



Australian Government  
Office of the Registrar of  
Indigenous Corporations



# Corporation reporting guide

April 2026

## ABOUT THE GUIDE

---

This guide is designed to help corporation auditors and accountants (or bookkeepers) prepare reports for corporations registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act).

## DISCLAIMER

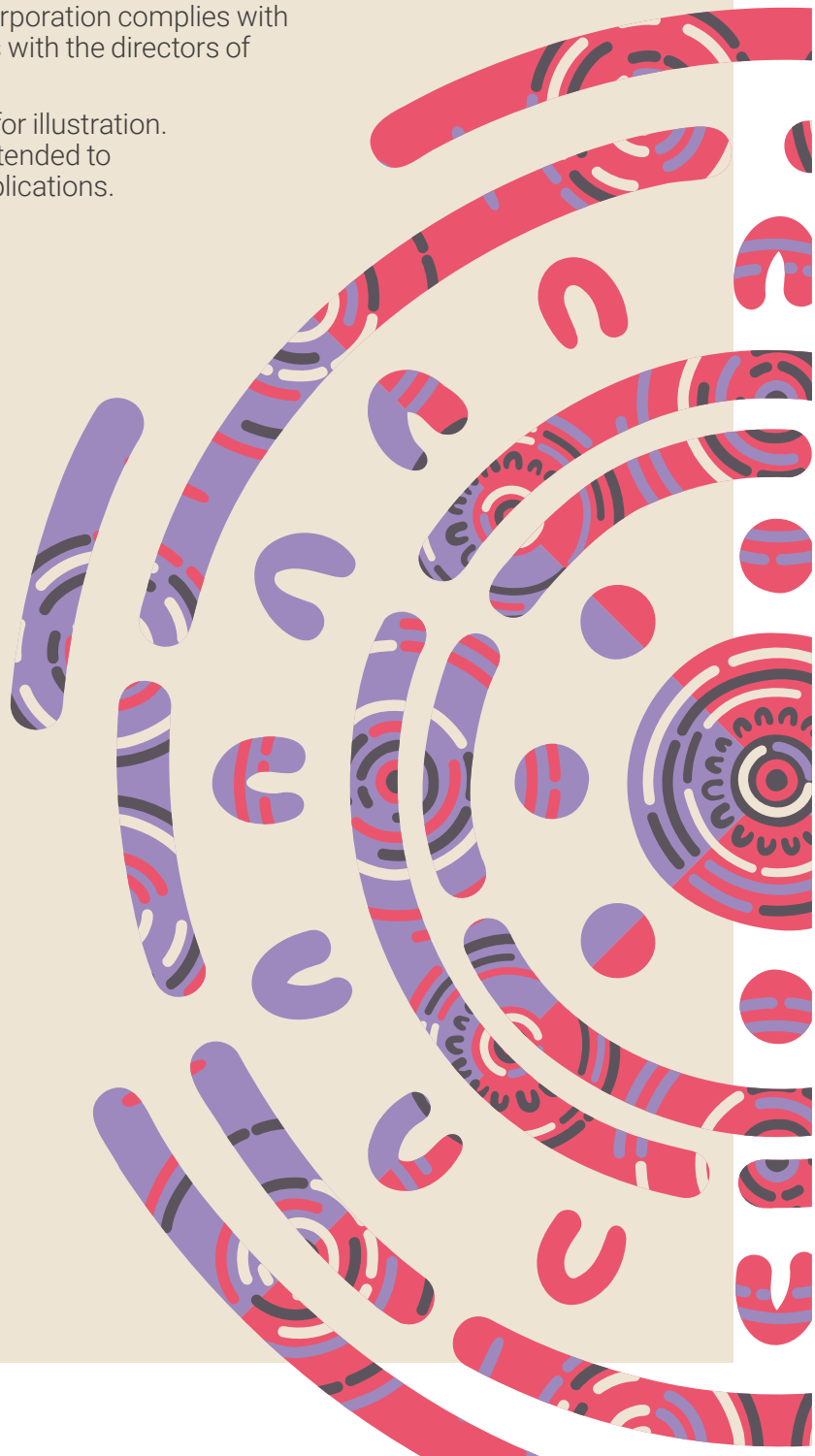
---

Please note this summary does not constitute legal or financial advice.

Readers are encouraged to seek their own professional advice regarding the application of Australian Accounting Standards.

Responsibility for ensuring a CATSI corporation complies with its financial reporting obligations rests with the directors of the corporation.

Examples in this summary are purely for illustration. They are not exhaustive and are not intended to impose or imply particular rules or applications.



