficient for information purposes

- the intention to modify the existing questions relating to beneficiaries and their primary activities — we agree that these modifications will improve the relevance of the information collected
- the introduction of additional financial information relating to revenue lines for small entities to help ACNC and the charity with determining appropriate reporting obligations
- the introduction of additional financial information relating to whether the entity is part of a consolidated group for medium and large entities to assist ACNC to identify whether the entities could be consolidated
- the additional information about the existence of a review or audit report. We are in agreement that this information is critical for building public trust and confidence in the register and will assist the ACNC with compliance with the Corporations Act. We also note that this sensitive information will not be posted on the AIS register and are in agreement with this
- the additional questions relating to the existence and disclosure of related party transactions. We have been strong supporters of including questions regarding related party transactions since discussions first commenced about the information that charities would need to supply to the ACNC, as we see providing transparency on these matters as a key governance issue. We welcome these additional questions.

While we support the changes proposed to the AIS questionnaire, we would like to draw attention to the wide variety of the roles and authorities of the individual who fills out the form in each charity and the possible unintended consequences that may arise from lack of training or knowledge concerning the information sought. We suggest that consideration be given to a concluding statement that could be signed off by the CEO or senior management officer or should neither position exist, the head of the governing body, to offer assurance and reduce internal uncertainty in relation to the compliance obligations of the charity. This would not only counter any lack of knowledge about related party transactions that may exist but also ask the CEO/senior management officer or head of the governing body for sign-off, even where that individual is the person who has related party transactions.

We are of the view that the ACNC continues to successfully strike a balance between providing support and guidance and acting decisively where necessary to address non-compliance and we commend the ACNC in its streamlining of the collection of information in order to be more targeted and precise in the way it regulates.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steven Burrell', written in a cursive style.

Steven Burrell  
Chief Executive