

# ACNC INFORMATION FOR APPRENTICESHIPS ARE US DIRECTORS



Honesty, Integrity & Accountability



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## About this Information Paper

This information paper is designed as a guide only for use within Apprenticeships Are Us Ltd.

It summarizes the current position regarding the Australian Charities and Not-for-profits legislative regime as of the date of this information paper regarding the Australian Charities and Not-for-profits legislative regime and its regulator, the Australian Charities and Not-for-profits Commission (**ACNC**).

It provides some basic information for use within the organisation and is designed for distribution to new Apprenticeships Are Us Ltd directors.

It is not intended for use as a comprehensive legal guide. Specialist legal advice may be required for circumstances.

There is also lot of information available on the ACNC's website – [www.acnc.gov.au](http://www.acnc.gov.au), the Managing Director (MD) and the ARU Board will continue to monitor developments in relation to the ACNC and further information papers may be issued.

Questions regarding this information paper and the ACNC can be directed to [mwentworth@aprus.com.au](mailto:mwentworth@aprus.com.au).

# LEGISLATIVE FRAMEWORK

Apprenticeships Are Us Ltd (ARU) is a registered charity under the Australian Charities and Not-for-profits Commission Act 2012 (Cth) ("ACNC Act"). Directors must comply with the obligations set out in the relevant legislation and standards:

- Australian Charities and Not-for-profits Commission Act 2012 (Cth)
- Australian Charities and Not-for-profits Commission Regulation 2022 (Cth)
- Charities Act 2013 (Cth)
- Income Tax Assessment Act 1997 (Cth)
- Corporations Act 2001 (Cth)
- Fair Work Act 2009 (Cth)
- Privacy Act 1988 (Cth)
- AASB Accounting Standards (including AASB 1060 Simplified Disclosures)
- ACNC Governance Standards

Directors must be familiar with these obligations to ensure ARU's ongoing compliance and eligibility for tax concessions.

## Key Information

### About the ACNC

- 1 ACNC is the short name for the "Australian Charities and Not-for-profits Commission".
- 2 The ACNC was established on 3 of December 2012 by a Commonwealth Act of Parliament called the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act).
- 3 The ACNC is the regulator for charities in Australia. The ACNC has not been given the function of regulating all not-for-profits, although the Labour Government who established it had planned to provide this power to the ACNC at a future point in time<sup>1</sup>.
- 4 The ACNC's stated objectives are to:
  - maintain, protect and enhance public trust and confidence in the sector through increased accountability and transparency.
  - support and sustain a robust, vibrant, independent, and innovative not-for-profit sector; and
  - promote the reduction of unnecessary regulatory obligations on the sector.
- 5 The ACNC:
  - registers entities as charities.
  - maintains a free searchable public register (see Responsible Persons at page 13).
  - provides information, guidance, advice, and other support to charities to help them understand and

<sup>1</sup> Para 2.13 – Guide to the Australian Charities and Not-for-profits Commission Act 2012 (Cth) – Version 1.0.

meet their obligations; and

- is working with federal, state and territory governments and departments and agencies to attempt to develop a reporting framework which enables charities to report once.

## Recent ACNC Developments

In 2021 and 2022, significant reforms to ACNC reporting thresholds, Director obligations and financial reporting standards came into effect. ARU must ensure compliance with:

- New revenue thresholds for small, medium and large charities.
- Mandatory disclosure of related-party transactions for medium and large charities.
- Expanded reporting requirements for Key Management Personnel (KMP) remuneration.
- Changes to financial reporting formats under AASB 1060.

## ACNC Registration

- 6 Registration with the ACNC is not compulsory – it is voluntary.
- 7 At the moment, only a charity can be ACNC registered.
- 8 A charity can choose not to be ACNC registered. However, if a charity chooses not to be registered with the ACNC, it does not have the ability to claim certain benefits including:
  - (a) tax concessions<sup>2</sup> ; and
  - (b) some government grants/funding.
- 9 To be registered and maintain registration with the ACNC, an organisation must meet all of the following conditions<sup>3</sup>:
  - (a) it must be not-for-profit;
  - (b) all of its purposes must be charitable, or “incidental or ancillary” to the charitable purposes;
  - (c) its charitable purpose must be for the public purpose;
  - (d) it must have an ABN;
  - (e) it must provide the details of its Responsible Persons to the ACNC and keep them up to date, via the ACNC Charity Register;
  - (f) it must meet the governance standards if they apply to it; and
  - (g) it must meet the other ACNC requirements which apply to it.
- 10 At least once every year, each ACNC registered entity must check to ensure that it continues to remain eligible for ACNC registration. The ACNC prompts and checks this through the inclusion of some specific questions in the Annual Information Statement which every registered entity is required to lodge with the ACNC.

<sup>2</sup> Section 20-5 (2) ACNC Act

<sup>3</sup> Section 25-2 (1), (2) & (3) ACNC Act

## Responsible Persons

- 11 For the ACNC, Responsible Persons are the people responsible for directing a charity, who are members of the charity's governing /decision making body, which the ACNC calls the Responsible Entity.
- 12 Knowing who the Responsible Persons are is very important as:
  - a) The ACNC Act requires the provision of certain information to the ACNC in relation to each Responsible Person, and
  - b) Each Responsible Person must fulfil their duties as a Responsible Person.
  - c) Responsible Persons are required to disclose any conflicts of interest in accordance with the Apprenticeships Are Us Ltd Conflict of Interest Policy, ensuring transparency and integrity in decision-making.