# Contents



<b>REPORTING REQUIREMENTS FOR ABORIGINAL AND TORRES STRAIT ISLANDER CORPORATIONS</b>	<b>1</b>	<b>CONTEXT FOR THE ASSESSMENT OF ACCOUNTING STANDARDS</b>	<b>8</b>
Reporting requirements for corporations who are also charities	1	Application of the standards	8
<b>RESPONSIBILITY FOR REPORTING</b>	<b>1</b>	Reporting entity assessment	8
<b>DEADLINE FOR LODGING REPORTS</b>	<b>1</b>	Relief available in the standards	9
Importance of timely reporting	1	Tiers and simplified disclosure	9
<b>EXEMPTIONS FROM REPORTING</b>	<b>2</b>	Are CATSI corporations eligible for Tier 2?	10
<b>REPORTING ONLINE</b>	<b>2</b>	Should CATSI corporations adopt Tier 2 simplified disclosure requirements?	10
<b>ASSISTANCE FROM ORIC</b>	<b>3</b>	<b>ASB 124: RELATED PARTY DISCLOSURES</b>	<b>11</b>
<b>TYPES OF REPORTS</b>	<b>3</b>	Who is a 'related party'?	11
<b>1. GENERAL REPORT</b>	<b>4</b>	Definition of related party transaction	12
Who needs to provide a general report?	4	Key management personnel	12
When do general reports need to be lodged?	4	<b>3. AUDIT REPORT</b>	<b>13</b>
What's in the general report?	4	Who needs to provide an audit report?	13
<b>2. FINANCIAL REPORT</b>	<b>5</b>	Who does not need to provide an audit report?	13
Who needs to provide a financial report?	6	When does the audit report need to be lodged?	13
Who does not need to provide a financial report?	6	What's in the audit report?	13
When do financial reports need to be lodged?	6	Auditor independence	14
What's in the financial report?	7	Quality of the audit report	15
		<b>4. DIRECTORS' REPORT</b>	<b>17</b>
		Who needs to provide a directors' report?	17
		Consolidated entities	17
		Who does not need to provide a directors' report?	17
		When do directors' reports need to be lodged?	17
		What's in the directors' report?	17
		<b>ATTACHMENT A: EXAMPLE DIRECTORS' DECLARATION FOR APPROVING REPORTS</b>	<b>20</b>

## Reporting requirements for Aboriginal and Torres Strait Islander corporations

The *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) and Corporations (Aboriginal and Torres Strait Islander) Regulations 2017 (regulations) set out the reporting requirements for all Aboriginal and Torres Strait Islander corporations—Part 7-3.

The CATSI Act is a special measure under the *Racial Discrimination Act 1975*. It aims to allow Aboriginal and Torres Strait Islander people access to a modern incorporation statute aligned with contemporary corporate governance standards and corporations law while taking account of the special risks and requirements of the Indigenous corporate sector. While many provisions within the CATSI Act mirror or are based on the *Corporations Act 2001*, there are some modifications to reflect the circumstances of CATSI Act corporations, and in some cases to provide greater protection for members of CATSI Act corporations and to improve internal accountability.

### Reporting requirements for corporations who are also charities

If your corporation is also registered as a charity with the Australian Charities and Not-for-Profits Commission (ACNC) you only need to report once—to the Registrar.

The Registrar will pass on the information from your reports to the ACNC and you will be taken to have fulfilled your reporting obligations to the ACNC.

## Responsibility for reporting

Corporation directors are responsible for ensuring their corporation meets its reporting obligations. They must ensure the corporation keeps appropriate financial records that enable true and fair financial statements to be prepared; the corporation prepares and lodges appropriate reports and within the appropriate timeframes; and that the information in the reports is true and fair.

## Deadline for lodging reports

All corporations must lodge reports with the Registrar every year within six months of the end of the corporation's financial year. Most corporations end their financial year at 30 June which means their reports are due between 1 July and 31 December.

### Importance of timely reporting

There are many users of the public register looking for the latest information about corporations. For corporations, having reliable and updated information ensures:

- the right people have the right permissions to act on a corporation's behalf—including responsible persons for corporations also registered as charities with the Australian Charities and Not-for-profits Commission (ORIC shares reports with the ACNC to maintain the charities register)
- government agencies can contact them—for example, if emergency services need to contact organisations during natural disasters
- no unnecessary delays to their applications for support or funding from government agencies, or applications for finance (bank loan).

## Exemptions from reporting

The Registrar may grant an exemption to a corporation for various reporting requirements. Examples include: excusing them from lodge a particular report; extending the time in which a particular report must be lodged; the extent to which the accounting standards must be applied.

When applying for an exemption, a corporation must provide reasons for the exemption which satisfy the legislative criteria in section 358-5.

When considering an application for exemption, the Registrar must consider whether the current reporting obligations:

- make a report misleading
- are inappropriate in the circumstances or
- if it would impose an unreasonable burden on the corporation.

The Registrar must take the following into account:

- if the corporation provides services, what the consequences would be if the corporation stopped providing those services
- whether the corporation is at high risk of becoming insolvent or not complying with reporting requirements
- the expected costs of complying with the reporting requirements
- the expected benefits of having the corporation comply with the reporting requirements (including the number and position of creditors and potential creditors and the nature and extent of liabilities of the corporation)
- any practical difficulties that the corporation might have to effectively comply with the reporting requirements
- any unusual aspects in the way a corporation operates during the financial year concerned
- any other matters that the Registrar considers relevant.

