

Financial Requirements Ordinance 1991

No. 46, 1991

An Ordinance to amend or supplement provisions of other ordinances concerning financial reporting and insurances and other matters.

Now the Synod of the Diocese of Sydney ordains as follows –

Insurance Requirements

1. Clause 8 of the Accounts Ordinance 1975 is amended by renumbering paragraph (h) as paragraph (i) and by inserting the following paragraph before the paragraph so renumbered –

"(h) Whether appropriate types of insurance and levels of insurance cover are held in respect of all insurable risks of the organisation or corporation having regard to both value of assets and current level of awards of damages; and".

2. (1) The Church Insurances Ordinance 1981 is amended by the insertion of the following after clause 6 –

"7. The Corporate Trustee, on taking out insurance under clauses 2 or 3 in relation to church trust property held upon trust for any parish or other ecclesiastical district, must notify the churchwardens of each church in the parish or other ecclesiastical district, as soon as reasonably possible thereafter, of the risks insured against and the sum or sums insured."

(2) The Church Administration Ordinance 1990 is amended by the substitution, of the following for paragraph 20(1)(h) –

"(h) to insure to the extent appropriate, as regards both risks and amounts insured –

- (i) the church, the fittings, fixtures and furniture of the church and the rectory, halls and all other buildings and other property of the church;
- (ii) against liability for death or injury to persons and loss or damage occurring in connection with the ownership and use of those buildings and that property; and
- (iii) such persons as may be required by law to be insured for any purpose;

but only to the extent that such insurances have not been taken out by the Property Trust;"

3. The Accounts Ordinance 1975 is amended –

(a) by the insertion of the following after paragraph 1(1)(d):

"(e) the term "Internal Control" means the whole system of controls, financial or otherwise, established by an organisation or corporation in order to carry on the business and affairs of the organisation or corporation in an efficient and orderly manner, to

ensure adherence to management policies of the organisation or corporation, to safeguard the assets of the organisation or corporation and to secure, as far as is possible, the accuracy and reliability of the records of the organisation or corporation.”;

- (b) by the omission of “and” from paragraph 5(d);
- (c) by the insertion of the following after the last word of paragraph 5(e):
“; and
- (f) maintain a satisfactory system of Internal Control.”; and
- (d) by the insertion of the following after subclause 6(2):
“(3) The chief executive officer of each organisation or corporation must ensure that there is an effective system of internal control over financial and related operations of the organisation or corporation, including –
 - (a) management policies and requirements of any relevant ordinance and any prescribed requirements;
 - (b) sound practices for the efficient, effective and economical management of functions by each branch or section within the organisation or corporation;
 - (c) a system of authorisation, recording and procedures adequate to provide accounting control in relation to assets, liabilities, income and expenditure;
 - (d) proper segregation of functional responsibilities; and
 - (e) procedures to review the adequacy of and compliance with the system of internal control.
- (4) Wherever practicable, the chief executive officer of each organisation or corporation must establish and maintain an effective internal audit function which is responsible to the chief executive officer of the organisation or corporation for –
 - (a) the regular appraisal or the adequacy of and compliance with the system of internal control;
 - (b) the review of operations or activities of the organisation or corporation to ascertain whether results are consistent with established objectives and goals and whether the operations or activities are being carried out as planned; and
 - (c) the reporting directly at regular intervals to the chief executive officer of the organisation or

corporation as to the result of any appraisal, inspection, investigation, examination or review made by the internal audit organisation.

- (5) The chief executive officer of each organisation or corporation must supervise the preparation and maintenance of an accounting manual for use within the organisation or corporation.
- (6) The person responsible for the internal audit function of an organisation or corporation, should report annually to the members of the organisation or corporation."; and
- (e) by the relettering of paragraph (h) in clause 8 to (i) and the insertion of the following after paragraph 8(g):
"(h) Whether a satisfactory system of Internal Control has been maintained."

Annual Report

4. The Accounts Ordinance 1975 is amended -

- (a) by the insertion of the following after "Synod" when firstly appearing in clause 7(1):
"a report which complies with the Fifth Schedule and which contains";
- (b) by the omission of "and" where lastly appearing in paragraph 7(1)(b);
- (c) by the insertion of the following after subparagraph 7(1)(c)(iii):
";
";
(d) a report containing the particulars listed in the Third Schedule but in the case of Diocesan Church Schools reporting of clauses 1, 2, 3, 4, 5 and 15 only be required; and
- (e) the information called for in the Fourth Schedule."; and
- (d) by the insertion of the following as the Third, Fourth and Fifth Schedules:

