



# Charity & Governance Review



Sub Branch Name:	Wangaratta		
Charity Size:	Large	Year in Review:	2021
Date of Review:	19/05/2022	Date of Meeting:	2/06/2022
Review Conducted By:	Chelsea Warnes (Compliance Manager) David Ridley (Chief Financial Officer)		
Meeting Attendees:	Ash Power (President), John Bailey (Treasurer), Chris Simsen (GM), David Ridley (Chief Operating Officer), Chelsea Warnes (Compliance Manager) Part of meeting via telephone Greg Larkins (Secretary)		

## Objective

The objective of the RSL Victoria Charity & Governance Compliance Review is to verify (ongoing) Sub-Branch compliance to the Australian Charities & Not-for-profits Commission (ACNC) Governance Standards.

## Scope & Approach

RSL Sub-Branches (as registered charities) must demonstrate compliance with the six ACNC Governance Standards by documenting their activities. Further, a Sub-Branch must demonstrate that its activities and expenditure are solely in fulfilment of its charitable objects. Records maintained by the Sub-Branch are reviewed, including minutes and financial statements that evidence the appropriate recording of information (together with verbal advice from the Sub-Branch) which supports compliance with the ACNC Governance Standards.

## ACNC Governance Standards (6)

Not-for-Profit and working towards charitable purpose

Accountability to Members

Compliance with Australian Laws

Suitability of Responsible Persons

Duties of Responsible Persons

Maintaining and enhancing public trust and confidence in the Australian not-for profit sector

## Previous Sub-Branch Charity & Governance Review Action Point Progress

### Action Items from previous review:

- 1 - Welfare wages (\$1596) to be reported under W&C
- 2 - There was no obvious veteran welfare spend though the Patriotic Fund in 2019.
- 3 - A variation between the budgeted Sub-Branch rent and the actual rent paid.
- 4 - Implement the revised chart of accounts for welfare and charitable.
- 5 - The Responsible Persons declaration was not completed to the ACNC standard.
- 6 - Add a W & C line item in the Expenditure section of the audited financials.
- 7 - Add related party transactions to the Audited Financials.
- 8 - Include the Statement of Changes in Equity in the audited financials
- 9 - Ensure that a tax declaration form has been issued to honorarium recipients.
- 10 - All outstanding face-to-face and E- Learning governance training needs to take place

### Progress



#### Legend

- Completed in Full
- In Part, work in progress
- No Action taken

## Governance Standard 1:

### *Not-for-profit and working towards charitable purpose*

#### Sub-Branch Financials

Cash at Bank (2017):	\$64,468	Profit/Loss (2017):	-\$6,987
Cash at Bank (2018):	\$164,633	Profit/Loss (2018):	\$85,767
Cash at Bank (2019):	\$125,463	Profit/Loss (2019):	-\$70,937
Cash at Bank (2020):	\$268,617	Profit/Loss (2020):	\$91,243
Cash at Bank (2021):	\$725,239	Profit/Loss (2021):	\$423,640
		Profit/Loss (2022 Budget):	\$11,015
Total Revenue (2018):	\$2,548,902	Rent Paid (2018):	\$235,483
Total Revenue (2019):	\$4,247,153	Rent Paid (2019):	\$227,727
Total Revenue (2020):	\$1,698,789	Rent Paid (2020):	\$117,791
Total Revenue (2021):	\$4,121,220	Rent Paid (2021):	\$314,035

#### Sub-Branch Welfare & Charitable

Total W&C (2018):	\$41,849	% of Profit (2018):	49%
Total W&C (2019):	\$97,667	% of Profit (2019):	-138%
Total W&C (2020):	\$26,972	% of Profit (2020):	-65%
Total W&C (2021):	\$141,430	% of Profit (2021):	33%
Total W&C (2022 Budget):	\$146,787	% of Profit (Budget 2022):	11%

#### Volunteer Hours

Volunteer Hours (2018):	6,201	Volunteer Allocation (2018):	\$216,353
Volunteer Hours (2019):	6,042	Volunteer Allocation (2019):	\$210,805
Volunteer Hours (2020):	3,540	Volunteer Allocation (2020):	\$139,304
Volunteer Hours (2021):	4,899	Volunteer Allocation (2021):	\$198,948

#### Comments/Improvement Areas:

Discussions with the Committee identified that there is a good balance within the Inc account with veteran support v the community support spend.