Please be aware the Registrar will also consider timeliness of the application and is unlikely to grant exemptions for a general report, and any extensions of time granted are unlikely to exceed five months beyond the legislative reporting deadline.

The Registrar will look at every case individually. Applications must be made in writing—there's a form in **myCorp.oric.gov.au**. The Registrar will consider the application and let the corporation know in writing whether it has been granted an exemption and whether that exemption is subject to conditions.

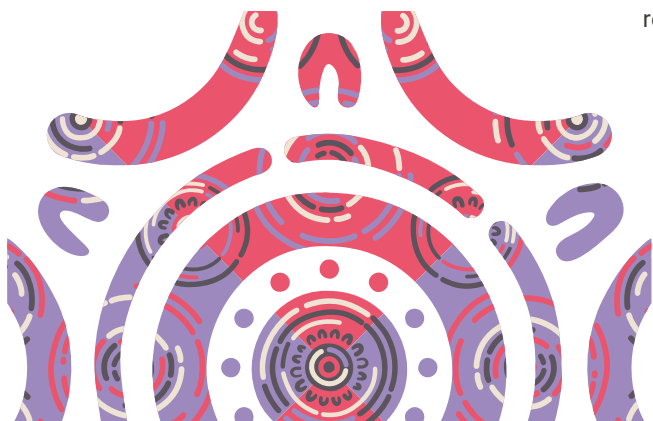
A corporation granted an exemption from reporting under the CATSI Act is still required to maintain proper accounts and records.

## Reporting online

Directors, secretaries and authorised delegates can lodge corporation reports through [mycorp.oric.gov.au](https://mycorp.oric.gov.au). After logging in, select the general report for the relevant financial year.

Corporations can save time preparing reports by doing it online, particularly the general report, because the online system pre-populates information from records already held in the Register of Aboriginal and Torres Strait Islander Corporations. Another time saving tip for corporations that maintain their register of members electronically is to upload a copy of their member list rather than typing it in.

Corporations without internet access can request a paper general report form but this will take longer to fill in and be processed.



## Assistance from ORIC

If you are a member or director of a corporation, you can see if your reports have been lodged by checking your corporation’s documents in the public register at [myCorp.oric.gov.au/public-register](http://myCorp.oric.gov.au/public-register).

Please contact ORIC on 1800 622 431 (freecall except for mobiles) or email [info@oric.gov.au](mailto:info@oric.gov.au) if you need any further information or help with:

- finding out whether your corporation has lodged this year’s reports or previous reports
- whether your corporation is eligible for exemption from preparing and lodging reports
- completing any of the documents mentioned in this guide.

## Types of reports

The reports each corporation is required to prepare and lodge vary depending on its registered size and income.

Size and income	Reports required
<b>Small corporations</b> with a consolidated gross operating income of <b>less than \$100,000</b> .	1. General report only
<b>Small corporations</b> with a consolidated gross operating income of <b>\$100,000 or more but less than \$5 million</b> . <b>Medium corporations</b> with a consolidated gross operating income of <b>less than \$5 million</b> .	1. General report only 2. Financial report 3. Audit report <b>OR</b> 2. Financial report based on reports to government funders (if eligible)
<b>Large corporations or any size corporation</b> with a consolidated gross operating income of <b>\$5 million or more</b> .	1. General report only 2. Financial report 3. Audit report 4. Directors’ report

### WHAT IS CONSOLIDATED GROSS OPERATING INCOME

Consolidated gross operating income (CGOI) = gross operating income of the corporation and any entities it controls.

The corporation should monitor their CGOI throughout the financial year to determine their reporting requirements.

# 1. General report

## Who needs to provide a general report?

Under the CATSI Act **all** Aboriginal and Torres Strait Islander corporations are required to prepare and lodge a general report to the Registrar every financial year.

## When do general reports need to be lodged?

Between 1 July and 31 December each year (unless you have an exemption to report on a calendar year basis).

## What's in the general report?

The general report covers three main groups of information about a corporation for the financial year:

- the corporation—name, Indigenous corporation number (ICN), Australian Business Number (ABN), size, main place of business, registered office / document access address, contact details and its activities
- its people—its contact person/secretary, directors and members
- basic financial and employee information—income, assets, deductible gift recipient status, number of employees

It also requires a declaration either by a director of the corporation (or secretary for large corporations), or if lodged by a delegate of the directors, a declaration based on a resolution of the directors.

### A general report contains a list of members, not the register of members

Each year, as part of their general report, corporations lodge a **list** of members. This is the list of members as at the end of the financial year.

### What's the difference between a register and a list?

A **register** of members is a living document, kept by the corporation. The corporation must update the register within 14 days whenever a new member application is approved by the directors or an existing membership ceases.

A **list** of members is a copy/extract of the register of members at one moment in time—it does not contain the full set of information that needs to be kept on the register of members.