## Director Identification Number (Director ID)

All ARU Directors are required to hold a Director Identification Number (Director ID) issued by ASIC under the Corporations Act 2001. Directors must:

- apply for a Director ID before appointment (if new);
- provide their Director ID to ARU for ACNC and ASIC records;
- ensure accuracy of their personal details.

Failure to obtain or maintain a Director ID is an offence under the Corporations Act and may affect eligibility to serve as a Responsible Person.

## ACNC Act Requirements

13 The ACNC Act requirements are summarized below:

		ACNC Registered				
		Not ACNC Reg'd	Basic Religious Charity (A)	Small Entity < \$250K rev	Medium Entity \$250K to < \$1M rev	Large Entity ≥ \$1M rev
<b>Record Keeping Requirements</b>		?	?	?	?	?
Reporting Requirements	Annual Information Statements (AISs)	?	?	ltd financial info only within 6 MThs of FYE	?	?
	Annual Financial Information	?	?(B)	?	✓ reviewed or audited	✓ audited
	Ongoing Reporting – change of: • Entity Name • Entity Address • Responsible Person details • Governing Documents	?	60 days	60 days	28 days	28 days
	Ongoing Reporting - significant breaches	?	ASAP – max 28 days			
	Extra info per any ACNC request	?	?	?	?	?
Governance Standards (Appendix 4)	Purpose & NFP nature in governing rules	?	?(C)	?	?	?
	Member accountability	?(D)	?(D)	?	?	?
	Compliance with other Australian laws	?(E)	?(E)	?	?	?
	Suitability of Responsible Persons (not disqualified / bankrupt/ insolvent)	?	?	?	?	?
	Duties of Responsible Persons	?(E)	?(E)	?	?	?
<b>External Conduct Standards</b>		?	✓ if send funds or engage in activities o/side Aus	✓ if send funds or engage in activities o/side Aus	✓ if send funds or engage in activities o/side Aus	✓ if send funds or engage in activities o/side Aus
<b>Tax Concession Eligibility (Appendix 5)</b>		?	✓	✓	✓	✓

- A refer to the ACNC Term “Basic Religious Charity” for the requirements which must be met for an entity to be a Basic Religious Charity;
- B the annual audit requirements of Regulation 3.8.7 (c) to (g) still apply;
- C required by ATO anyway;
- D required by governing documents anyway;
- E required by other laws anyway.



## Basic Religious Charity and Deductible Gift Recipient Status Warning

- 14 ACNC registration does not entitle Apprenticeships Are Us Ltd any of their funds to deductible gift recipient (DGR) status.
- 15 A person who provides/donates/gifts funds to any organisation, or fund, which is not endorsed by the ATO as a DGR is not entitled to claim a tax deduction for their gift/donation.
- 16 Only the ATO, not the ACNC, can endorse an organisation, fund, institution or authority as a DGR.
- 17 To check whether Apprenticeships Are Us Ltd, or any unit trust operated by it such as a Unit Trust, is an ATO endorsed DGR, by going to the ABN lookup at <http://www.abr.business.gov.au/Index.aspx> and entering your organisation's ABN.
- 18 ACNC Registered Entities are not entitled to rely on some ACNC Act exemptions, including the exemptions from having to:
  - (a) provide financial information in their Annual Information Statements; and
  - (b) provide annual financial reports (which have been reviewed or audited by a registered company auditor or audit firm).

Without ATO endorsement as a Deductible Gift Recipient, donations made to Apprenticeships Are Us Ltd or any related entity will not be tax-deductible for the donor.

### **The ACNC Due Date is 31 January each year for lodgement of the Annual Information Statements (2022 AIS) for ACNC entities with a financial year end of 30 June.**

- 19 Apprenticeships Are Us Ltd will facilitate the lodgement of the 2022 Annual Information Statements.
- 20 The ACNC related work currently underway within Apprenticeships Are Us Ltd includes:
  - conducting integrity checks of information supplied for the previous ACNC lodgements (for example identifying anomalies between information provided for individuals who are Responsible Persons for more than one ACNC Registered Entity);
  - uploading verified data for Apprenticeships Are Us Ltd, Responsible Persons and other officeholders into Board Pro;
  - processing ongoing changes to information previously supplied to the ACNC as part of the lodgements process;
  - manually extracting and compiling information to facilitate bulk lodgement AIS for Apprenticeships Are Us Ltd with a **30 June** financial year end.
- 21 The future ACNC related work which will occur within the MD and Board of Apprenticeships Are Us Ltd includes:
  - completing the verification and uploading of all data for Apprenticeships Are Us Ltd;
  - facilitating ongoing lodgements to the ACNC as required;
  - building tools for use by the Board;
  - assessing the potential automation of various tasks within Board Pro.