#### Actions:

- Remove VCGLR gaming donations in Welfare and Charity (W&C)
- The Volunteer rate in the Sub-Branch needs to be updated - see below
- 1/7/2019 to 30/06/2020 \$39.35
- 1/7/2020 to 30/06/2021 \$40.61
- 1/7/2021 to 30/06/2022 \$41.91

#### Committee Reporting

- Do the committee meeting minutes reflect the Sub-Branches core purpose in support of the RSL Objects?
- Are Committee reports (such as financials) distributed to members prior to the meeting?
- Are welfare reports being discussed and tabled at general Committee meetings?
- Do welfare reports describe the nature of activities?
- Do welfare reports support the objects of the RSL?

Yes
Yes
Yes
Yes
Yes

Comments/Improvement Areas:

A review of a selection of Committee meeting minutes noted that the template from the Charity Guide has been adopted and the minutes are well presented and cover off on the required governance areas.  
 There is a separate Welfare & Charities sub-committee which produces a report and forms part of the general committee meeting minutes.  
 Action:  
 -The volunteer rate needs to be updated in the minutes to \$40.91

Budgets/Accumulations

- Does the Sub-Branch have a Welfare & Charitable budget?	Yes
- If yes, does the budget reflect adequate spending?	Yes
- If yes, does the budget reflect adequate spending to the RSL Objects?	Yes
- Has a Sub-Branch Inc. budget been submitted to State Branch?	Yes
- Is the Sub Branch in a position to accumulate funds in the Inc. for a defined purpose?	Yes
- If yes, has the accumulation been documented and approved (Comm. and AH)?	Yes
- Is the accumulation appropriate and still maintaining charitable balance?	Yes

Comments/Improvement Areas:

The Sub-Branch have implemented a Welfare and Charitable budget which allows them to clearly manage their welfare and charitable spend between their 3 entities. Their P & L budget for the Incorporated account does reflect adequate spending to the RSL objects and a copy of this budget has been provided to State Branch. The Sub-Branch are accumulating funds for GRCOW Community Chest, EGM Accumulation and Staff entitlements.  
 Actions:  
 - It is recommended that the Sub-Branch more clearly define in the Patriotic Fund P & L what is being spent on welfare, this will allow for the audited financials to also include a detailed list of the welfare spend.

Volunteer Hours

- Are volunteer hours recorded, costed and included in the minutes?	Yes
- Is the Sub-Branch on the Volunteer Management System (VMS)?	Yes

Volunteer Hours (2018):	6,201	Volunteer Allocation 2018:	\$216,353
Volunteer Hours (2019):	6,042	Volunteer Allocation 2019:	\$210,805
Volunteer Hours (2020):	3,540	Volunteer Allocation 2020:	\$139,304
Volunteer Hours (2021):	4,899	Volunteer Allocation 2021:	\$198,948

Comments/Improvement Areas:

It is noted that the Sub-Branch report all required volunteer hours in the VMS.  
 Action:  
 - Update the volunteer rate on the recorded volunteer hours to \$41.91

Patriotic Fund

- Has a Patriotic Fund budget been submitted to State Branch and approved? Yes
- Was the rent paid in 2022 in line with approved rent? No
- Have the revised Patriotic Fund expenditure guidelines been implemented? Yes

2021 Rent Paid:	\$314,035	Ex GST
2021 Approved Rent:	\$249,892	Ex GST
<i>Difference:</i>	\$64,143	

- Did the SB expend the budgeted welfare amount from the Patriotic Fund in 2022? No

