

# Accounts, Audits and Annual Reports Ordinance 1995 Amendment Ordinance 2008

No 15, 2008

## Long Title

An Ordinance to amend the Accounts, Audits and Annual Reports Ordinance 1995.  
The Standing Committee of the Synod of the Diocese of Sydney Ordains as follows.

### 1. Name

This Ordinance is the Accounts, Audits and Annual Reports Ordinance 1995 Amendment Ordinance 2008.

### 2. Amendment

The Accounts, Audits and Annual Reports Ordinance 1995 is amended as follows –

- (a) delete the words “and Parishes” in the Long Title and in the heading for clause 1, and
- (b) in clause 1 –
  - (i) add the word “and” to the end of paragraph (b), and
  - (ii) delete clause 1(c) and reletter the existing paragraph (d) as (c), and
- (c) delete clause 3 and renumber the existing clauses 4 and 5 as clauses 3 and 4 respectively, and
- (d) delete the heading for Part 2 and insert instead the matter “Part 2: Records and Systems”, and
- (e) in renumbered clause 3 –
  - (i) delete the words “The members of each” and insert instead “Each”, and
  - (ii) delete renumbered clauses 3(d) and (e) and insert instead the following –
    - “(d) maintain satisfactory systems of Internal Control and Risk Management.”, and
- (f) insert a new clause 5 as follows –

#### “5. Risk Management

The system of Risk Management maintained by an Organisation must include –

- (a) procedures to identify and assess key risks to the Organisation;
  - (b) policies and procedures to manage the key risks;
  - (c) procedures to report to the members of the Organisation significant breaches of the law and the policies of the Organisation; and
  - (d) procedures for the annual review of the key risks.”, and
- (g) delete the words “The members of each” in clause 7 and 9 and insert instead “Each”, and
  - (h) delete clauses 11, 12 and 13, insert the following new clauses 11, 12, 13 and 14 and renumber the remaining clauses accordingly –

#### “11. Reporting Liquidity Problems

Each Organisation must notify the Secretary of the Standing Committee immediately when circumstances arise that may affect the ability of the Organisation to pay its debts as and when they fall due.

#### 12. Financial Reporting

Within 6 months after the end of a Financial Year, each Organisation which is not referred to in the Second Schedule must submit to the Standing Committee a report containing internal management financial information produced for the Organisation which includes –

- (a) income and expenditure, balance sheet and cash flow data showing actual and budget year-to-date;

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- (b) a brief explanation of any significant variances between actual and budget, and any remedial action being taken; and
- (c) details of any borrowing covenants or ratios with an explanation of trends over time.

### **13. Financial Reporting – Second Schedule Organisations**

Within 3 months after the end of a Financial Year, and within 3 months after the end of a Half Year, each Organisation referred to in the Second Schedule must submit to the Standing Committee a report containing internal management financial information produced for the Organisation which includes –

- (a) income and expenditure, balance sheet and cash flow data showing actual and budget year-to-date;
- (b) a brief explanation of any significant variances between actual and budget, and any remedial action being taken;
- (c) key performance ratios with an explanation of significant movements; and
- (d) details of any borrowing covenants or ratios as determined by Standing Committee from time to time with an explanation of trends over time.

### **14. Annual Reports to Synod – Lodgement, Format and Content**

Within 6 months after the end of a Financial Year, each Organisation must submit to the Standing Committee for tabling at the next ordinary session of the Synod a report on that Financial Year signed by 2 duly authorised members of the Organisation which contains –

- (a) an index or table of contents;
- (b) the financial statements and auditor's report referred to in clauses 9 and 10;
- (c) information, as appropriate, along the following lines –
  - (i) Charter – a statement of the purposes for which the Organisation was established, stating its ordinance or other constituting documents and the sections of the church or the community served;
  - (ii) Access – the address and telephone number of the principal office of the Organisation and its business hours;
  - (iii) Members – the names of the members, the method and term of appointment of those members, their attendance at meetings, and the names of any significant committees;
  - (iv) Structure – a chart indicating functional responsibilities within the Organisation and the titles, names and qualifications of the senior officers;
  - (v) Activities – a narrative summary of the major activities for the Financial Year and the range of services provided; and
  - (vi) Financial Results – a short summary of the results for the Financial Year comparing actual results to the budget, and the budget for the current Financial Year, with an explanation of any significant variances;
- (d) a “liquidity” report stating the following information –
  - (i) whether the members are of the opinion that, at the date of the report, there are reasonable

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- grounds to believe that the Organisation will be able to pay its debts as and when they fall due;
- (ii) whether adequate provisions have been made (including but not limited to, provisions for employee entitlements);
  - (iii) whether all trade creditors are being paid in accordance with normal terms of payment;
  - (iv) whether all dealings with real and personal property (including money) have been consistent with the trusts on which the property is held;
  - (v) whether any payment has been made to a member (other than in the capacity of an employee of the Organisation) and, if so, the name and total amount paid to the member;
  - (vi) whether satisfactory systems of Internal Control and Risk Management have been maintained;
  - (vii) whether appropriate types of insurance and levels of insurance cover are held for all insurable risks having regard to both value of assets and current levels of awards for damages; and
  - (viii) particulars of any matter which has arisen since the end of the Financial Year and the date on which the report is signed which could have a significant effect on the Organisation; and
- (e) a risk management report containing –
- (i) a summary of the key risks to the Organisation;
  - (ii) a summary of the main policies and procedures in place to manage the key risks; and
  - (iii) confirmation that the Organisation has in place procedures to report to the members of the Organisation significant breaches of the law and the policies of the Organisation.”, and
- (i) delete renumbered clause 16 and insert instead the following –
- 16. Non Compliance: Suspension of Members**
- (1) If an Organisation does not comply with any provision of this ordinance, including a requirement under clause 15, the Standing Committee may authorise the sending of a notice to the members of the Organisation calling upon them to comply within 14 days after the date of the notice.
- (2) The notice need not be sent to all members but must be sent to a majority of the members for the time being.
- (3) If an Organisation does not comply with a provision of this Ordinance following the sending of a notice under subclause (1), the Standing Committee, thereafter, may suspend all or any of the members of the Organisation and appoint a person or persons to act in their place.”, and
- (j) in the renumbered clause 18 –
- (i) delete the matter “18” in the definition of Financial Year and insert instead the matter “19”, and
  - (ii) insert the following new definitions in alphabetical order –  
“Half Year’ means the period ending 6 months after the commencement of the Financial Year.  
‘Risk Management’ means the whole system of identifying, assessing, managing and reviewing risks to an Organisation.”, and
  - (iii) delete the definition of “Parish”, and

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- (k) in the renumbered clause 19(2) insert the words "or Half Year" after the words "Financial Year" and delete the matter "11" and insert instead the matter "12 or 13".

### **3. Commencement**

Except for this clause, this Ordinance commences on 31 December 2008.

I Certify that the Ordinance as printed is in accordance with the Ordinance as reported.

PG KELL  
Chairman of Committees

I Certify that this Ordinance was passed by the Standing Committee of the Synod of the Diocese of Sydney on 25 August 2008.

R WICKS  
Secretary

I Assent to this Ordinance.

PETER F JENSEN  
Archbishop of Sydney  
26/08/2008