## Consequences of Late Lodgment of Annual Information Statements (AIS)

Failure to lodge the Annual Information Statement (AIS) with the ACNC by the due date can have serious consequences for Apprenticeships Are Us Ltd, as outlined below:

### 1. Administrative Penalties

- If the AIS is lodged after the due date, the ACNC may impose administrative penalties. The severity of the penalty depends on how late the AIS is lodged and the size of the charity.
- **For large charities** (such as Apprenticeships Are Us Ltd):
  - **Less than 28 days late:** A minimum penalty of \$1,100 (5 penalty units).
  - **More than 28 days late:** A penalty of \$5,500 (25 penalty units).
- These penalties are designed to encourage timely compliance with ACNC reporting obligations.

### 2. Loss of Charity Status

- Continued failure to submit the AIS may lead to the **revocation of the charity's registration** with the ACNC. Losing charity status would have significant repercussions, including the loss of access to important tax concessions such as Deductible Gift Recipient (DGR) status and income tax exemptions.
- Once revoked, the charity would need to reapply for registration, which can be a time-consuming process.

### 3. Public Reputation Damage

- The AIS is made publicly available on the ACNC Charity Register. Late or non-submission may result in a **negative public perception** as potential donors, partners, and stakeholders use the register to assess a charity's compliance and transparency.
- Non-compliance with ACNC reporting obligations can erode trust in the organisation, impacting fundraising efforts and relationships with stakeholders.

### 4. Increased Regulatory Scrutiny

- Late lodgment of the AIS may prompt the ACNC to conduct **further investigations or audits** of the charity's operations. This could lead to greater scrutiny of financial management and governance practices within Apprenticeships Are Us Ltd.
- Persistent non-compliance can also result in **enforcement actions** such as the issuing of compliance directions or the requirement to enter into enforceable undertakings with the ACNC.



# The Regulatory Details

## Record Keeping Requirements

22 The record keeping requirements apply to all ACNC registered entities. ACNC registered entities must keep financial and operational records that:

- correctly record and explain transactions and financial position;
- enable the preparation of true and fair financial statements;
- allow the ACNC and ATO to assess compliance;
- comply with AASB 1060 (Simplified Disclosures);
- are retained for at least 7 years.

23 Failure to keep proper records is an offence under section 55-5 of the ACNC Act and may result in penalties for both the charity and its Responsible Persons.

24 Each ACNC registered entity must keep written financial records<sup>4</sup> that:

- (a) correctly record and explain its transactions (i.e., operations);
- (b) correctly record and explain its financial position and financial performance;
- (c) enable the preparation and audit of true and fair financial statements;
- (d) enable ACNC assessment regarding the entity's entitlement to registration;
- (e) enable ACNC assessment regarding the entity's compliance with the ACNC Act and any ACNC Regulations;
- (f) enable ATO assessment regarding the entity's compliance with any tax law; and
- (g) for 7 years after the transactions, operations or acts covered by the records are completed.

25 A failure to keep any of these records, even accidental failure, is an offence by the entity and the entity's Responsible Persons<sup>5</sup>. A fine of 20 penalty units per offence (currently equivalent to \$4,440) may be levied for non-compliance with record-keeping obligations, underscoring the importance of maintaining accurate financial records.

## Reporting Requirements

26 There are 4 categories of reporting requirements under the ACNC Act:

- (a) annual information statements (AIS);
- (b) annual financial information reporting;

<sup>4</sup> Section 55-5 & 55-10 ACNC Act

<sup>5</sup> Section 55-5 (6) & (7) ACNC Act

- (c) duty to notify the ACNC of changes in certain circumstances (ongoing reporting); and
- (d) duty to provide information to ACNC if requested by the ACNC.

27 If an entity has a financial year other than 1 July to 30 June, it can apply to the ACNC to adopt a substituted accounting period<sup>6</sup>.

28 Each entity has a financial year end of either:

- (a) 30 June;
- (b) or 31 December.

29 Note: Apprenticeships Are Us Ltd has a financial year end of 30 June.

## **Reporting Requirement 1 - Annual Information Statements**

30 All ACNC registered entities must give an information statement, which the ACNC refers to as an AIS, to the ACNC each year<sup>7</sup>.

31 The AIS will be made available to the public via the ACNC Register.

32 The AIS must be<sup>8</sup>:

- (a) given in the form specified by the ACNC from year to year;
- (b) in relation to the entity's financial year; and
- (c) provided within 6 months of the end of the entity's financial year.

33 The ACNC Act allows the ACNC to specify different forms for different types of entities<sup>9</sup>.

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<sup>6</sup> Section 60-85 ACNC Act

<sup>7</sup> Section 60-5(1) ACNC Act

<sup>8</sup> Section 60-5(1), (2) & (3) ACNC Act

<sup>9</sup> Sections 190-10(4) & 190-15 ACNC Act



## Reporting Requirement 2 - Annual Financial Reporting

34 The financial reporting requirements are:

From 1 July 2022, ACNC size thresholds are:

Registered entity	Financial reporting requirements
basic religious charity <sup>10</sup>	nil – unless “opt-in” and provide a financial report to the ACNC, in which case the requirements depend on the size of the entity <sup>11</sup>
small entity < \$500,000	AIS only
medium entity <sup>12</sup> \$500,000 to < \$3 million	<ol style="list-style-type: none"> <li>1 prepare annual financial reports which meet Australian Accounting Standards requirements.</li> <li>2 have the annual financial reports either:           <ol style="list-style-type: none"> <li>(a) reviewed by a registered company auditor or audit firm; or</li> <li>(b) audited by a registered company auditor or audit firm in accordance with Australian Auditing Standards</li> </ol> </li> <li>3 if requested/required by the ACNC have the annual financial reports audited</li> <li>4 obtain a review/audit report</li> <li>5 obtain a written and signed declaration from the reviewer/auditor regarding compliance with applicable professional conduct standards</li> <li>6 give the annual financial report and reviewer’s/auditor’s report to ACNC within 6 months of the entity’s financial year end</li> </ol>
large entity <sup>13</sup> ≥ \$3 million  Note: Apprenticeships Are Us Ltd is considered a large charity. Large entities like Apprenticeships Are Us Ltd are required to have their financial reports audited annually by a registered company auditor or audit firm. The audit must comply with Australian Auditing Standards, and the results must be submitted to the ACNC within 6 months of the financial year-end.	<ol style="list-style-type: none"> <li>1 prepare annual financial reports which meet Australian Accounting Standards requirements</li> <li>2 have the annual financial reports audited by a registered company auditor or audit firm</li> <li>3 in accordance with Australian Auditing Standards</li> <li>4 obtain an audit report</li> <li>5 obtain a written and signed declaration from the auditor regarding compliance with applicable professional conduct standards</li> <li>6 give the annual financial report and auditor’s report to ACNC within 6 months of the entity’s financial year end</li> </ol>

35 The annual financial report and review/audit reports lodged with the ACNC will be made available to the public via the ACNC Register (see page 13).

36 If a registered entity is a basic religious charity and chooses to rely on the exemption from providing financial information, its size is irrelevant. If a basic religious charity chooses to provide financial information to the ACNC, it must meet the financial information requirements which apply to its charity size.

<sup>10</sup> Section 60-60 ACNC Act

<sup>11</sup> Section 60-60 ACNC Act

<sup>12</sup> Sections 60-20, 60-10, 60-15, 60-35 & 60-40 ACNC Act

<sup>13</sup> Sections 60-20, 60-10, 60-15, 60-35 & 60-40 ACNC Act

37 Whether an entity is small, medium or large depends on entity's revenue for the financial year:

Registered entity size	Revenue for the financial year
small <sup>14</sup>	< \$500,000
medium <sup>15</sup>	≥ \$500,000 and < \$3 million
large <sup>16</sup>	≥ \$3 million

38 The ACNC Act states that revenue is to be calculated in accordance with accounting standards in force at the time of calculation, even if those standards do not otherwise apply to the entity<sup>17</sup>.

39 The ACNC provides the following examples<sup>18</sup> of what is likely to be revenue and what is not:

Revenue	Examples
	<ul style="list-style-type: none"> <li>• government grants</li> <li>• other grants</li> <li>• donations</li> <li>• fundraising activities</li> <li>• bequests or legacies</li> <li>• fees and charges for the provision of services</li> <li>• sales of goods</li> <li>• interest earned</li> <li>• dividends, or similar distributions received</li> </ul>
not usually revenue	<ul style="list-style-type: none"> <li>• capital gains</li> <li>• unrealized gains (e.g., revaluations)</li> </ul>
not revenue	<ul style="list-style-type: none"> <li>• sales tax</li> <li>• goods and services tax</li> <li>• value added taxes</li> <li>• amounts collected by the charity as agent of another</li> </ul>

40 In relation to Apprenticeships Are Us Ltd it is important to remember that only grants from Governments and external entities are to be included in revenue.

<sup>14</sup> Section 205-25(1) ACNC Act

<sup>15</sup> Section 205-25(2) ACNC Act

<sup>16</sup> Section 205-25(3) ACNC Act

<sup>17</sup> Section 205-25(4) ACNC Act

<sup>18</sup> <https://www.acnc.gov.au/tools/factsheets/revenue>



## Reporting Requirement 3 – Ongoing Reporting

41 The ongoing reporting requirements:

- (a) duty to notify the ACNC of various changes; and
- (b) duty to notify the ACNC of significant breaches of the ACNC Act, apply to all ACNC registered entities.

### Duty to Notify Changes

42 If any of the following occurs, the entity must notify the ACNC<sup>19</sup>.

	Occurrence	Reporting Timeframe
(a)	the entity changes its name	
(b)	the entity changes its address for service	
(c)	there is a change in any Responsible Person or their details	
(d)	the governing rules are changed	<ul style="list-style-type: none"> <li>• small, registered entity - as soon as practicable and no later than 60 days after first becoming aware of the occurrence</li> <li>• medium and large registered entities – as soon as practical and no later than 28 days after first becoming aware of the occurrence</li> </ul>

43 Notification must be made using the appropriate ACNC form<sup>20</sup>.

44 Multiple notifications can be included in the same form<sup>21</sup>.

45 Use the relevant ACNC form to notify changes or breaches within the specified timeframe, and ensure all information is accurate and complete to avoid penalties.