2021 PF Welfare Budget:	\$12,729	Ex GST
2021 PF Welfare Spend:	TBC	Ex GST
<i>Difference:</i>	\$12,729	

- Is the Sub-Branch on track to meet the welfare objects of the Patriotic Fund in 2022? Yes

2022 PF Welfare Budget: -\$4,808

**Comments/Improvement Areas:**

The Sub-Branch are aware of the welfare spending requirements for their Patriotic fund. It was unclear in their Patriotic Fund P & L what is being spent on welfare but during the meeting the Sub-Branch confirmed that in 2021 they had spent money from the Patriotic fund on plant and equipment hire, a bus for veterans, Diggers golf day and commemorative day expenses. They have explained that they are over paying their rent amount so they have additional funds to meet loan repayments. Based on the accumulations in the Sub-Branch of \$250,000.00 the derived welfare expenditure is \$4,808.00

**Actions:**

- The Sub-Branch should review their accumulations figure in the Patriotic Fund Budget for 2022 and confirm whether this is correct. The current figure is producing a negative spend for PF welfare.
- It is recommended that if the Sub-Branch want to change the rent figure agreed in the 2022 Budget, that they make a request in writing to State Branch.
- It is recommended that the Sub-Branch more clearly define the welfare spend in their PF P & L and audited financials

RSL Objects

- Does the Sub Branch reflect physical RSL characteristics?	Yes
- Does the Sub Branch conduct commemorative activities? <i>(Such as ANZAC Day, Remembrance Day, Long Tan etc.)</i>	Yes
- Does the SB promote the ethos of the RSL in schools?	Yes
- Does the Sub-Branch actively participate in the ANZAC & Poppy Appeals?	Yes
- Is the Ode conducted nightly at the Sub-Branch?	Yes
- Does the Sub Branch attend to the care or arrangement of local war memorials?	Yes
- Does the Sub-Branch provide pension advice?	Yes
- Does the Sub-Branch assist widows and families of veterans and is it recorded?	Yes
- Does the Sub-Branch provide subsidised meals and age appropriate activities to veterans and widows and the aged persons in the community. Is it recorded in the accounts?	Yes
- Does the RSL assist with RSL funerals and wakes?	Yes
- Does the SB conduct Hospital/Home/Nursing Home visits and record these visits?	Yes
- Does the Sub-Branch contribute to a Aged Care/Wellness Coordinator?	Yes
- Are there any veteran programs that have been run to support the RSL Objects?	Yes

Comments/Improvement Areas:

Discussions with the Sub-Branch committee noted that various commemorative activities are conducted, including;  
 - ANZAC Day, Remembrance Day and Vietnam Veterans Day. Schools program and involvement (Education program and Scholarships). Appeals in schools. Ode conducted nightly. Care of local memorial. Airforce/Army Cadets support. 2/24th Inf Batt Reunion each year. VE Day Commemoration. Vietnam Memorial funding.

Discussions with the Sub-Branch committee noted that various veteran and community activities are conducted, including;  
 - Welfare Office, Pensions advice, Hume Veterans Centre support, Visitation service, Xmas parcels to veterans, Membership subsidy for 80+ veterans, Wakes/funeral services, Woman's Auxiliary who knit goods for local nursing homes, sponsorship of the Vice Captain of the Wheelchair Collingwood Football Club, and the Sponsorship of a local artist Robin White.

It is noted that the Sub-Branch have also recently been beneficiaries of a grant which will fund additional war memorial plaques.

