

North Australian Aboriginal Family Violence Legal Service



Submission to the
Productivity Commission

June 2014

North Australian Aboriginal Family Violence Legal Service Aboriginal Corporation (NAAFVLS) – ICN: 4641.

Contractual Reporting

The reporting obligations required for some Commonwealth Grant Agreements appears to be onerous. A prime example is a 6 page Variation of Grant Agreement between one Australian Government Department and the North Australian Aboriginal Family Violence Legal Service for an amount not exceeding the total sum of \$3,000. The Standard Funding Agreement states the following items (summarised):

- You may use up to 15% of your funds towards the administrative costs associated with the program.
- You must seek our approval to use a reasonable amount of funding on the costs of employing staff to case manage clients.
- You must seek our approval if you are operating more than one service outlet.
- You must complete the appropriate reporting template and cooperate with external evaluators and researchers commissioned by the Commonwealth.
- For all activities in the Schedule you must provide us with performance reports. Performance reports are required 'half yearly'.
- You must provide us with a non-audited financial acquittal report in accordance with the timelines.
- We may ask you to send us a financial declaration certified by your board, the chief executive officer or one of your officers, with authority to do so.
- You must keep accurate records and accounts including:
Receipts, proof of purchase and invoices, to show how you spend the Grant and carry out the activity;
If your employees undertaking the Activity are subject to the SACS Decision, sufficient details to demonstrate that SACS Supplementation for the Activity has been applied; and
Client records in accordance with this Agreement and any legislative requirements.

The economic viability of such a small grant is questionable from both NAAFVLS perspective and that of the Commonwealth.

We appreciate that some agreements are standardised and grants may be for much larger amounts.

We are aware that the Australian Government is working towards streamlining and automating some reporting requirements. We would like to see further advancement of this concept in the near future.

Please note that NAAFVLS do appreciate the Grant Funding.

Financial Reporting

NAAFVLS are required to have our financial reports audited on an annual basis. We are further required to provide our funding body with audited cash acquittal reports. NAAFVLS questions the need to conduct both audits. If the company accounts are audited should this not be satisfactory to the Commonwealth.

Further, the cash acquittal process mainly consists of income and expenditure items in determining a surplus or deficit. As a company complying with the Australian Accounting Standards we are required to manage a 'balance sheet'. As such, we have a requirement to account for non-cash items such as the 'Depreciation of Assets' (AASB 116) and 'Provisions' (AASB 137).

For organisations which are solely funded by the Commonwealth, and with the requirement to comply with the Australian Accounting Standards, the cash acquittal process may be unnecessary.

Mr Tony Lane
Chief Executive Officer.