### Duty to Notify Significant Breaches of the ACNC Act

46 If any of the following occurs, the entity must notify the ACNC<sup>22</sup>:

	Occurrence	Reporting Timeframe
(a)	there has been a significant breach by the entity of a provision of the ACNC Act and as a result the entity is no longer entitled to be ACNC registered as the type or subtype it is currently registered as	
(b)	there has been a significant breach by the entity of a governance standard and as a result the entity is no longer entitled to be ACNC registered as the type or subtype it is currently registered as	<ul style="list-style-type: none"> <li>• as soon as practicable after first becoming aware of the occurrence</li> </ul>
(c)	there has been a significant breach by the entity of an external conduct standard and as a result the entity is no longer entitled to be ACNC registered as the type or subtype it is currently registered as	

<sup>19</sup> Sections 65-5(1), (2) & (4) ACNC Act

<sup>20</sup> Section 65-5(1) ACNC Act

<sup>21</sup> Section 65-5(5) ACNC Act

<sup>22</sup> Section 65-5 (1), (2) & (4) ACNC Act



47 Directors must ensure that ARU notifies the ACNC within the required timeframes when:

- A Director is appointed or resigns.
- Director details change.
- the Constitution is amended.
- the registered address or the responsible person's contact details change.

48 Failure to notify is an offence and may lead to penalties or compliance action.

49 In determining whether a breach is significant, the following matters are to be taken into account<sup>23</sup>:

- (a) the nature, significance and persistence of any breach; and
- (b) the desirability of ensuring that contributions to the entity are applied consistency with the not-for-profit nature, and the purpose, of the registered entity, where contributions include;
- (c) the provision of money, property or any other benefit;
- (d) the provision by an individual of his or her time or reputation;
- (e) the provision by a government of tax concessions; and
- (f) the provision by a government of other forms of support, to the entity.

50 Notification must be made using the appropriate ACNC form.

51 Multiple notifications can be included in the same form.

## Director Duties Under the ACNC Act

52 Under Governance Standard 5, all Responsible Persons must:

- act with reasonable care and diligence
- act honestly in the best interests of the charity
- not misuse their position or information
- disclose and manage conflicts of interest
- ensure financial affairs are managed responsibly

53 Failure to meet these duties can result in:

- not allow ARU to operate while insolvent
- personal liability
- disqualification
- civil penalties
- revocation of charity status

<sup>23</sup> Section 65-5(d) & 205-40 ACNC Act

54 Directors must also comply with the ARU Constitution, Delegations of Authority, and Conflict of Interest Policy.

## ARU-Specific Governance Requirements

55 In addition to ACNC obligations, Directors of Apprenticeships Are Us Ltd must comply with:

- ARU Constitution
- ARU Governance Charter
- ARU Conflict of Interest Policy
- ARU Financial Management Policy
- ARU Delegations of Authority
- ARU Whistleblower Policy
- ARU Risk Management Framework

56 ARU Directors are expected to:

- maintain active oversight of financial sustainability
- ensure compliance with the National Standards for Group Training Organisations
- ensure accurate reporting to regulators including ACNC, ATO, and State Training Authorities
- oversee risk management, audit processes, and governance controls
- maintain confidentiality of Board materials and discussions

## Reporting Requirement 4 - ACNC Information Requests

57 The requirement to comply with ACNC information requests applies to all ACNC registered entities.

58 The ACNC has the authority to require a registered entity to provide other information<sup>24</sup>.

59 The ACNC must do this via a formal written notice<sup>25</sup>.

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<sup>24</sup> Section 70-5(1) ACNC Act

<sup>25</sup> Section 70-5(2) ACNC Act

## ACNC Register

60 The ACNC has established and maintains a public register known as the "ACNC Register"<sup>26</sup>.

61 The Register is available on the ACNC's website at: <https://www.acnc.gov.au/charity/charities>.

62 The following information contained within the ACNC Register is available to the public in respect of every Registered Entity:

Register heading	Register details
Charity Details	<ul style="list-style-type: none"> <li>legal name <ul style="list-style-type: none"> <li>the name registered by the ATO – which may be different from the name by which the Church refers to the entity</li> </ul> </li> <li>other name(s) <ul style="list-style-type: none"> <li>for example – any business or trading names registered with the ATO</li> </ul> </li> <li>ABN <ul style="list-style-type: none"> <li>includes a link to its entry on ABN lookup</li> </ul> </li> <li>address for service</li> <li>street address</li> <li>email (if provided)</li> <li>phone (if provided)</li> <li>website (if provided)</li> </ul>
Registration Details	<ul style="list-style-type: none"> <li>entity type – Charity for all</li> <li>entity subtype (see the term ACNC Subtype in Appendix 9)</li> <li>registration status <ul style="list-style-type: none"> <li>for example, registered, deregistered or voluntarily deregistered</li> </ul> </li> </ul>
Registration Status History	<ul style="list-style-type: none"> <li>effective date</li> <li>status for each effective date</li> </ul>
Subtype History	<ul style="list-style-type: none"> <li>start date, end date &amp; purpose for each</li> </ul>
Annual Reporting	<ul style="list-style-type: none"> <li>AIS lodged and due</li> </ul>
Charity's Documents	<ul style="list-style-type: none"> <li>Any financial reports lodged</li> <li>Any governing rules lodged</li> </ul>
About the Charity	<ul style="list-style-type: none"> <li>Date established</li> <li>Who the charity benefits</li> <li>Size of charity (small, medium or large)</li> <li>Financial Year End</li> <li>Basic Religious Charity (Yes or No)</li> </ul>
Where the Charity Operates	<ul style="list-style-type: none"> <li>Operating State/s</li> <li>Operating Countries (if any)</li> </ul>
Responsible Persons	<ul style="list-style-type: none"> <li>Name of each Responsible Person</li> <li>Position of each Responsible Person</li> </ul>
Enforcement Outcomes	<ul style="list-style-type: none"> <li>Details of any enforcement outcomes</li> </ul>

