



CODE OF CONDUCT Annual/Financial Reporting Checklist

The following checklist is a summary of the annual and financial reporting requirements contained within the [ACFID Code of Conduct](#) and [Quality Assurance Framework](#). The checklist has been prepared as a tool to assist you in navigating the various reporting requirements across both the Code and the [ACFID Mandatory Financial Guidance](#).

For more detail, you can refer to the Code of Conduct, Quality Assurance Framework, ACFID Mandatory Financial Guidance, [Good Practice Toolkit](#) (refer Quality Principle 8) and the tips accompanying this checklist.

	Completed	Comment
<p>Compliance indicator 8.3.1 Members publish an annual report. Your Annual Report must include:</p> <ul style="list-style-type: none"> ● A description of your purpose, objectives/aims and values. ● A description of your most significant aid and development activities undertaken during the reporting period and their impact. ● Information about evaluations into the effectiveness of, and the learning from, aid and development activity conducted by the organisation. ● A report by the management and/or governing body. ● A plain-language summary of income and expenditure and overall financial health. ● A statement of full adherence with the ACFID Code of Conduct. 		
<p>Compliance indicator 8.3.2 Members publish annual ACFID-Code-compliant financial statements in their Annual Reports which include:</p> <ul style="list-style-type: none"> ● A signed auditor’s report that refers to the Code-compliant financial statements. ● Comparative reporting for the previous reporting period. ● A note saying that your ACFID-Code-compliant financial statements comply with the presentation and disclosure requirements of the ACFID Code of Conduct and refers readers to the ACFID Code of Conduct website for further information. ● An Income Statement in ACFID-Code-compliant format. ● A Balance Sheet that complies with <i>Australian Accounting Standard AASB 101 Presentation of Financial Statements</i> (Option 2 members only). 		

<ul style="list-style-type: none"> ● A Statement of Changes in Equity (Option 2 members who are companies or trustee companies only). ● Income Statement reconciles with Balance Sheet (where required) and both reconcile with Statement of Changes in Equity (where required). 		
<p>Other Requirements</p> <ul style="list-style-type: none"> ● A signed Governing Body Declaration is included in your statutory full financial statements. ● Statutory full financial statements, including auditor’s report, submitted to ACFID (if not included in your Annual Report). This does not need to be published. ● Financial statements reviewed and approved by your Governing Body. ● Annual report loaded onto your website. ● Annual Report includes a reference to the availability of your full statutory financial statements (where they have been published separately from your Annual Report). ● Your financial reports accurately disclose amounts spent on public fundraising costs and administration costs. ● Financial ratios and charts are accompanied by notes explaining how they have been determined. 		

Tips for Annual and Financial Reporting

Assessment of compliance

Annual reporting: Members' governing bodies will provide copies of their annual reports and financial statements to ACFID each year.

Obligation:

Annual reports and financial statements (if not in the annual report) must be provided to ACFID within 5 months of the member's financial year end – refer to 'Compliance' in the [ACFID Good Practice Toolkit](#).

Comment:

At a minimum, ACFID Code of Conduct compliant summarised financial statements must be published in your annual report.

Where you include only the summarised financial statements in your Annual Report, you must also lodge your full financial statements with ACFID.

Commitment 8.3 We report on the acquisition and use of our resources

Compliance indicator 8.3.1 Members publish an annual report.

Verifier:

Your annual report **must** include:

- A description of your purpose, objectives/aims and values.
- A report by your management and/or governing body.
- A description of your **most significant aid and development activities** undertaken during the reporting period and their impact.
- Information about **evaluations** into the **effectiveness** of and the **learning** from aid and development activity conducted by the organisation.
- A **plain language summary** of your organisation's income and expenditure and overall financial health.

Comment:

Make sure you are talking about the reporting period under review.

You should report on outcomes achieved or on how the activity contributed towards the achievement of your outcomes.

This requirement is about showing your commitment to continuous improvement.

You can include a summary of any evaluations which have occurred during the year, with a particular emphasis on the effectiveness of programs and lessons learned to improve program delivery. Also note that such evaluations might relate to activity undertaken in previous years.

You can also identify and report on learnings from routine monitoring, reflection or from your experience of doing.

This need only be a few sentences explaining some of the key figures, including comparisons with the previous financial year

- A **statement of commitment** to full adherence to the Code.

and explanations of any significant movements.

Here is an example of a complying statement of commitment:

“(Organisation Name) is a signatory to the ACFID Code of Conduct, which is a voluntary, self - regulatory sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.”

This statement commonly appears on a page carrying the ACFID logo.

This is a separate and different requirement to your statement that the financial statements are in accordance with the Code (refer below).

Compliance indicator 8.3.2 Members publish annual ACFID-Code-compliant financial statements in their Annual Reports.

Verifier:

You must publish ACFID-Code-compliant financial statements in your Annual Reports which include:

- An auditor’s report that refers to the Code-compliant Financial Statements.

Comment:

Be sure to include your ACFID-Code-compliant financial statements in your annual report.

Summarised financial statements in your annual report must comply with the Code.

Including your Code-compliant financial reports separately in your full financial statements does not mean you can omit them from your Annual Report or include financial statements in a format that does not comply with the Code in your Annual Report.

You will need two audit reports if you include summary Code-compliant financial reports in the Annual Report.

- One for the Code-compliant financial reports in your Annual Report; and
- One for your full financial reports.