## TIPS FOR MEMBER LISTS

---

### Frequency of updates

Some corporations provide their member list to ORIC once a year (as required in the general report), but others lodge updates all year round. Keeping information up to date as changes happen throughout the year makes it less work to complete the general report each year, particularly if you have a lot of members.

### Upload it rather than type it

If you keep your register of members in a digital file, you can simply attach (upload) it to the general report rather than typing it again. There's an Excel template on [oric.gov.au](http://oric.gov.au).

## 2. Financial report

### Who needs to provide a financial report?

- Small corporations with CGOI of more than \$100 000.
- Medium corporations.
- Large corporations.

### Who may lodge an alternative financial report based on reports to government funders?

If a corporation is **small with a CGOI between \$100,000 and \$5 million** or **medium with a CGOI less than \$5 million**, and:

- at least 90 per cent of the corporation's CGOI during the financial year consists of government funding (Commonwealth, state or local)
- as a condition of the funding the corporation is required to lodge an annual report
- the accounting standards do not require the corporation to prepare consolidated financial statements

then it may be eligible to lodge a financial report based on reports given to public funding bodies.

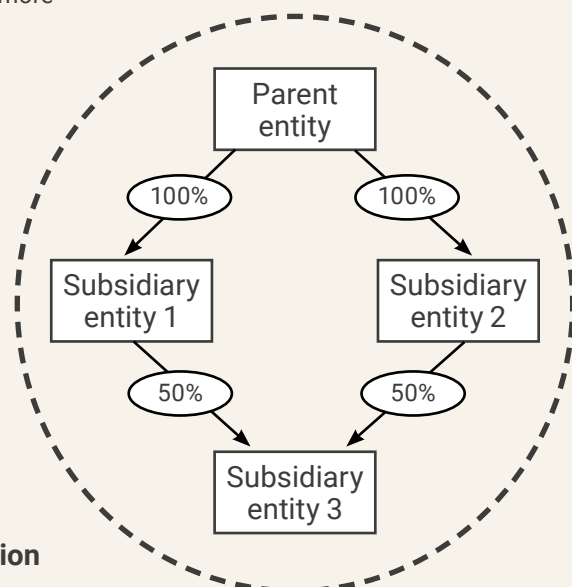
### Consolidated entities

If a corporation controls other entities, the accounting standards may require it to prepare consolidated financial statements (i.e. a single set of financial statements that combines the financial results of the parent entity and the controlled entities as a 'group').

Consolidated financial statements are the financial statements of a group in which the financial information of the parent and its subsidiaries are presented as those of a single entity. A parent entity prepares the financial statements for the group. A parent is the entity that controls one or more other entities and a subsidiary is an entity that is controlled by the parent entity. An entity controls another entity when it has power over the other entity, is exposed, or has rights, to variable returns from its involvement with the other entity and has the ability to affect those returns through its power over the other entity. In the most straightforward case, the parent entity is the entity that holds the majority of the voting rights, in the absence of other factors, in another entity, for example the rights to vote to appoint the directors of the subsidiary entity. However, in more complex cases it will be necessary to consider other factors which are set out in **AASB 10: Consolidated Financial Statements**. AASB 10 gives extensive guidance on the relevant criteria for consolidation of an entity or entities.

Refer to **AASB 10: Consolidated Financial Statements** for more guidance on the requirements of consolidations.

Accounting standards are on the Australian Accounting Standards Board (AASB) website [aasb.gov.au](http://aasb.gov.au).



## Who does not need to provide a financial report?

Small corporations with an income of \$100 000 or less are not required to prepare a financial report for the Registrar. This makes things a lot easier for corporations with little or no income.

## When do financial reports need to be lodged?

Between 1 July and 31 December each year (unless you have an exemption to report on a calendar year basis).

## What's in the financial report?

The financial report must contain financial statements for the year, notes to the financial statements and a directors' declaration.

Under the CATSI Act and CATSI Regulations, corporations that are required to prepare a financial report must prepare a report that includes financial statements and notes that comply with the Australian Accounting Standards as if it were a reporting entity.

Under the accounting standards an entity is required to produce **general purpose financial statements** if they are a reporting entity i.e. that parties exist that have an interest in the corporation but cannot access financial advice about the corporation on their own.

### General purpose financial report (to be prepared according to the accounting standards)

#### Financial statements, including:

- a statement of financial position
- a statement of profit or loss and other comprehensive income
- a statement of changes in equity showing either:
  - all changes in equity or
  - changes in equity other than those arising from transactions with equity holders acting in their capacity as equity holders
- a statement of cash flows
- notes to the financial statements (prepared in accordance with all applicable accounting standards).

This list is a summary only. Financial statements must comply with all applicable accounting standards.

The financial statements, notes and any other information must give a true and fair view of the financial position and performance of the corporation or consolidated entity.

Many CATSI corporations may be eligible to apply tier 2 simplified disclosure in line with AASB 1053: **Application of Tiers of Australian Accounting Standards** and AASB 1060: **General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities**.