<sup>26</sup> Section 40-5 ACNC Act

63 The following information is also contained within the ACNC Register in respect of every Responsible Person for each Registered Entity – but it is not available to the public:

- (a) date of birth.
- (b) any other name by which the Responsible Person is known or has been known.
- (c) the email address of each Responsible Person.
- (d) the telephone numbers of each Responsible Person.
- (e) the residential address of each Responsible Person; and
- (f) the postal address of each Responsible Person.

## External Conduct Standards

64 The external conduct standards will apply to all registered entities which send funds outside Australia or engage in activities outside Australia<sup>27</sup>. Apprenticeships Are Us Ltd does not operate outside of Australia. Since Apprenticeships Are Us Ltd does not operate outside Australia, it is not subject to the External Conduct Standards. However, should the organisation engage in activities outside Australia in the future, compliance with these standards will become mandatory.

65 Unlike the governance standards, there is no exemption from the external conduct standards and nor is their provision to vary the way they apply to different categories of charities.

66 Similarly, to the governance standards, the ACNC Act states that external conduct standards may be specified by regulation<sup>28</sup>.

67 The external governance standards may require a registered charity to<sup>29</sup>:

- (a) have governing rules for a specified matter.
- (b) achieve specified outcomes (but not control how the entity is to achieve them); and
- (c) establish and maintain certain processes.

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<sup>27</sup> Section 50-5 ACNC Act

<sup>28</sup> Section 50-10 ACNC Act

<sup>29</sup> Section 50-10(2) & 50-10 (2A) ACNC Act

## **Appendix 1 – Regulation 3.8.7.**

### **ACCOUNTING AND AUDIT**

#### **Books of Account**

- (a) All funds of Apprenticeships Are Us Ltd shall be accounted for using proper, approved methods of accounting including AASB and IASB. Apprenticeships Are Us Ltd shall keep proper books of account. The books of account shall include all receipts and disbursements received or made, all credits and debts owing or due and all other relevant matters necessary including a full explanation of the accounts. Apprenticeships Are Us Ltd appointed auditors shall, upon the request of the chairperson of the Board or any person authorized by any one of them, produce the books of account together with all supporting or relevant accounts, receipts, and documents for inspection, and shall permit extracts to be taken and copies to be made by any authorised officer.

#### **Monies to be banked**

- (b) All monies received from time to time shall be placed to the credit of an account in the name of Apprenticeships Are Us Ltd in any one or more of the financial institutions approved by the Board. The Board shall appoint two or more persons to operate on such account.

#### **Audit**

- (c) The books of account shall be audited and certified by the auditors at least once in every year and at such other times as may be required by the chairperson of the Board or other responsible person as the case may require.

#### **Appointment of Auditors**

- (d) The auditor or auditors shall be appointed annually. Subject to the variation in (e) below, the auditor(s) shall be a qualified accountant or, if more than one, shall include at least one qualified accountant. For the purpose of this Regulation a qualified accountant means:
  - i. a person who is a member of the Institute of Chartered Accountants in Australia or the Australian Society of Certified Practising Accountants, or Institute of Public Accountants Australia.
  - ii. (ii) any other person who has qualifications and experience requisite for registration as a company auditor under the Corporations Act 2000 as amended or replaced from time to time and who in the opinion of the appointing body is a fit and proper person to undertake the responsibility.

#### **Eligibility as Auditor**

- (e) The auditor appointed shall not be a member of the board (current or former), whose accounts are being audited.

#### **Presentation of Accounts**

- (f) Audited financial statements bearing an audit or independent reviewer's report in such form as Apprenticeships Are Us Ltd may prescribe shall be submitted to the Board who are responsible for their administration and control, as may be appropriate, at least once in every year or whenever required.

#### **Budgets**

- (g) Comprehensive and detailed budgets should be prepared for during the current year for the next succeeding year in the manner directed and approved by the Board.

