

Not-For-Profit Audit Update

Introduction

We hope you enjoyed reading the first **Not-For-Profit Audit Update**. In this second edition, we want to give you even more information to help you in your audit. At McLean Delmo we know that audits are not just about numbers. Audits are about building great client relationships, effective communication and delivering on promises. If you would like to know more, please give us a call so we can arrange a time to meet with you.

Feature Article

Reduced disclosure requirements

In June 2010, the Australian Accounting Standards Board ('AASB') introduced the Reduced Disclosure Requirements ('RDR') Framework.

This development has a significant impact on Australian entities' financial reporting requirements. It applies to the annual reporting periods beginning on or after 1 July 2013. However, entities may opt for early adoption of the new requirements from the financial year ended 30 June 2010.

How it works

Reporting entities which are currently preparing general purpose financial statements ('GPFS') will be classified according to a two-tier framework (tier 1 & 2).

- **Tier 1** applies to for-profit private sector entities which have 'public accountability', and the Australian Government and State, Territory and Local Governments. These entities are required to comply with all requirements of Australian Accounting Standards.
- **Tier 2** applies to for-profit private sector entities that do not have 'public accountability', not-for-profit private sector entities, and public sector entities other than the Australian Government and State, Territory and Local Governments. These entities are required to comply with all recognition and measurement requirements of Australian Accounting Standards but with reduced disclosure requirements. However, entities may elect to apply Tier 1 in whole or in part.

Examples of for-profit entities that have 'public accountability'

- Disclosing entities
- Co-operatives that issue debentures
- Registered managed investment schemes
- Superannuation plans regulated by the Australian Prudential Regulation Authority (APRA) other than Small APRA Funds
- Authorized deposit-taking institutions (ADIs)

If you would like further information about the reduced disclosure requirements, or any other accounting standards issue, please contact our accounting standards experts on 03 9018 4666 or email info@mcleandelmo.com.au.

What our NFP clients are telling us

Testimonial: Lil Banks, General Manager Corporate Services, Windermere Child and Family Services

MDHC has provided Windermere an excellent internal and external audit function for over a decade. Accounting for the NFP sector can be complex and MDHC have a thorough understanding of the intricacies of the sector and provide timely, practical, relevant and accurate advice to account for varying acquittals and Government requirements. MDHC has been an independent resource to our Financial and Audit Committee and Board of Governance, providing internal risk advice relating to financial controls and processes. We have found MDHC staff responsive, well prepared and understanding of Windermere's financial systems, ensuring that annual audit processes progress smoothly and with minimal disruption to the organisation.

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Meet our team

Kevin Adams Partner



Kevin Adams is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. Kevin is an experienced auditor with 30 years in the profession.

He has extensive experience in providing services to listed and other public companies, public sector entities and not-for-profit organisations.

Kevin has expertise in audit, due diligence, investigating accountant's reports and technical financial reporting.

Alfred Qiu Manager



Alfred Qiu, a Chartered Certified Accountant of UK and Certified Public Accountant of both Hong Kong and China, has extensive experience in providing audit services to large and small organisations including the ASX listed companies.

He works as the audit manager for a number of not-for-profit organisations including Inner South Community Health Service Ltd, Windermere Child and Family Services Inc and Orana Family Services Inc.

Alfred supports the Audit Partners in planning, managing and completing audits for clients.

About McLean Delmo

McLean Delmo is a dynamic professional services organisation offering advice to all types of businesses and individuals. Our team consists of progressive accountants, financial planners, auditors, mortgage brokers as well as tax and other specialists.

Our focus is to help create, maximise and protect wealth for all our clients, be they small, medium or large.

Our purpose built offices are located in Hawthorn, on the fringe of Melbourne's CBD. While the majority of our clients are from in and around Melbourne, we are increasingly involved in interstate and international work.

Our membership of Kreston International, a worldwide network of experienced, independent accounting and business advisory firms means we can look after our clients throughout Australian and in all parts of the world.

Specialist services

Business and financial advice

Management consulting

Specialist consulting

Taxation

Audit and assurance

Franchising

Financial planning

Finance and lending

Superannuation

Estate and succession planning

Corporate secretarial

Bookkeeping

International business

Risk

Information technology

