

## Accounts, Audits and Annual Reports Ordinance 1995

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No 34, 1995

### Long Title

An Ordinance to lay down accounting and annual reporting requirements for Organisations and Parishes of the Diocese of Sydney and for related matters.

The Synod of the Diocese of Sydney Ordains as follows.

### Part 1: Application of this Ordinance

### Organisations and Parishes to which this Ordinance Applies

1. This Ordinance applies to -
  - (a) the unincorporated Organisations in the First Schedule;
  - (b) the Corporations in the Second Schedule;
  - (c) Parishes to the extent determined under clause 3; and
  - (d) all Organisations set up by or under ordinances or resolutions of the Synod or the Standing Committee to manage church trust property after the date on which this ordinance receives assent.

### Requirements Additional to Those Imposed by Law

2. The requirements of this Ordinance are in addition to those imposed by any law or statute.

### Application to Parishes

3. (1) By a resolution the Standing Committee may declare that some or all of the provisions of this ordinance apply to a Parish in the same way as they apply to a Corporation if the Standing

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Committee believes the trading and/or investment activities of the Parish require the application of those provisions.

(2) A resolution under subclause (1) may specify the person or persons in the Parish who is or are to comply with the provisions.

(3) On the making of a resolution under subclause (1), the provisions of this ordinance specified in the resolution will apply to the Parish.

(4) By a resolution the Standing Committee may revoke or amend a resolution made under this clause.

### **Part 2: Requirements to Keep Records and Registers**

#### **Keeping Records and Reporting Liquidity Problems**

4. The members of each Organisation must -
- (a) maintain records to correctly record and explain the transactions and financial position of the Organisation;
  - (b) maintain the records in a manner which will enable true and fair accounts to be prepared from time to time and to be audited in accordance with this ordinance;
  - (c) maintain the records for at least 6 years after the Financial Year to which they relate;
  - (d) notify the Secretary of the Standing Committee immediately when circumstances arise that may affect the ability of the Organisation to pay its debts as and when they fall due; and
  - (e) maintain a satisfactory system of Internal Control.

#### **Internal Control**

5. The system of Internal Control maintained by an Organisation must include -
- (a) policies for fulfilling its charter and complying with lawful requirements;
  - (b) sound practices for efficient, effective and economical management;
  - (c) procedures for the control of assets, liabilities, income and expenditure, and compliance with accepted accounting standards;
  - (d) segregation of functional responsibilities; and
  - (e) procedures to review the adequacy of and compliance with the system of Internal Control.

#### **Seal Register to be Kept by Corporations**

6. A Corporation must keep a seal register which records the following details of every document executed under seal -
- (a) a description of the document or instrument;
  - (b) the date on which the seal was affixed;

- (c) the names of the persons who witnessed the affixing of the seal; and
- (d) the date of the meeting which approved the execution of the document.

### Part 3: Requirements for Audit

#### **Appointment of Auditor - Notification to Standing Committee**

7. The members of each Organisation must -
- (a) appoint, as the auditor of the Organisation, a person who is or persons who are -
    - (i) registered as an auditor or auditors under the Corporations Law of any State or Territory of the Commonwealth of Australia;
    - (ii) a member or members of the Australian Society of Certified Practising Accountants; or
    - (iii) a member or members of the Institute of Chartered Accountants in Australia;
  - (b) upon the resignation or retirement of the auditor, appoint another auditor;
  - (c) notify the Standing Committee of the name and address of every person so appointed; and
  - (d) give the auditor a copy of this ordinance.

#### **Terms of Appointment of Auditor**

8. The terms of appointment of an auditor must include the requirements in clause 10 and an obligation to promptly notify the Secretary of the Standing Committee -
- (a) of deficiencies in any matter (including deficiencies in Internal Control or in the communication of information to members of the Organisation) if the auditor qualifies the auditor's report because of the deficiency; and
  - (b) if the auditor has not signed a report on the financial statements within 6 months after the balance date of the Organisation.

#### **Financial Statements for Audit**

9. (1) The members of each Organisation must present the following financial statements to the auditor as soon as possible after the end of a Financial Year -
- (a) a balance sheet as at the end of the Financial Year giving a true and fair view of the state of affairs of the Organisation; and
  - (b) a statement of income and expenditure for the Financial Year giving a true and fair view of the income and expenditure.