## Appendix 2 – ACNC Governance Standards

<b>1 Purposes and Not-for-profit character of a charity</b>	<ul style="list-style-type: none"> <li>must demonstrate that the charity was established as a not-for-profit entity with a charitable purpose: <ul style="list-style-type: none"> <li>via clauses in governing documents</li> </ul> </li> <li>must operate the charity in furtherance of its charitable purpose</li> <li>provide information about charitable purpose to the public: <ul style="list-style-type: none"> <li><i>easiest way is either via publication of governing rules to the entity's website or provision of the governing rules to the ACNC who will publish them on their website</i></li> </ul> </li> </ul>
<b>2 Accountability to Members</b>	<ul style="list-style-type: none"> <li>must take reasonable steps to ensure accountability to members</li> <li>must allow members adequate opportunities to raise concerns about how the entity is run: <ul style="list-style-type: none"> <li><i>common steps to achieve this are annual general meetings with opportunities to ask questions and vote, provision of information to members on activities and finances and following a clear process for appointing Responsible Persons</i></li> </ul> </li> </ul>
<b>3 Compliance with Australian laws</b>	<ul style="list-style-type: none"> <li>must comply with all Australian laws which apply to the entity</li> </ul>
<b>4 Suitability of Responsible Persons</b>	<ul style="list-style-type: none"> <li>must take reasonable steps to ensure that each Responsible Person is not disqualified from: <ul style="list-style-type: none"> <li>managing a corporation under the Corporations Act 2001 (i.e., is not an undischarged bankruptcy etc.)</li> <li>being a Responsible Person by the ACNC Commissioner within the last 12 months</li> </ul> </li> </ul>
<b>5 Duties of Responsible Persons</b> <i>(NB: these are the same as the common law duties of responsible persons and therefore apply even for an unregistered entity and an ACNC entity which is a Basic Religious Charity)</i>	<ul style="list-style-type: none"> <li>must generally act with standards of integrity and common sense</li> <li>must act with reasonable care and diligence</li> <li>must act honestly in the best interests of the charity and for its charitable purpose</li> <li>must not misuse their position as a Responsible Person</li> <li>must not misuse information gained in their role as a Responsible Person</li> <li>must disclose conflicts: <ul style="list-style-type: none"> <li><i>i.e., following the Apprenticeship Are Us Ltd Conflict of Interest Policy</i></li> </ul> </li> <li>must ensure that the financial affairs of the charity are managed responsibly</li> <li>must not allow the charity to operate whilst it is insolvent</li> </ul>

The ACNC standards can be accessed at:

<https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/governance-standards>.

## Appendix 3 – Australian Accounting Standards Financial Reporting Requirements Summary<sup>30</sup>

	General Purpose Financial Reports (GPFRs) Reporting Entities		Special Purpose Financial Reports (SPFRs) Non-Reporting Entities
	Tier 1 (full Australian Accounting Standards)	Tier 2 (Reduced Disclosure Requirements)	
for-profit private sector	reporting entity that is publicly accountable (e.g., listed entities, disclosing entities, banks, insurance companies and other financial institutions)	other reporting entities that are not publicly accountable – unless the entity elects to apply Tier 1	non-reporting entities currently preparing SPFRs, including wholly owned subsidiaries and eligible large proprietary companies
not-for-profit private sector	reporting not-for profits currently preparing GPFRs – only if required by a relevant regulator	reporting not-for profits currently preparing GPFRs - choice of applying Tier 1 or Tier 2	non-reporting not-for-profit entities currently preparing SPFRs
public sector	Federal, State, Territory and Local Governments	All other entities, unless the relevant regulator requires Tier 1	

### Reporting entity indicia:

- many stakeholders
- operating Australia wide and/or internationally
- whole management team is employed with little volunteer involvement
- professional workforce involved in delivery of services or running day-to-day activities
- governing board includes „outsiders“ with specific skills
- significant community impact and/or representing a number of communities or affiliated bodies

### Non-reporting entity indicia:

- few stakeholders
- operate in a limited geographic area (e.g., in 1 suburb or a country town)
- managed by stakeholders, including volunteers
- a small management team is employed and supplemented by volunteers
- activities conducted by volunteers
- governed by a board of volunteers
- impact limited to a specific community & 1 group within that community

<sup>30</sup> <https://www2.deloitte.com/au/en/pages/audit/solutions/accounting-technical.html>

## Appendix 4 – *Corporations Act 2001 (Cth)* Disqualification

206B (1) A person becomes disqualified from managing corporations if the person:

- (a) is convicted of indictment of an offence that:
  - (i) concerns the making, or participation in making, of decisions that affect the whole or a substantial part of the business of the corporation; or
  - (ii) concerns an act that has the capacity to affect significantly the corporation's financial standing; or
- (b) is convicted of an offence that:
  - (i) is a contravention of the Corporations Act and is punishable by imprisonment for at least 3 months; or
  - (ii) is convicted of an offence against the law of a foreign country that is punishable by imprisonment for a period greater than 12 months.

206B (3) A person is disqualified from managing corporations if the person is an undischarged bankrupt under the law of Australia its external territories or another country.

206B (4) A person is disqualified from managing corporations if:

- (a) the person has executed a personal insolvency agreement under:
  - (i) Part X of the *Bankruptcy Act 1966*; or
  - (ii) a similar law of an external Territory or a foreign country; and
- (b) the terms of the agreement have not been fully complied with.

206B (5) A person is disqualified from managing corporations at a particular time if the person is, at that time, disqualified from managing Aboriginal and Torres Strait Islander corporations under Part 6-5 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

206B (6) A person is disqualified from managing corporations if the person is disqualified, under an order made by a court of a foreign jurisdiction that is in force, from:

- (a) being a director of a foreign company; or
- (b) being concerned in the management of a foreign company.

206EB A person is disqualified from managing a corporation if a court order disqualifying the person from managing corporations is in force.