THIRD SCHEDULE

1. Charter - a statement of the purposes for which the organisation or corporation was established and a citation of the ordinance or other constituting documents under which the organisation or corporation operates.
2. Aims and objectives - information as to what the organisation or corporation sets out to do, the range of services provided by the organisation or corporation and the sections of the church or the community served by the organisation or corporation.
3. Access - the address and telephone number of the principal office or offices of the organisation or corporation and the business and service hours of the organisation or corporation.
4. Management and structure -
 - (a) the names of the members of the organisation or corporation, particulars of any appropriate qualifications of those members, the method and term of appointment of those members, the frequency of meetings of the organisation or corporation, the attendance at those meetings, the names of significant committees of the organisation or corporation, the names of members of those committees, the titles, the names and qualifications of the senior officers of the organisation or corporation; and
 - (b) an organisation chart indicating functional responsibilities within the organisation or corporation.
5. A summary review of activities -
 - (a) a narrative summary of the significant activities for the relevant financial year;
 - (b) financial and other quantitative information covering the activities of the organisation or corporation; and
 - (c) activities undertaken but not included within the ordinance by which the organisation or corporation is constituted.
6. Legal change - changes in government legislation and significant judicial decisions affecting the organisation or corporation or the users of the services by the organisation or corporation;
7. Economic, environmental or other factors - factors which have affected the achievement of the operational objectives of the organisation or corporation during the relevant financial year.;

8. Management and activities –

- (a) qualitative and quantitative measures and indicators of performance showing the level of efficiency and effectiveness;
- (b) the nature and extent of performance review practices and of improvements in organisational achievements as assessed by both internal and external performance reviews;
- (c) a description of management improvement plans adopted by the organisation or corporation and achievements in reaching targets;
- (d) a description of the major problems and issues that have arisen; and
- (e) the reasons for any significant delays to major activities.

9. Research – particulars of research and continuing research activities of the organisation or corporation undertaken or completed during the relevant financial year together with the resources allocated for that research and those activities, unless the inclusion of those particulars would, in the opinion of the organisation or corporation, adversely affect the business or commercial activities of the organisation or corporation.;

10. Human resources –

- (a) the number and categories of employees, with a comparison to the previous financial year;
- (b) any exceptional movement in wages, salaries or allowances;
- (c) personnel policies and practices; and
- (d) details of the use, where significant, of external consultants by the organisation or corporation on major projects, including the names of the consultants and the projects involved.

11. A statement setting out the types of publications and other information available to the public dealing with the functions and activities of the organisation or corporation and indicating those which were published by the organisation or corporation during the financial year.

12. Overseas visits with the main purposes highlighted.

13. User response – the extent and features of significant complaints by users, indicating any services improved or changed as a result of complaints or user suggestions made.

14. Time for provision of services – where appropriate, the standard times for providing services.

15. Particulars of joint ventures and associated organisations (eg school foundation).

FOURTH SCHEDULE

1. An income and expenditure report with 4 columns of figures as follows –
 - (a) actual results for the financial year immediately preceding the relevant financial year,
 - (b) actual results for the relevant financial year,
 - (c) the budget for the relevant financial year adopted by the members of the organisation or corporation prior to the commencement of the relevant financial year; and
 - (d) the budget for the current financial year.
2. An explanation of any significant variances between the actual results for the relevant financial year and the budget for the relevant financial year.
3. Particulars of any matter which has arisen since the end of the relevant financial year and the date on which the report is signed which could have a significant effect in the current financial year on –
 - (a) the financial activities of the organisation or corporation;
 - (b) the other activities of the organisation or corporation; and
 - (c) the sections of the Church or the community served by the organisation or corporation.

FIFTH SCHEDULE

In order to comply with this Schedule a report must include or satisfy each of the following requirements –

1. An index or table of contents.
2. Material information reported.
3. A logical sequence of information.
4. An appropriate layout of information.
5. Clear readable text.
6. Appropriately captioned texts, diagrams or photographs.*

Exemption

5. The Accounts Ordinance 1975 is amended by the insertion of the following at the end of clause 4 –

"In the case of a parish council, church committee or churchwardens, the requirements of clauses 5(f), 6(3), 6(4), 6(5), 6(6), 7(1)(d), 7(1)(e) and 8(h) shall not apply unless the Standing Committee by resolution declares otherwise. Such resolution may be revoked or modified by further resolution of the Standing Committee from time to time.

The Standing Committee, by resolution, may -

- (a) declare that the provision of all or any of the clauses 5(f), 6(3), 6(4), 6(5), 7(1)(d), 7(1)(e) and 8(h) do not apply to the organisation or corporation identified in the resolution;
 - (b) revoke or modify any such declaration from time to time;
 - (c) where any of the provisions apply to an organisation, corporation, parish council, church committee or churchwardens has or have not designated a person to be the chief executive officer of the same for the purposes of this Ordinance, designate a person to be the chief executive officer of the same for the purposes of this Ordinance; and
 - (d) revoke or amend any such designation."
6. The Accounts Ordinance 1975 is further amended by the insertion of the following after paragraph 1(1)(e) -

"(f) The term 'Diocesan Church School' means an organisation or corporation the sole or principal function of which is to govern and control a pre-school, primary school and/or a secondary school in connection with the Anglican Church of Australia in this Diocese."

7. This Ordinance may be cited as the "Financial Requirements Ordinance 1991".

I Certify that the Ordinance as printed in accordance with the Ordinance as reported.

N.M. CAMERON
Chairman of Committees

We Certify that this Ordinance was passed by the Synod of the Diocese of Sydney on this 17th day of October 1991.

G.K. CLIFTON
W.G.S. GOTLEY
Secretaries of Synod

I Assent to this Ordinance.

DONALD ROBINSON
Archbishop of Sydney

28/10/1991