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FINANCIAL REPORTING RELIEF FOR NOT-FOR-PROFIT ENTITIES

Our ever vigilant committee is once again trying to save the DIAA some money.

A recent article on Financial Reporting relief for Not-For-Profit Entities is of particular interest as it has the potential to save us audit money.

Amendments to the Corporations Act aimed at reforming corporate reporting will apply from 30 June 2010. The amendments provide financial reporting relief to limited by guarantee not-for-profit entities from the preparation, lodgement and audit of financial reports.

In the case of the DIAA, where we have less than \$250,000 revenue, we have no obligation to do any of the following unless under a member direction or ASIC direction. We need not prepare a financial report or a directors' report. Also, we need not have the financial report audited or notify the members of any reports.

Where the DIAA will make their saving is by not having their financial reports audited. The financial and directors' report will still be presented to the members.

We will not be able to take advantage of this for the 2009-10 financial reports. However, a Notice of Motion will be presented to the next AGM in an attempt to change the DIAA Constitution. The aim of this motion will be to delete the requirement for an audit and simply substitute that the accounts be certified by an independent authority. Of course this will be open for discussion and if passed will save the association the cost of employing an auditor.