The summary starting on page 9 will help CATSI corporations understand the standard and help them decide whether they are eligible.

## Directors' declaration

A copy of the resolution of the directors' declaration.

Note: The resolution can be passed at a directors' meeting or by circulation (if the resolution is passed by circulation all directors must pass the resolution, not just a majority).

It must include:

- a statement that the corporation will be able to pay its debts when they are due
- a statement that the financial statements and notes comply with the CATSI Regulations, accounting standards and provide a true and fair view of the financial position and performance of the corporation
- the date the resolution was made
- a signature of a director.

See the example directors' declaration at **attachment A (page 20)**.

It includes the resolutions required for both the financial report and directors' report.

## What's in the financial report based on reports to funders?

Corporations reporting under the option for public-funded corporations may produce and lodge financial statements in accordance with the funding bodies requirements together with the following documents.

<b>Financial report for eligible public-funded corporations</b>
A copy of the reports given to the funding bodies.
A copy of the relevant auditor's report/s.
An income and expenditure statement and a balance sheet for any income, expenditure, assets and liabilities that have not been included in the funding reports.
<p>A copy of the resolution of the directors' declaration.</p> <p>The resolution can be passed at a directors' meeting or by circulation. It must include:</p> <ul style="list-style-type: none"> <li>• a statement that the corporation will be able to pay its debts when they are due</li> <li>• the date the resolution was made</li> <li>• a signature of a director.</li> </ul>

# Context for the assessment of accounting standards

The Australian Accounting Standards set out the rules or standards for accountants to deal with or treat accounting transactions and events. Financial reporting standards set out the accounting rules for the recognition, measurement, classification/presentation and disclosure of accounting transactions. They are largely expressed in the form of general principles and based on accounting concepts and conventions. There are around 57 accounting standards.

The rules set out in each accounting standard can be broken down into the following core components:

1. **Recognition rules:** which transactions/events are captured and recognised in an accounting system.
2. **Measurement rules:** how should a transaction/event be valued or measured.
3. **Classification/presentation rules:** where and how should the data be presented or grouped to make it understandable.
4. **Disclosure rules:** explaining how the three rules above come together.

Each accounting standard comprises the specific recognition, measurement, classification and disclosure rules that are applicable. Without the standards, financial information would lack reliability, completeness and would be difficult to understand.

## Application of the standards

The CATSI Act requires CATSI corporations to apply the accounting standards that are given force by section 334 of the *Corporations Act 2001*. That section gives force to the Australian Accounting Standards produced by the Australian Accounting Standards Board.

## Reporting entity assessment

The Australian Accounting Standards specify whether or not an entity must produce general purpose financial statements based on the concept of a reporting entity. Some entities are prescribed as reporting entities and must prepare a general purpose financial report. The directors of entities that are not prescribed as reporting entities self-assess whether the entity is a reporting entity by assessing whether users exist that are likely to use the financial statements of the entity.

If the directors assess the entity is not a reporting entity, then the entity can prepare special purpose financial statements in accordance with some, but not all, accounting standards.

While the CATSI Act and Regulations don't specifically prescribe if CATSI corporations are reporting entities or not, they do say **regardless of whether or not a corporation would be regarded as a reporting entity, a financial report under the CATSI Act must be prepared in compliance with the accounting standards** (section 23 CATSI Regulations).

**CATSI corporations** who are required to prepare a financial report must prepare the **report as if they were a reporting entity**. They are required to produce a general purpose financial report.

## Tiers and simplified disclosure

Australian accounting authorities have adopted a two tier reporting framework for Australian reporting.

**AASB 1053 Application of Tiers of Australian Accounting Standards** is an Australian accounting standard that creates two tiers of financial reporting requirements for entities that prepare general purpose financial statements.

It splits financial reporting entities into:

- **Tier 1 Australian Accounting Standards (full disclosure):** for-profit entities with public accountability, Commonwealth, state and local government corporations
- **Tier 2 Australian Accounting Standards (simplified disclosure):** for-profit entities without public accountability, and not-for-profit entities.

AASB 1053 allows Tier 2 reporting entities to adopt simplified disclosure requirements—reducing the disclosure required in the notes to the financial statements.

**AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities** is a stand-alone disclosure standard that sets out all the disclosure requirements relevant to Tier 2 general purpose financial statements. AASB 1060 does not change which entities are permitted to apply Tier 2 reporting requirements.

### Disclosure in the notes

AASB 1060 simplifies the level of disclosure Tier 2 corporations need to include when preparing general purpose financial statements. Disclosures under AASB 1060 are significantly simplified, especially in the areas of revenue, leases, impairment and financial instruments.

Disclosure is only one element within a financial reporting standard. The recognition and measurement rules set out in other Australian financial reporting are kept intact. The means both tiers are required to follow the same measurement, classification and recognition rules and accounting concepts. The numbers in the financial statements will not differ under each tier.