206F A person is disqualified from managing a corporation if ASIC disqualifies a person from managing corporations (and has served a notice on the person advising them of the disqualification, including the period of the disqualification).

## Appendix 5 – Reference Materials

- ACNC Information Paper 1 (15 April 2013)
- Australian Charities and Not-for-profits Commission Act 2012 (Cth)
- Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012 (Cth) Australian Charities and Not-for-profits Commission Amendment Regulation 2013 (Cth)
- Charities Act 2013 (Cth)
- Charities (Consequential Amendments and Transitional Provisions) Act 2013 (Cth) Australian Charities and Not-for-profits Commission (Repeal) (No 1) Bill 2014
- Australian Charities and Not-for-profits Commission (Repeal) (No 1) Bill 2014 Explanatory Memorandum
- CPS 2012/05 ACNC Commissioner's Policy Statement: Withholding or Removing Information from the ACNC Register (ACNC)
- Revised Explanatory Memorandum and Supplementary Memorandum – Australian Charities and Not- for-profits Commission Bill 2012 & Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012
- Guide to the Australian Charities and Not-for-profits Commission Act 2012 (Cth) – Version 1.0 – 7 December 2012 (ACNC)
- 2014 Annual Information Statement (AIS) Public Consultation Paper – 13 March 2013 (ACNC)
- Not-for-profit Sector Tax Concession Working Group Discussion Paper: Fairer, simpler and more effective tax concessions for the not-for-profit sector – November 2012 (Treasury)
- Tax basics for non-profit organisations': A guide to tax issues affecting non-profit organisations' including charities, clubs, societies and associations - NAT 7966-06.2011 (ATO)
- Addendum to Tax basics for non-profit organisations' - NAT 7966ADD-12.2012 (ATO) Various fact sheets and online information contained on the ACNC's website
- ATO website [www.ato.gov.au](http://www.ato.gov.au)
- ACNC website [www.acnc.gov.au](http://www.acnc.gov.au)

## Appendix 6 – ACNC Terms

<b>ACNC</b>	Australian charities and not-for-profits commission
<b>ACNC Sub-Types</b>	<ol style="list-style-type: none"> <li>1 Advancing health</li> <li>2 Advanced education</li> <li>3 Advancing social or public welfare, which includes:           <ul style="list-style-type: none"> <li>• Relieving the poverty, distress or disadvantage of individuals or families</li> <li>• Caring for and supporting the aged</li> <li>• Caring for and supporting individuals with disabilities</li> <li>• Assisting the rebuilding, repairing or securing of assets after a disaster</li> </ul> </li> <li>4 Advancing religion, for example:           <ul style="list-style-type: none"> <li>• Religious congregations</li> <li>• Religious education bodies</li> <li>• Funds for establishing and maintaining religious buildings</li> </ul> </li> <li>5 Advancing culture</li> <li>6 Promoting reconciliation, mutual respect and tolerance between groups of individuals that are in Australia</li> <li>7 Promoting or protecting human rights</li> <li>8 Advancing the security or safety of Australia or the Australian public</li> <li>9 Preventing or relieving the suffering of animals</li> <li>10 Advancing the natural environment</li> <li>11 Any other purpose beneficial to the general public that may reasonably be regarded as analogous to, or within the spirit of, any of the purposes mentioned above</li> <li>12 Health promotion charities</li> <li>13 Public benevolent institutions</li> </ol>
<b>AIS</b>	Annual Information Statement
<b>Basic Religious Charity (BRC)</b>	<p>An entity which meets all of the requirements below:</p> <ol style="list-style-type: none"> <li>1 ACNC registered</li> <li>2 ACNC registered sub-type of “for the advancement of religion”</li> <li>3 not registered as any other ACNC sub-type</li> <li>4 not eligible to be registered as any other ACNC sub-type</li> <li>5 not an incorporated association</li> <li>6 not ASIC or ORIC registered</li> <li>7 not part of an ACNC reporting group</li> <li>8 not endorsed as a DGR by the ATO</li> <li>9 does not operate an ATO endorsed DGR fund, institution or authority which has revenue of \$250,000 or more</li> <li>10 has not received state, federal or territory grants totaling \$100,000 or more in any of the current or past 2 financial years</li> </ol>

<b>Entity</b>	the church body, agency, organisation, or school etc.
<b>Governing Documents / Governing Rules</b>	the written rules of the entity that govern the establishment or operation of the entity and can be enforced against the entity <ul style="list-style-type: none"> <li>• <i>Apprenticeships Are Us Ltd - Constitution</i></li> </ul>
<b>Penalty Unit</b>	Currently equal to \$222 per unit (payable to the ACNC)
<b>Registered Entity</b>	an entity which is ACNC registered
<b>Responsible Entity</b>	the governing / decision making body of the entity <ul style="list-style-type: none"> <li>• <i>Apprenticeships Are Us Ltd</i></li> </ul>
<b>Responsible Persons</b>	all the members of the Responsible Entity

#### DOCUMENT CONTROL

Version	Authorised by	Authorisation Date	Sections	Amendment
1.1	ARU Board	31/03/2023	All	N/A
1.2	ARU Board	04/10/2024	All	Cover page, minor information update
1.3	ARU Board	27/11/2025	All	Information update