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(2) Subject to subclause (3), the financial statements referred to in subclause (1) are to be prepared as either a general purpose financial report or a special purpose financial report as defined by the Australian Accounting Research Foundation in its statement of accounting concepts SAC 1 "definition of reporting entity" or in any standard or statement which supersedes that statement.

(3) The Standing Committee may, by resolution, require that the financial statements of an Organisation referred to in subclause (1) be prepared as a general purpose financial report.

##### **Auditor's Report**

10. The auditor must comply with accepted auditing standards and report to the members of the Organisation on the financial statements, giving an opinion on -

- (a) whether the documents are properly drawn up so as to give a true and fair view of the affairs of the Organisation;
- (b) whether the accounting records and registers have been kept in accordance with this ordinance; and
- (c) if the auditor is not satisfied, the reasons for not being satisfied.

#### **Part 4: Requirements for Reporting**

##### **Annual Reports to Synod - Lodgement and Format**

11. Within 6 months after the end of a Financial Year, the members of each Organisation must submit to the Standing Committee for tabling at the next ordinary session of the Synod a report on that Financial Year which contains -

- (a) an index or table of contents;
- (b) a logical sequence of material information; and
- (c) an appropriate layout of information with clear, readable text.

##### **Annual Reports to Synod - Content**

12. Each annual report of an Organisation must include -

- (a) The financial statements and auditor's report referred to in clauses 9 and 10.
- (b) Information, as appropriate, along the following lines -
  - (i) Charter - a statement of the purposes for which the Organisation was established, stating its ordinance or other constituting documents and the sections of the church or the community served;
  - (ii) Access - the address and telephone number of the principal office of the Organisation and its business hours;
  - (iii) Members - the names of the members, the method and term of appointment of those members, their attendance

- at meetings, and the names of any significant committees;
- (iv) Structure - a chart indicating functional responsibilities within the Organisation and the titles, names and qualifications of the senior officers;
  - (v) Activities - a narrative summary of the major activities for the Financial Year and the range of services provided; and
  - (vi) Financial Results - a short summary of the results for the Financial Year comparing actual results to the budget, and the budget for the current Financial Year, with an explanation of any significant variances.

**Annual “Liquidity” Reports to Standing Committee**

13. (1) Within 6 months after the end of each Financial Year, the members of each Organisation must submit to the Standing Committee a report stating the following information -

- (a) whether the members are of the opinion that, at the date of the report, there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they fall due;
- (b) whether adequate provisions have been made (including but not limited to, provisions for employee entitlements);
- (c) whether all trade creditors are being paid in accordance with normal terms of payment;
- (d) whether all dealings with real and personal property (including money) have been consistent with the trusts on which the property is held;
- (e) whether any payment has been made to a member (other than in the capacity of an employee of the Organisation) and, if so, the name and total amount paid to the member;
- (f) whether a satisfactory system of Internal Control has been maintained;
- (g) whether appropriate types of insurance and levels of insurance cover are held for all insurable risks having regard to both value of assets and current levels of awards for damages;
- (h) particulars of any matter which has arisen since the end of the Financial Year and the date on which the report is signed which could have a significant effect on the Organisation; and
- (i) that the report has been adopted at a duly convened and constituted meeting of the members of the Organisation and the date of that meeting.

(2) A report under subclause (1) must be signed by 2 members of the Organisation.

## Part 5: Enforcement

### Supply of Information

14. The Standing Committee may require an Organisation to furnish additional information on its affairs.

### Non Compliance: Suspension of Members

15. (1) If the members of an Organisation do not comply with any provision of this ordinance, including a requirement under clause 14, the Standing Committee may authorise the sending of a notice to those members calling upon them to comply within 14 days after the date of the notice.

(2) The notice need not be sent to all members but must be sent to a majority of the members for the time being.

(3) If the members of an Organisation do not comply with a notice under subclause (1), by a resolution the Standing Committee may suspend all or any of those members and appoint a person or persons to act in their place.

## Part 6: Dictionary

### Interpretation

16. The Interpretation Ordinance 1985 applies to this ordinance. The headings in this ordinance have been inserted for convenience only and do not affect the interpretation of this ordinance.

