



Australian Government



Australian
Charities and
Not-for-profits
Commission

18 August 2022

Accounting Professional & Ethical Standards Board

Submitted via email at sub@apesb.org.au

Our reference: ACNC SUB2022/9

ACNC submission – Proposed Standard: APES 205 *Conformity with Accounting Standards*

The Australian Charities and Not-for-profits Commission (**ACNC**) welcomes the Accounting Professional & Ethical Standards Board's (**APESB**) invitation to comment on an exposure draft on proposed amendments to APES 205 *Conformity with Accounting Standards* (**APES 205**).

About the ACNC and the charity sector

The ACNC is the federal charities regulator with the following statutory objects – to:

1. maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector;
2. support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector; and
3. promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector.

The ACNC regulates more than 59,000 charities in Australia which are a subset of the not-for-profits sector (charities must be not-for-profits, but most not-for-profits are not charities).

The ACNC is careful to balance each of our legislative objects and has considered them in responding to the proposed amendments to APES 205.

Our comments are focused on the impact of the proposed amendments on charities.

In line with the ACNC's third statutory object, we agree that ACNC registered charities should be excluded from the obligations listed in paragraph 6.1 of APES 205 via the insertion of sub-paragraph 6.2(c).

The exposure draft includes the following text under sub-paragraph 6.2(c):

an entity that is required to prepare financial reports in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Charities and Not-for-profits Commission Regulation 2013.





We recommend that sub-paragraph 6.2(c) be reworded as follows:

an entity that is registered with the Australian Charities and Not-for-profits Commission.

Under the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Regulation 2016* (Cth), we accept financial reports prepared for other government agencies as meeting our own requirements. This Regulation is currently in force up until the 2023-24 financial year.

Our suggested update to sub-paragraph 6.2(c) resolves this issue and provides clarity to accounting professionals.

If you have queries about this submission, please contact our Reporting team at Reporting@acnc.gov.au.

A handwritten signature in black ink, appearing to be 'Melville Yates', written over a horizontal line.

Melville Yates

Director of Reporting, Red Tape Reduction & ACNC Corporate Services Australian Charities
Australian Charities and Not-for-profits Commission