

Annual financial report checklist

Our checklist covers key issues for you to consider and includes helpful hints for preparing your charity's annual financial report. Note that this checklist does not cover every possible scenario and some requirements may not apply depending on the type of financial report and a charity's individual circumstances. You should seek professional advice for any specific accounting matters relevant to your charity.

☐ Does your charity's financial report include a complete set of financial statements?

- statement of profit or loss and other comprehensive income
- statement of financial position
- statement of changes in equity
- statement of cash flows
- notes to the financial statements

AASB reference: AASB 101.10

☐ Does your financial report present information about the legislative basis of preparation?

Charities prepare a financial report to meet the requirements of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012 (ACNC Act).

☐ Does your financial report include notes required by all relevant Australian accounting standards to explain the financial statements?

Charities that are not 'reporting entities' and prepare 'special purpose financial statements' must ensure they include any disclosures required by the following standards:

- AASB 101, Presentation of Financial Statements
- AASB 107, Statement of Cash Flows
- AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048, Interpretation of Standards
- AASB 1054, Australian Additional Disclosures.

AASB reference: AASB 101.10, all AASB Standards

☐ Have you applied the new Australian accounting standards where relevant? The new standards effective from 1 January 2019 are:

- AASB 15 Revenue from Contracts with Customers,
- AASB 16 Leases and
- AASB 1058 Income of Not-for-Profit Entities

All AASB Standards

☐ Does your charity's financial report include comparative figures for the current and previous reporting periods?

AASB reference: AASB 101.38





- ☐ **Does your charity have appropriate line items presented in the statement of profit or loss and statement of financial position. Charities should consider accounting standard requirements regarding:**
- The disclosure of material transactions and balances
 - The disclosure of certain transactions and balances separately
 - Consistent presentation of line items from period to period
- AASB reference: AASB 101.82, AASB 101.82A
- ☐ **Does your charity's financial report disclose the charity's significant accounting policies?**
- AASB reference: AASB 101.117
- ☐ **Have appropriate disclosures about accounting estimates, judgements and errors been made?**
- AASB reference: AASB 101.122, AASB 101.125, AASB 108
- ☐ **Has the cash flow statement been classified between operating, investing and financing activities?**
- AASB reference: AASB 107.10
- ☐ **If your charity prepares special purpose financial statements, do the notes include the new additional disclosures required for reporting periods ending on or after 30 June 2020 required by AASB 1054?**
- The required disclosures include:
- The basis on which the decision to prepare special purpose financial statements was made
 - The extent of non-compliance with AAS recognition and measurement requirements overall and for each material accounting policy or a disclosure that such an assessment has not been made
 - Where the charity has interest in other entities, whether or not it has applied the AAS consolidation and equity accounting requirements and if not, the reasons why or a disclosure that a relevant assessment of interests in other entities has not been made.
- AASB reference: AASB 1054.9A
- ☐ **Have you reviewed the ACNC's Best Practice Disclosure Guide?**
- ☐ **Does your charity's financial report include disclosure notes about key management personnel compensation and the nature of all related party transactions?**
- Compulsory (if relevant) for reporting entities and for ACNC approved reporting groups.
- AASB reference: AASB 124.17, AASB 124.18
- ☐ **Does your charity's financial report include a signed and dated Responsible Persons' declaration?**
- ☐ **Does your charity's financial report include an auditor's report (or reviewer's report for medium charities) signed by an appropriate auditor/reviewer?**
- ☐ **Does the auditor's or reviewer's report confirm the financial report meets the requirements of the ACNC Act?**