Where publishing summarised financial statements in your Annual Report, ensure that the auditor’s report that accompanies them refers to the financial statements published in the Annual Report. An audit report covering only the full financial statements where summary Code-compliant statements are published in the Annual Report is not compliant with the Code.

Make sure you include the auditor's signature, identity, contact details and qualifications. These must be legible. Take care these are not cropped out, or scaled down to be illegible, when scanning the auditor's report into your annual report.

- Comparative figures for the previous reporting period.
- A note stating that the ACFID-Code-compliant financial statements comply with the presentation and disclosure requirements of the ACFID Code of Conduct and refers readers to the ACFID website for further information.

Comparative figures for the previous reporting period must be disclosed. However, if you have no transactions during both financial years for a particular category, that particular category may be omitted entirely.

Here is an example of a complying note saying that the financial statements comply with the Code:

“The following financial statements have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID website at www.acfid.asn.au.”

- If your consolidated entity international aid and development revenue is below \$250,000 for the reporting year, reports required are:
 - o Option 1 short form income statement
 - o Auditor's report
 - o Governing body declaration (see below).

The template for the Option 1 Income Statement is in 'Financial Reporting Formats' section at the back of the [Quality Assurance Framework](#) and in the [ACFID Mandatory Financial Guidance](#).

If your total revenue is \$250,000 or more but your international aid and development revenue is below \$250,000, you may also prepare Option 1 reports.

Make sure you separately disclose income received and expenses incurred from commercial activities that are intended to generate funds to go contribute to your aim's, e.g. from retail activities or raffles. Refer Financial Definitions at the back of the [Quality Assurance Framework](#).

You do not need to prepare a Table of Cash Movements for Designated Purposes.

- If your consolidated entity international aid and development revenue is \$250,000 or more, reports required are:
 - o Income statement in Option 2 format
 - o Balance Sheet based on *Australian Accounting Standard AASB 101 Presentation of Financial Statements*.

The template for the Option 2 Income Statement is in 'Financial Reporting Formats' section at the back of the [Quality Assurance Framework](#) and in the [ACFID Mandatory Financial Guidance](#).

- o Statement of Changes in Equity if your organisation is a company or trustee company
- o Auditor's report
- o Governing body declaration (see below).

Make sure you separately disclose income received and expenses incurred from commercial activities that are intended to generate funds to go contribute to your aim's, e.g. from retail activities or raffles. Refer Financial Definitions at the back of the [Quality Assurance Framework](#).

You can find AASB 101 [here](#), refer paragraphs 54 to 80A.

You can find examples of a complying Balance Sheet and a complying Statement of Changes in Equity in the [ACFID Mandatory Financial Guidance](#).

You do not need to prepare a Statement of Changes in Equity if you are not a company or trustee company.

You do not need to prepare a Table of Cash Movements for Designated Purposes.

You should check that the Income Statement reconciles with the Balance Sheet and both Reconcile with the Statement of Changes in Equity (where required).

Other Requirements

You need to provide ACFID with a declaration by your Governing Body, stating that the financial statements are in accordance with the relevant legislation (*The ACNC Act 2012*), accounting standards, provide a true and fair view of their financial position and performance. In addition, companies and trustee companies include in that declaration that you can pay your debts as and when they become due.

You should use the Governing Body Declaration for medium and large organisations registered with the Australian Charities and Not for Profits Commission (ACNC) which is [here](#).

Make sure that the Governing Body declaration has been signed.

The Governing Body declaration must be included in your statutory full financial statements. The declaration will then be provided to ACFID when submitting your full financial statements.

You do not need to include the Governing Body declaration in your Annual Report, unless including your statutory full financial statements in your Annual Report.

<p>Your annual report, including the ACFID Code-compliant financial statements, must be made available to the public via your website.</p>	<p>Your Annual Report should be easily found on your website.</p> <p>Your Annual Report should be of reasonable file size for downloading.</p> <p>A printable copy of your Annual Report should be available upon request.</p>
<p>If you publish your full statutory financial statements separately from your annual report, a reference to the availability of the full statutory financial report must be included in your annual report.</p>	<p>For example, this could be through providing your website address if the full statutory financial statements are on your website, or it could be providing a contact email address or telephone number if only available upon request.</p>
<p>Your financial statements have been reviewed and approved by your Governing Body. This does not need to be published.</p>	<p>Ensure that you have evidence that your financial statements have been reviewed and signed off by your Governing Body. For example, this could be a minuted resolution from a Governing Body meeting or it could be a signed Governing Body report in the full financial statements that shows that the statements have been signed off by the Governing Body.</p>
<p>Your financial reports must not inaccurately claim zero administration and public fundraising expenses or otherwise understate the amount spend on public fundraising and administration and/or overstate development expenditure.</p>	<p>You must apply the financial definitions for these items that can be found in 'Financial Definitions' towards the back of the Quality Assurance Framework.</p> <p>Always check that you have disclosed your fundraising expenses and administration expenses in your financial statements. If you have genuinely not incurred any expense it is good practice to include a note explaining why.</p>
<p>If you have reported financial ratios, you must apply the ACFID Financial Definitions in their calculation and accompany any use of ratios with a note explaining how they have been determined.</p>	<p>The ACFID financial definitions can be found in 'Financial Definitions' towards the back of the Quality Assurance Framework.</p> <p>Ensure that you have used numbers sourced directly from your financial statements. Make sure there is consistency with the definitions in the Quality Assurance Framework.</p> <p>You must also apply this requirement to the use of charts or graphs which pictorially show ratios.</p> <p>Detailed guidance can be found in the Good Practice Toolkit.</p>