Simplified disclosure in the notes does not change how financial statements:

- recognise transactions. All accounting transactions are still relevant.
- measure accounting events. For example, plant and equipment assets will still be measured at cost or at fair value.
- classify and present accounting information. It does not change the way transactions are classified and grouped for revenues, expenses, assets, equity and liabilities.

Corporations eligible for Tier 2 have less onerous disclosure requirements but will still prepare financial statements that are compliant with the financial reporting standards.

## Are CATSI corporations eligible for Tier 2?

### Eligibility requirements under AASB 1053

The following entities can adopt Tier 2 reduced disclosure requirements:

- for-profit private sector entities that do not have public accountability (this may apply to a small number of CATSI corporations)
- not-for-profit private sector entities (this will apply to many CATSI corporations), and
- public sector entities, whether for-profit or not-for-profit, other than the Australian Government and state, territory and local governments (unlikely to apply to CATSI corporations).

### CATSI Act requirements

**The CATSI Regulations allow corporations to adopt AASB 1053 Tier 2 financial reporting requirements.**

The CATSI Act sets out a financial reporting framework which requires most CATSI corporations to produce general purpose financial statements.

CATSI corporations are able to make their own decision about adopting Tier 2 financial reporting without consulting the Registrar. CATSI corporations should seek appropriate professional advice about their eligibility.

When a corporation applies AASB 1060 to its financial report it must disclose that fact.

CATSI corporations who adopt the AASB 1060 will reduce the burden of financial reporting by simplifying the level of disclosure required without affecting any other elements of their financial report. It may also reduce a corporation's accounting and audit costs.

The nature of the simplified disclosure requirements do not reduce the quality of general purpose financial statements prepared under Tier 2 financial reporting requirements.

CATSI corporations that are for-profit entities that do not have public accountability or are not-for-profit entities may adopt AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

# AASB 124: Related party disclosures

**Related party relationships are a normal part of corporation business.**

**CATSI corporations that are required to prepare financial report must lodge a general purpose financial report that complies with all applicable Australian Accounting Standards. This includes complying with the standard on related party disclosures.**

The definition of a related party under the CATSI Act (section 293–1) is different and not to be confused with the accounting standard definition.

## Who is a ‘related party’?

### Definition under the accounting standards

**A person or a close member of their family (their children or dependents, their spouse or domestic partner, and the spouse’s or partner’s children or dependents)** is a related party of a reporting entity if they:

- have control or joint control of the reporting entity
- have significant influence over the reporting entity or
- are a member of the key management personnel of the corporation or of a
- parent of the reporting entity.

An **entity** is related to a reporting entity if any of the following conditions applies:

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ne entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

An entity is also a related party of a reporting entity if the entity:

- is controlled or jointly controlled by
- may be significantly influenced by or
- has a member of it’s key management personnel who is

a person identified (above) as a related party of the reporting entity.

The description above is based on AASB 124.

## Definition of related party transaction

A transfer of resources, services or obligations between a corporation and a related party, regardless of whether a price is charged.

Types of transactions include:

- purchases, sales, donations
- receipt of goods, services or property
- leases
- transfers of property including intellectual property
- loans
- guarantees
- provision of employees on a paid or complementary basis.

## Key management personnel

AASB 124.17 also requires the disclosure of **key management personnel (KMP) compensation** in the notes to the financial report. The standard requires disclosure of KMP compensation to include short and long-term employee benefits and termination and post-employment benefits, which are or may be payable to KMP in exchange for services rendered to the corporation.

# 3. Audit report

## Who needs to provide an audit report?

- Small corporations with a CGOI of more than \$100 000.
- Medium corporations.
- Large corporations.

## Who does not need to provide an audit report?

- Small corporations with \$100 000 or less are not required to provide an audit report to the Registrar.

## When does the audit report need to be lodged?

Between 1 July and 31 December each year (unless you have an exemption to report on a calendar year basis).

## What’s in the audit report?

Audit report
<p>The financial report must be audited according to the auditing standards.</p> <p>In conducting the audit and preparing the audit report, the auditor must form the following opinions:</p> <ul style="list-style-type: none"> <li>• whether the financial report is in accordance with CATSI Act—and if not, say why</li> <li>• if the Registrar has imposed additional/increased reporting requirements, whether the financial report is in accordance with those requirements</li> <li>• whether the auditor has been given all information, explanations and assistance necessary to conduct the audit</li> <li>• whether the corporation has kept financial records sufficient to enable the financial report to be prepared and audited</li> <li>• whether the corporation has kept other records and registers as required by the CATSI Act.</li> </ul> <p>The audit report must include <b>any statements and disclosures required by the auditing standards</b>, including a statement on whether, in the auditor’s opinion, the financial statements present the financial transactions fairly according to applicable accounting standards and are based on proper accounts and records.</p> <p>If the auditor is of the opinion that the financial report does not comply with an accounting standard, the auditor must, to the extent practical, quantify the effect the non-compliance has on the financial report, if it is not practicable to quantify the effect fully, the report must say why.</p>

The definition of a related party under the CATSI Act (section 293–1) is different and not to be confused with the accounting standard definition.

