

## Appendix 10

(Ref: Appendix 3)

### CHARITIES AND NOT-FOR-PROFIT

Australian Charities and Not-for-Profit Commission (ACNC) requirements may relate to a SSGA and/or differing reporting frameworks that therefore constitute a MSE. When considering an engagement relating to an ACNC registered entity, auditors clarify the ACNC's reporting requirements.

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1. In December 2012, the Australian Government established the ACNC as an independent regulator. The ACNC has been set up to achieve the following objectives:
  - (a) Maintain, protect and enhance public trust and confidence in the sector through increased accountability and transparency.
  - (b) Support and sustain a robust, vibrant, independent and innovative not-for-profit sector.
  - (c) Promote the reduction of unnecessary regulatory obligations on the sector.
2. Entities in this sector, including companies limited by guarantee, commonly receive grants. Accountability for such grants are ordinarily subject to grant agreements which should be considered in context with other reporting requirements under the ACNC legislation.
3. It is important to note the CGG requirement that unless agency staff has assessed a granting activity as higher risk, a financial acquittal should *not* be sought from an entity regulated by the ACNC. Agency staff may, however, seek certification that grant funds were spent for the purpose of the grant and identification of any unspent amounts.<sup>58</sup>
4. ACNC website: [www.acnc.gov.au](http://www.acnc.gov.au)

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<sup>58</sup> See Commonwealth Grant Guidelines at Appendix 3, for further information.