

# Not-For-Profit Audit Update

## Introduction

In our final **Not-For-Profit Audit Update** for the year, we wanted to give you specific advice about recent changes to the requirements for a directors' report. We believe this information will have practical relevance to you as you work through your audit process.

McLean Delmo wishes you a fine end to 2010 and a safe and happy Christmas and New Year.

## Feature Article

### Updated requirements for a directors' report for a company limited by guarantee

As a part of the Corporations Amendment (Corporate Reporting Reform) Act 2010, the disclosure requirements for the directors' report for a company limited by guarantee have been changed. These changes are effective for the reporting period ended 30 June 2010 and after. Those disclosures not relevant to not-for-profit companies are removed and replaced by new relevant disclosure requirements.

In addition to a reference to the auditor's independence declaration as required by s.298, it is now required that a directors' report for a company limited by guarantee includes (s.300B):

- A description of the short and long term objectives
- Strategy for achieving those objectives
- Principal activities during the year
- How those activities assisted in achieving the objectives
- How to measure the performance, including any key performance indicators used
- Whether the entity is a company or a consolidated entity
- The name of each person who has been a director at any time during or since the end of the year and the period for which the person was a director
- Each director's qualifications, experience and special responsibilities
- The number of meetings of the board of directors held during the year and each director's attendance at those meetings
- For each class of membership in the company, the amount which a member of that class is liable to contribute if the company is wound up
- The total amount that members of the company are liable to contribute if the company is wound up.

## What our NFP clients are telling us

### Testimonial: Ian Goldsmith, General Manager-Finance and Administration, Alzheimer's Australia VIC

As you know, I have been with Alzheimer's Australia Vic for just over 5 years and have been involved in six annual audits conducted by MDHC on the accounts of Alzheimer's Australia Vic and it has been a positive experience in each case.

Whilst MDHC has maintained absolute independence and integrity at all times there has always been a strong sense of support rather than confrontation and at all times there has been a willingness to work through any issues that have arisen rather than just forcing changes without consultation.

On a personal level I have always appreciated your personal involvement in our audit and the advice and guidance that you have provided where my own knowledge of a particular aspect of the Accounting Standards may have been lacking.

There is no doubt that the personal relationship that you bring to the audit function as well as the professionalism of the audit teams that have been on site, have added to the integrity of our accounts and to the knowledge of our Finance and Administration team.

# Not-For-Profit Audit Update

## Meet our team

### Ian Duff Partner



Ian Duff is a member of the Institute of Chartered Accountants of Australia, National Institute of Accountants, Taxation Institute and Institute of Internal Auditors. Ian was formerly a partner with Sothertons Melbourne for 22 years before merging with McLean Delmo. Ian has held many positions including Chairman of the Board of Directors of the national Kreston network. Extensive experience in audit and business services enables Ian to plan and deliver the service clients expect and require.

### Alwin Singh Manager



Alwin Singh, a Certified Public Accountant of Australia has 7 years experience in providing audit services to large and small organisations including proprietary companies and not-for-profit organisations.

He works as the audit manager for a number of not-for-profit organisations including Greening Australia Limited, Sorrento Golf Club, National Institute of Accountants and Victorian Council of Social Service.

## 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