## What is the difference between an audit report and a compilation report?

An **audit report** is a written report to members, from the appointed auditor containing the opinion of whether an entity's financial statements comply with the Australian Accounting Standards and present a true and fair view of the entity's financial position at year end and its financial performance during the year. This opinion is based on the auditor's audit of the entity in accordance with the Australian Auditing Standards.

A **compilation report** differs from an audit report. A compilation report is a cover letter prepared by an accountant (not an auditor) that states that the attached financial statements have been prepared based on the information provided by management. It gives no opinion or assurance over the balances in the financial statements.

## Who can audit the financial report?

The audit report can be done by:	Small corporations with a CGOI between \$100,000 and \$5 million	Large corporations Any size corporation with a CGOI of \$5 million or more
• a registered company auditor	✓	✓
• an audit firm that has at least one member who is a registered company auditor	✓	✓
• an authorised audit company	✓	✓
• a certified practising accountant or a fellow of CPA Australia	✓	
• a chartered member/affiliate of the Institute of Chartered Accountants in Australia	✓	
• a member or a fellow of the Institute of Public Accountants	✓	

## Auditor independence

The concept of Independence is fundamental to compliance with the principles of integrity and objectivity. Independence is the predominant way by which an auditor demonstrates that they can perform their task in an objective manner.

The requirement for the auditor to be independent from the client is detailed within subdivision 339-D of the CATSI Act. Auditing Standard ASA-200 provides guidance around auditor independence.

Corporations are required to notify ORIC within 14 days of an auditor appointment or resignation.

Provisions relating to the appointment and resignation of auditors are set out under Division 4 of the regulations.

## Quality of the audit report

So that users of the reports are confident and informed when making investment decisions it's important that corporations produce high-quality financial reports as well as ensure the audit report is also of high quality.

To ensure the audit is of high quality, directors, management and other officers must provide auditors with all explanations and information that they require for the audit.

Before the auditor gives their independent opinion in the audit report, they will seek a representation from the directors acknowledging their responsibility for the fair presentation of the financial report—a management representation letter attesting accuracy of information provided and that the corporation has disclosed all material information to the auditors.

The auditor may also seek written representations from management on specific matters, material to the financial report, when other sufficient appropriate audit evidence cannot reasonably be expected to exist. Examples of matters that might be included are in the example letter below.

### Example management representation letter

Note: this is an example, not a template.

(Corporation letterhead)

(To auditor)

(Date)

This representation letter is provided in connection with your audit of the financial report of ABC Aboriginal and Torres Strait Islander Corporation for the year ended 30 June 20XX [or period covered by the auditor's report] for the purpose of expressing an opinion as to whether the financial report gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act).

We confirm that (to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves):

**Financial report**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [insert date], for the preparation of the financial report in accordance with Australian Accounting Standards and the CATSI Act; in particular the financial report gives a true and fair view.
- The methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- All transactions have been recorded in the accounting records and are reflected in the financial report.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to this representation letter.

\*Continues...

**Information provided**

- We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters
  - all information required by the CATSI Act
  - all requested information, explanations and assistance for the purposes of the audit
  - unrestricted access to persons within the corporation from whom you determined it necessary to obtain audit evidence
  - all known information about actual or possible litigation and claims that should be accounted for and disclosed
  - the identity of the corporation's related parties and all the related party relationships and transactions.
- We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud. We have disclosed to you all known information that could have a material effect on the financial report including:
  - fraud or suspected fraud involving management or employees who have significant roles in internal control
  - allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others
  - instances of non-compliance or suspected non-compliance with laws and regulations.

**Other information**

- We have informed you of all the documents that we expect to issue that may comprise other information.
- The financial report and any other information obtained by you before the date of your audit report does not contain any material misstatements.

.....

Director

# 4. Directors' report

## Who needs to provide a directors' report?

- Large.
- Any size corporation with a CGOI of \$5 million or more.

### Consolidated entities

If a corporation is required to prepare consolidated financial statements, they are also required to prepare a directors' report for the consolidated entity (section 22 CATSI Regulations). See page 5 for consolidated financial reports.

## Who does not need to provide a directors' report?

Small and medium corporations with an income of less than \$5 million.

## When do directors' reports need to be lodged?

Between 1 July and 31 December each year.

## What's in the directors' report?

The directors' report helps members to understand the corporation's business.

If details are already included in the financial report they do not have to be repeated in the directors' report. But the directors' report must state what's not been included and where it can be found in the financial report.

The report should contain information such as:

- a detailed overview of a corporation's business performance during the financial year
- reasons for the corporation's results and financial position
- directors' meetings and any sub-committees
- description of the corporation's activities
- qualifications and experience of the corporation's directors and secretary
- any court proceedings relevant to the corporation.