## Governance Standard 2: *Accountability to members*

### Transparency

- Does the Sub-Branch conduct an AGM for members?	Yes
- Is a summary of welfare activities tabled and discussed at the annual AGM?	Yes
- Does the SB produce an Annual Report distributed to members and stakeholders?	Yes
- Has the revised W&C Chart of Accounts been implemented?	No
- Does the Audited Financials give an accurate and transparent representation of welfare & charitable expenses?	Yes
- Does the Sub-Branch have a register of any related party transactions? This may include any internal loans between the different entities and/or shares	Yes
- Is there a process in place for receiving, assessing and responding to members' complaints? Are there records kept of members' complaints and resolutions?	Yes
- Does the Sub-Branch publish members comms (i.e newsletter, screens, email) that promotes welfare assistance?	Yes

#### Comments/Improvement Areas:

##### Actions:

- It is recommended that the revised chart of accounts for welfare and charitable is implemented for 2022. This will ensure that the Sub-Branch Committee can monitor the welfare and charitable split between veteran welfare and community . This will help to ensure that the Incorporated entity remains charitable and an adequate balance is achieved.
- The Revenue total is different on the P&L and Audited financials. It is recommended that this is discussed with the auditor.
- It is recommended that more detail is provided on both the Inc. and PF audited financials on the welfare spend.

## Governance Standard 3: *Compliance with Australian laws*

### Regulatory Compliance

- Is the Sub-Branch up-to-date with regulatory reporting?	No
- Is the Sub-Branch compliant with the Charities Act 2013 (i.e ACNC public register)?	No
- Is the Sub-Branch compliant with the Associations Incorporation Reform Act 2012?	Yes
- Do the Sub-Branch audited financials comply with the Aust. Accounting Standards?	Yes
- Is Agency fund expenditure in line with the Deed and regulatory requirements?	Yes
- Have the Agency form and CAV returns been completed accurately and on time?	No

#### Comments/Improvement Areas:

##### Actions:

- It is recommended that the Sub-Branch remove the annual report that is currently uploaded as the 'financial report' document on the ACNC portal and upload the audited financials. They should also upload the 2020 Annual Report.
- The PF CAV form was required by the 16/02. The Sub-Branch have explained that the auditor has been delayed and it will be sent to State Branch in the week beginning the 6th June 2022.

## Governance Standard 4: Suitability of responsible persons

### Responsible Persons

- Does the Sub-Branch have measures to ensure that all Committee members are not disqualified from being on a Committee/Board?
- Have all current Committee members completed the VCGLR Associated Individuals check?
- Does the Sub-Branch verify service membership and ensure correct credentials are met?
- Does the Sub-Branch have pre-election processes in place for prospective Committee?

Yes
Yes
Yes
Yes

### Comments/Improvement Areas:

The Sub-Branch have all the required above processes in place and all VCGLR checks have taken place.

## Governance Standard 5: Duties of responsible persons

### Duties

- Has the Charity Manual & Treasurer Guide been read by all relevant Committee members?
- Have the templates from the Charity Manual been adopted?
- Have relevant Sub-Branch Committee Policies been adopted and signed-off?  
i.e Conflict of Interest, Confidentiality, Privacy, Gifts etc
- Have appropriate record keeping mechanisms been put into place  
(i.e security, electronic and hard copies)?
- Has the revised Bylaw 9 - Honorariums been adopted and implemented?  
Honorariums (2018): \$4,800.00 \* As per 2016 P&L under "Honorarium" line item.  
Honorariums (2019): \$4,800.00 \* As per 2017 P&L under "Honorarium" line item.  
Honorariums (2020): \$0.00 \* As per 2018 P&L under "Honorarium" line item.  
Honorariums (2021): \$0.00 \* As per 2019 P&L under "Honorarium" line item.
- Does the Sub-Branch have policies for all committee related benefits and expenses?
- Have all Committee members conducted face-to-face Governance training?
- Have all applicable Committee members completed the Governance eLearning modules?

