



ACFID Code of Conduct Committee

COMMON COMPLIANCE ISSUES

The following list of common compliance issues has been compiled based on recent assessments completed by the Code of Conduct Committee. It is not an exhaustive list, but rather a guide to the most common reasons for an annual report to not be found compliant on the first assessment.

1. Annual report is submitted late.
2. No Annual Report Lodgement Form is submitted.
3. Qualifications of the governing body are not included in the annual report.
4. Income Statement and balance sheet included in annual report are not in the proper ACFID format or are missing some of the line items required in the Summary Financial Report Template.
5. Statement of Changes in Equity –
 - a. the Statement of Changes in Equity is not completed properly (most commonly the reserves column is missing); or
 - b. the Statement of Changes in Equity is missing completely.
6. Table of Cash Movements –
 - a. the Table of Cash Movements is not included and there is no statement that there was no single appeal for a designated purpose that generated more than 10% of total revenue; or
 - b. a Table of Cash Movements is provided but the total cash available at the beginning and end of the year does not agree to the balance sheet.
7. Audit Report –
 - a. the audit report does not specifically refer to the summary financial information included in the annual report; or
 - b. the audit report does not cover all necessary information (income statement, balance sheet, statement of changes in equity and table of cash movements).
8. Inappropriate use of the definitions provided in the Guidance Document, resulting in incorrect classification of items of revenue or expense (for example, fundraising costs being incorrectly included in community education or administration).
9. Annual report does not reference the availability of full financial report.
10. Issues related to Clause 2.7 “No strings attached” – i.e. it is not clear how the organisation distinguishes its evangelistic activities from aid and development activities.