General information	CATSI Regulation
A review of operations of the corporation during the year and the results of those operations.	333-10.02 (1)(a)
Details of any significant changes in the corporation's state of affairs during the year.	333-10.02 (1)(b)
A statement of the corporation's principal activities during the year and any significant changes in the nature of those activities during the year.	333-10.02 (1)(c)
<p>Details of any matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect:</p> <ul style="list-style-type: none"> <li>i. the corporation's operations in future financial years or</li> <li>ii. the results of those operations in future financial years or</li> <li>iii. the corporation's state of affairs in future financial years.</li> </ul>	333-10.02 (1)(d)
<p>Likely developments in the corporation's operations in future financial years and the expected results of those operations.</p> <p><b><i>*This can be left out if it could result in unreasonable prejudice to the corporation or consolidated group. But the report must say so.</i></b></p>	333-10.02 (1)(e) *(4) and (5)
If the corporation's operations are subject to any particular and significant environmental regulation under a Commonwealth, state or territory law—details of the corporation's performance in relation to environmental regulation.	333-10.02 (1)(f)
<p>Details of distributions paid to members during the year.</p> <p>Details of distributions recommended or declared for payment to members, but not paid during the year.</p>	333-10.02 (1)(g) 333-10.02 (1)(h)
The name of each person who has been a director of the corporation during the year and the period of each director's tenure.	333-10.02 (1)(i)
Details of each director's qualifications, experience and special responsibilities.	333-10.02 (1)(j)
The number of meetings of the board of directors held during the year and each director's attendance record at those meetings.	333-10.02 (1)(k)
The number of meetings of each board committee held during the year and each director's attendance record at those meetings.	333-10.02 (1)(l)
The name of each person who has been a secretary of the corporation during the year.	333-10.02 (1)(m)
Details of each secretary's qualifications and experience.	333-10.02 (1)(n)
<p>The name of each person who:</p> <ul style="list-style-type: none"> <li>i. was an officer of the corporation at any time during the year and</li> <li>ii. was, when an audit firm or audit company that is an auditor of the corporation undertook an audit of the corporation, a partner in the audit firm or a director of the audit company.</li> </ul>	333-10.02 (1)(o)
A copy of the auditor's declaration under section 339-50 of the CATSI Act for the audit for the financial year.	333-10.02 (1)(p)

General information	CATSI Regulation
For any application for leave made during the year under section 169-5 of the Act: <ol style="list-style-type: none"> <li>i. the applicant's name</li> <li>ii. a statement whether leave was granted.</li> </ol>	333-10.02 (1)(q)
For any proceedings that, during the year, a person has brought or intervened in for the corporation with leave under section 169-5 of the Act: <ol style="list-style-type: none"> <li>i. the person's name</li> <li>ii. the names of the parties to the proceedings</li> <li>iii. sufficient information to enable members to understand the nature and status of the proceedings (including the cause of action and orders made by the court).</li> </ol>	333-10.02 (1)(r)
If the notes to the financial report include additional information to give a true and fair view of financial position and performance, the directors' report must include: <ol style="list-style-type: none"> <li>i. the directors' reasons for why they decided the additional information was necessary and</li> <li>ii. where the additional information can be found in the financial report.</li> </ol>	333-10.02 (3)
The date the report was made.	333-10.02 (8)(b)
The report must be signed by a director.	333-10.02 (8)(c)
A copy of the resolution approving the directors' report. Note: This resolution can be passed at a directors' meeting or by circulation.	333-10.02 (8)(a)

See the example directors' declaration at **attachment A**. It includes the resolutions required for both the financial report and directors' report.

# Attachment A

## Example directors' declaration for approving reports

**Corporation name:** \_\_\_\_\_

(the corporation)

ICN: \_\_\_\_\_

### MINUTES OF DIRECTORS' MEETING

**Date:** \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

**Location:** \_\_\_\_\_

**Time:** \_\_\_\_\_

**Present:** see attached attendance list

**Apologies:** see attached list of apologies

**Chairperson:** \_\_\_\_\_

**Quorum:** A quorum of directors was present at all times during the meeting.

**Notice of meeting:** The notice of the directors' meeting was, with the permission of the directors, taken as being read.

**Resolution:** The following resolution was passed by at least 50 per cent of directors attending the meeting.

#### THE DIRECTORS RESOLVED:

1. that, in their opinion, there are reasonable grounds to believe that the corporation will be able to pay its debts when they become due and payable
2. that, in their opinion, the financial statements and notes are in accordance with the Corporations (Aboriginal and Torres Strait Islander) Regulations 2017 (CATSI Regulations), including:
  - i. compliance with the accounting standards
  - ii. providing a true and fair view of the financial position and performance of the corporation/consolidated entity (strike out whichever is not applicable)
3. to approve the directors' report made on \_\_\_\_\_  
(insert date of directors' report)

**Closure:** There being no further business the meeting was declared closed at \_\_\_\_\_ (insert time)

**Confirmed:** \_\_\_\_\_ (Signature of chairperson/director)

\_\_\_\_\_ (Name of chairperson/director)