### Definitions

17. In this ordinance, unless the context otherwise requires -

“Corporation” means a body corporate regulated under an ordinance of the Synod or its Standing Committee.

“Financial Year” means, subject to clause 18, the year commencing on 1 January.

“Internal Control” means the whole system of controls, financial or otherwise established by an Organisation in order -

- (a) to carry on the business and affairs of the Organisation in an efficient and orderly manner;
- (b) to ensure adherence to management policies of the Organisation;
- (c) to safeguard the assets of the Organisation; and
- (d) to secure, so far as is possible, the accuracy and reliability of the records of the Organisation.

“Organisation” means a body set up by the Synod or its Standing Committee to manage church trust property, whether constituted by an ordinance or a resolution, and includes a Corporation.

“Parish” means a parish, provisional parish or assisted provisional parish in the Diocese constituted or recognised

under the Parishes Ordinance 1979 and includes parish councils, church committees and churchwardens.

#### **Financial Year**

18. (1) The Standing Committee may, by resolution, specify a period or periods (whether of 12 months' duration or otherwise) to be the Financial Year for the purposes of this ordinance in relation to the Organisation or any part of the Organisation.

(2) If the Standing Committee so specifies, it may also, by resolution, specify the date by which reports in relation to the Financial Year specified are to be lodged under clause 11.

### **Part 7: Citation and Repeal**

#### **Citation**

19. This Ordinance may be cited as the "Accounts, Audits and Annual Reports Ordinance 1995".

#### **Repeal of Accounts Ordinance 1975**

20. The Accounts Ordinance 1975 is repealed but without relieving the members of an Organisation of any obligation existing, but which has not been complied with, on the date this ordinance receives assent.

#### **Amendment of Other Ordinances**

21. Where another ordinance is inconsistent with this ordinance, on the reprinting of that ordinance the Diocesan Secretary is authorised to make amendments to remove the inconsistency.

### **First Schedule**

#### **Unincorporated Organisations**

Anglican Media Council  
Anglican Youth Department Diocese of Sydney  
Arundel House Council  
College of Preachers (Council of the)  
Continuing Education for Ministers (Council for)  
Department of Evangelism  
Gilbulla Memorial Conference Centre and Retreat House  
Inner City Committee  
Marrickville Area Deanery Committee  
Parramatta Anglican Regional Council  
St Andrew's Cathedral Chapter  
St John's Provisional Cathedral Chapter, Parramatta  
St Michael's Provisional Cathedral Chapter, Wollongong  
School of Pastoral Counselling Committee  
Sydney Church of England Finance and Loans Board  
Sydney Diocesan Educational and Book Committee  
Wollongong Anglican Regional Council

## **Second Schedule**

### **Corporations**

Abbotsleigh (The Council of)  
Anglican Counselling Centre  
Anglican Education Commission Diocese of Sydney  
Anglican Provident Fund  
Anglican Retirement Villages: Diocese of Sydney  
Arden Anglican School Council (The)  
Barker College (The Council of)  
Campbelltown Anglican Schools Council  
Church of England Homes (Committee of The)  
Crawford Village Parramatta  
Glebe Administration Board  
Illawarra Grammar School Council (The)  
King's School (The Council of The)  
Macarthur Region Anglican Church School (The)  
Moore Theological College Council  
St Andrew's Cathedral School (The Council of)  
St Andrew's House Corporation  
St Catherine's School, Waverley (The Council of)  
Sydney Anglican Car and Insurance Fund  
Sydney Anglican Church Investment Trust  
Sydney Anglican Home Mission Society  
Sydney Anglican Pre-School Council  
Sydney Anglican Schools Corporation  
Sydney Church of England Grammar School Council  
Sydney Church of England Girls Grammar School Council  
Sydney Diocesan Secretariat  
Sydney Diocesan Superannuation Fund Board  
Tara Anglican School for Girls (The Council of)  
Trinity Grammar School (The Council of)  
William Branwhite Clarke College Council



I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

P.W. YOUNG  
Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on 19 October 1995.

W.G.S. GOTLEY  
C.J. MORONEY  
Secretaries of Synod

I Assent to this Ordinance.

R.H. GOODHEW  
Archbishop of Sydney  
23/10/1995