



# Quarterly newsletter

ISSUE 09 | AUGUST 2019

## Have you registered for the Canberra workshop in September?

The ROC will hold its next interactive workshop on Thursday 5 September in Canberra – the first time a ROC workshop will be held in the national capital.

The Canberra workshop will include information about recent updates to the governance of registered organisations and will provide the opportunity to engage with the Commissioner and ROC staff.

Workshops are attended by a broad range of stakeholders including officers, financial specialists and administrators of registered organisations, as well as legal representatives.

If you haven't already registered your attendance, please complete the [registration form](#) available online and return it to us.

This will be our fourth workshop in 2019 following on from similar sessions this year in Sydney, Melbourne and Adelaide.

Feedback from previous attendees has been overwhelmingly positive, with those attending telling us they find the workshops to be valuable, and they would attend future workshops.

The final ROC workshop for 2019 will be held in Hobart in November. Information about this workshop will be announced in coming months.



## Look out for new whistleblower resources

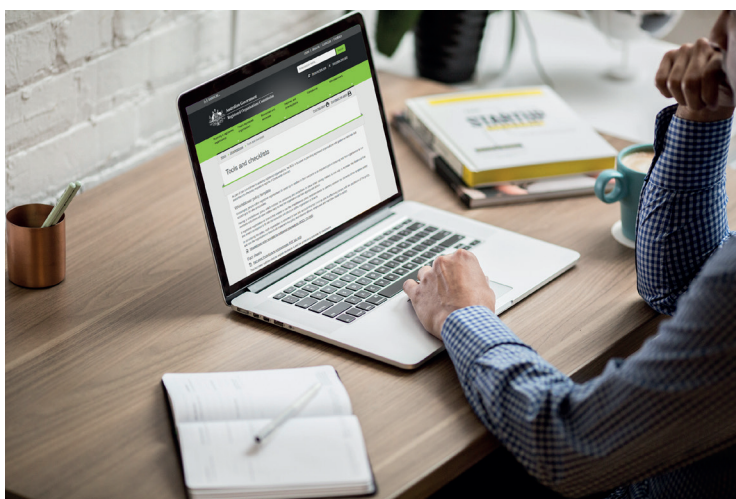
The ROC will shortly be launching a new 'reprisals' fact sheet, specifically designed to assist whistleblowers. The reason for this is that we often receive enquiries from whistleblowers about the protections available if reprisals are taken or threatened against them.

Some of those who contact the ROC assume that they are automatically protected once they make a disclosure, without anything else being required, but there are a number of elements that need to be satisfied for that protection to 'kick in'. These requirements are detailed in the legislation and are summarised and explained in the new fact sheet.

The fact sheet explains the need for action to be taken in the Federal Court to enforce these protections.

That action can be taken directly by the target of reprisals themselves. It can also be taken by the ROC or other regulators (if it is in accordance with their compliance policies).

Further information on the protected disclosures scheme is available at [www.roc.gov.au/whistleblowers/tools-and-checklists](http://www.roc.gov.au/whistleblowers/tools-and-checklists)





## Increased compliance in financial reports

We are pleased to report that the quality of compliance within financial reports has increased from 56% in 2015 (prior to the establishment of the ROC when financial reports were lodged with the Fair Work Commission) to 84% in the 2018 reporting period (as represented in the graph to the right).

In 2015–16, 96% of required financial reports were lodged *in accordance with statutory timeframe obligations*. That has increased in 2018–19 to 99%. The percentage of annual returns of information lodged within the statutory timeframe has in 2019 remained at 100%.



## Officer and related party disclosure statements and the ROC's risk-based approach to assessment

In 2018–19, organisations and their branches were for the first time required to lodge copies of their officer and related party (ORP) disclosure statements with the ROC. We provided detailed fact sheets, guidance notes and webinars, facilitated expert panel discussions at our information workshops and delivered one-on-one consultations about these new regulatory requirements. The result was that 92% of organisations and branches lodged their statements within the statutory timelines.

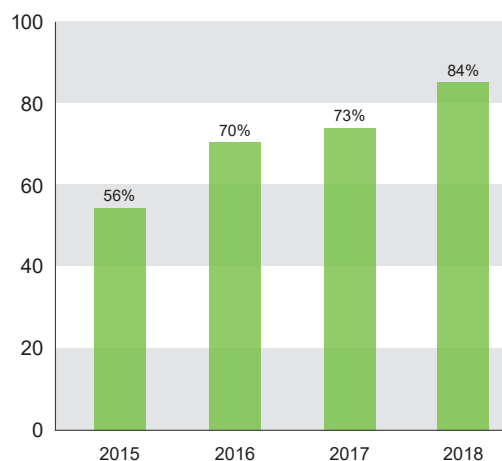
Going forward, the ROC will implement a new risk-based approach to the assessment of ORP statements. This will enable us to effectively manage disclosure obligation requirements and use our resources more effectively to help organisations to comply.

Over a five-year period, every organisation and branch will undergo at least one advanced ORP statement assessment. This will be a more comprehensive review and will thoroughly evaluate compliance with the requirements of the *Fair Work (Registered Organisations) Act 2009*. Identified patterns of non-compliance may trigger more than one advanced assessment in the five-year period.

To assist organisations and their branches to understand how we assess ORP statements, we have published both our [primary checklist](#) and [advanced checklist](#) on our website.