Yes
Yes
Yes
Yes
Yes
Yes
Yes
No
No

### Licensed Gaming Sub-Branch Governance Training Register

VCGLR Associated Individual List		Governance Training Register (Face-to-Face)				Governance Training (eLearning)		
RSL	Name	First name	Surname	Attended	Training Date (F2F)	Date Due	Due (Y/N)	Completed (Y/N/In part)
Wangara	SIMSEN, CHRISTOPHER ALLAN (210780)	Manager	Manager	Yes	19/08/2018	N/A	N/A	N/A
Wangara	LARKINS, GREGORY JAMES (171539)	Greg	Larkins	Yes	14/10/2015	14/10/2017	Yes	1/03/2021
Wangara	KAY, ANDREW DAVID (266120)	Andrew	Kay	Yes	14/10/2015	14/10/2017	Yes	26/05/2020
Wangara	POWER, BRIAN ASHLEY (278827)	Ash	Power	Yes	14/10/2015	14/10/2017	Yes	26/02/2021
Wangara	ISKOV, CRAIG ANTHONY (310319)	Craig	Iskov	Yes	3/06/2021	3/06/2023	No	3/06/2020
Wangara	DAVIS, COLLEEN MAREE GUYMER (286120)	Colleen	Davis	Yes	23/06/2016	23/06/2018	Yes	23/10/2021
Wangara	BAILEY, JOHN WILLIAM STUART (29761)	John	Bailey	Yes	12/06/2019	12/06/2021	Yes	In part
Wangara	SNEDDON, RONALD JAMES (297418)	Ronald	Sneddon	No		N/A	N/A	1/03/2021
Wangara	LAWSON, DAVID ROBIN (291932)	David	Lawson	No		N/A	N/A	16/03/2021
Wangara	ROUSE SALMON, ELIZABETH JANE ANTONIA (291932)	Elizabeth	Salmon	No		N/A	N/A	15/06/2020

Comments/Improvement Areas:

In discussions with the Sub-Branch, they have noted that no honorarium payments have been paid in 2020 or 2021. It is noted that the committee have taken CPA advice on those that may receive a honorarium payment in the future.

Actions:

- As presented in the table above, Andrew kay and Craig Iskov are now due for their e-learning 2 yearly refresher training. John Bailey has completed part of the training and is required to finish the remaining part. We would recommend that Elizabeth completes the e-learning once she has completed the face to face requirement which she is booked in complete on 18th June. Craig Iskov (completed virtually last year), David Lawson and Ron Sneddon will also undertake the face to face training.

**Governance Standard 6:**

*Maintaining and enhancing public trust and confidence in the Australian not-for profit sector*

Duties

- Has standard 6 been reviewed by all Committee members?

No

Comments/Improvement Areas:

The Sub-Branch were not aware of the new 6th ACNC standard. The standard was explained to them within the meeting and they have noted that they will add it as an agenda item for discussion in their next committee meeting.



## Summary

### Charity & Governance Review Risk Matrix

	ACNC Governance Standards (5)							YoY Comparative					
	Adoption of previous review action items	Governance Standard 1 - Purpose	Governance Standard 2 - Accountability	Governance Standard 3 - Compliance	Governance Standard 4 - RP Suitability	Governance Standard 5 - RP Duties	Overall ACNC Governance Risk Score	Overall ACNC Governance Risk Rating	Risk Score (2018/19)	Risk Score (2019/20)	Risk Score (2020/21)	Risk Score (2021/22)	Trend
<b>Sub-Branch</b>													
Wangaratta							80%		78%	77%	77%	80%	↕

Legend	
Review	
Excellent	10
Good	8
Average	6
Weak	4
Poor	2

Overall Risk Rating	
High	0-40%
Medium-High	41-55%
Medium	56-70%
Low-Medium	71-85%
Low	86-100%

#### Overall comments:

In discussion with the Wangaratta RSL, it is evident that they run a wide variety of community and veteran related activities and provide veteran support. They also conduct a large number of commemoration activities which are in line with the objects of the RSL.

It is strongly encouraged that the Committee meet to discuss the findings of the review, and implement the necessary actions which have been outlined. This will ensure we maintain compliance with the ACNC governance standards.

It is also encouraged that the Sub-Branch communicate with State Branch to seek support or guidance on any of the actions presented in this review that they require support with.

We thank-you for the time provided to us in the review meeting and welcome any further queries that you have in regards to charity.

Kind regards

David Ridley (Chief Finance Office) and Chelsea Warnes (Compliance Manager)