The risk-based approach allows the ROC to focus regulatory and public resources more effectively, and ensures each organisation and branch is subject to review based on the level of associated risk.

Financial reports: percentage compliant



## Implementation of a new case management system

The ROC implemented a new case management system during 2018–19 to manage all of the matters we handle. We invested in an 'off-the-shelf' software solution that was then customised to meet the ROC's unique requirements.

The system will be a single source of 'truth' for all cases that we manage, and is a foundation we can build upon in the future to provide a portal for organisations where they will be able to lodge and access information.

This was a major project for the ROC. Some 7000 staff hours were spent over 10 months to make this new system a reality. This involved scoping out requirements, testing the delivered software, and ensuring all required system standards were met.



## Tips: financial reporting meetings

If your organisation or branch has a 5% rule\* and utilises that rule for the purpose of the presentation of the full report, the two required committee of management meetings within the financial reporting process can happen on the same day! This works by:

1. Holding the first committee of management meeting and passing the resolutions in relation to the general purpose financial report. Finalise, sign and date the committee of management statement, then close the meeting.
2. Having your auditor complete their audit – remember the committee of management statement must be audited as well! The auditor can then prepare and provide a signed auditor's report to the committee of management.
3. Commencing a second committee of management meeting and presenting the full report (a full report includes the operating report, the auditor's report and the general purpose financial report) then close the meeting.



### Remember that:

- the full report needs to be provided to members within five months of the end of the financial year – the above mentioned meetings must therefore occur within this timeframe
- the full report and the designated officer's certificate must be lodged with the ROC within 14 days of the second committee of management meeting
- the full report lodged with the ROC must be a copy of the full report provided to members – make sure that members have received a copy of the full report before lodging with the ROC
- you need to ensure that proper minutes are taken at both meetings.

\* a 5% rule is a rule that allows 5% (or fewer) members to call a meeting to consider the audited financial report.

## Updated financial reporting resources

We have released updated resources to assist registered organisations to comply with their financial reporting obligations. These resources are now available for use in relation to financial years ending on or after 30 June 2019:

- [2018–19 Model financial statements](#)
- [2019 Financial report checklist – advanced assessment](#)
- [2019 Financial report checklist – primary assessment](#)

## Resources to help with changes to the Australian Accounting Standards

The ROC has produced two new fact sheets to help reporting units understand the impact on their financial reporting of recent amendments to the Australian Accounting Standards.

They're intended to be read alongside the pronouncements of the Australian Accounting Standards Board and were produced to provide additional guidance for registered organisations and their branches about what reporting units may need to consider as a result of these changes.

The fact sheets are available on the ROC's website and are:

- [AASB 16 Leases](#); and
- [AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-Profit Entities](#)

# Quarterly newsletter



## Reminder: ROC available for 'house calls'

In our last newsletter, we talked about the ROC's availability to conduct 'house-calls' at registered organisations to have informal discussions about a range of issues.

An employee organisation took us up on that last month and members of the education and communication team met with members of their Divisional Executive who had come together in Melbourne from around Australia for meetings and governance training. They invited the ROC to meet with them to talk about the subject of governance and also ask questions about the ROC and its role.

If other organisations would like to arrange for a similar meeting in Melbourne, please get in touch via [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au). We can also arrange 'house calls' in other states to coincide with our interstate workshops.

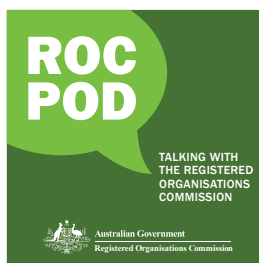


## ROC podcast coming soon!

The ROC will launch its new podcast series 'ROCpod: talking with the Registered Organisations Commission' at the end of August.

Throughout the financial year, the ROC will record a series of audio files on key topics, which will be available for stakeholders to download and listen to at their convenience.

The first podcast episode will be 'what to expect from your auditor'. The podcast and details on how to access the podcast will be available on our website on Friday 30 August.



## National 2019–20 education strategy launched

The ROC has released its national 2019–20 education strategy following consultations with organisations and peak bodies about the education services they seek from us.

The strategy document is designed to enable you, or your organisation, to plan and schedule for the education services you need or would like to access. It includes a timeline for new and updated education materials, face-to-face workshops, quarterly newsletters, podcasts and other educational materials and resources. You can find a copy of the strategy [here](#). The ROC will also provide additional education materials as needed.

## Looking ahead

**September 2019** – ROC podcast Episode 2: good governance in registered organisations; Canberra interactive workshop; launch of materials regarding whistleblowers and reprisals.

**October 2019** – ROC podcast Episode 3: an interview with the Registered Organisations Commissioner; launch of financial training exemption form; report on findings from the ROC's audit of financial training.

## Did you know?

The oldest employer organisation in Australia, registered under the RO Act, is the Australian Hotels Association.

The organisation was originally registered on 12 November 1914 as the United Licensed Victuallers' Association of the Commonwealth of Australia under the then *Commonwealth Conciliation and Arbitration Act 1904*.

The association was the registered employer organisation for the 'hotelkeeping and vending of wines and spirits' industry. Sixty years ago last week, on 21 August 1959, the organisation changed its name to the Australian Hotels Association. Today they report they represent more than 5000 businesses in the hospitality industry ranging from country pubs through to five star resorts.

