



Dear Treasurers, friends and colleagues

On behalf of everyone at Uniting Resources, we take this opportunity to wish all our valued Treasurers blessed season's greetings: a very merry Christmas and a prosperous, safe and healthy New Year. May God's blessings be with you all and your loved ones



1. REMINDER: 2008 UR1 RETURNS AND AUDIT OF FINANCIAL STATEMENTS FOR THE 2008 FINANCAL YEAR ARE NOW OVERDUE

Another sincere thank you to all Treasurers [and bookkeepers and accountants] who have sent in UR1 Returns with audited financial statements for 2007/08. 31 October 2008 was the closing date for completion of the UR1 Return, with audited financial statements. Please note that under UCA Regulation 5.5.10 (c) (d) and (g) Congregations and Presbyteries must have their books of account certified as audited annually by a professionally qualified accountant (CA / CPA certified) or registered company auditor under the Corporations Law; and furnish same on the UR1 Return.

As a reminder: UR1 returns for the 2007/08 year may be downloaded. The form and accompanying accounting instructions may be downloaded from the FMS website at:
http://uca3163.clients.squiz.net/fms/home/annual_synod_ur1_return_formerly_bfp6_return

Alternatively, should you not have already received hard copies and would like to, you may request them to be mailed to your preferred postal address.

If there are matters delaying the completion of the 2008 UR1 Return (with audited financial statements for the financial year ended 30 June 2008) please advise us. We may be able to offer some assistance or provide a solution for you. Regardless of the circumstances, please advise us accordingly.

A reminder that our contacts are:

- Robin Boddendyke: Ph (02) 8267 4333, robinb@nsw.uca.org.au
- Susan Brady: Ph (02) 8267 4409, susanb@nsw.uca.org.au

Completed UR1 Returns can be emailed to the UFMS Treasurers' mailbox at: treasurer@nsw.uca.org.au, or alternatively, be mailed to: Uniting Resources - Financial Management Services, PO BOX A2178, Sydney South, NSW, 1235.



2. AN IMPORTANT NOTE ON AUDITED FINANCIAL STATEMENT REQUIREMENTS

As stated in point 1. above, 31 October 2008 was the closing date for all Congregations and Presbyteries to complete the audit requirements contained in UCA Regulation 5.5.10. Please note that UCA Regulation 5.5.10 (c) (d) and (g) stipulates that Congregations and Presbyteries must have their books of account certified as audited annually by a professionally qualified accountant (CA / CPA certified) or registered company auditor under the Corporations Law; and furnish same on the UR1 Return.

There has been some confusion expressed as to what constitutes compliance with the UCA audit requirement. Therefore, please refer to the information below, as these are the only accepted formats for verification of audited accounts and compliance with the UCA audit requirement. Please note that deviation (lesser adherence) from the UCA Regulation will only be granted under exceptional circumstances.

- *Please be aware that if your Congregation is considered SMALL (i.e it has annual gross income of less than \$95,000 during the 2007/08 financial year) you are eligible for the Variations to [Audit] Qualifications under UCA Regulation 5.5.10 (e). This means that the signature of 'two persons who are not qualified [to conduct an audit pursuant to the qualifications previously stated] but who are, in the opinion of [the Church Council] fit and proper persons to undertake the responsibility' is acceptable. This is upon their signing the '(34) Auditor's Declaration' (on page 13 of the statistical component of the UR1 Return). **You will appreciate that this is quite a generous concession, and more than 50 per cent of all Congregations fit within this category.***
- However, if your Congregation's (and assuming Presbyteries) annual gross income is equal to or greater than \$95,000, the above concession does **not** apply. **In this event, you will need to arrange for an independent auditor (ie currently qualified CA / CPA, or registered company auditor as per the Corporations Law) to**

provide an audit of the accounts. We expect that professionals should provide a 'Special Purpose' audit report; and if not, at the very least, we expect them to verify their qualifications. Further, the Auditor's Declaration on page 13 is not designed to be used by professionals, but rather, lay persons for small Congregations, as per the bullet point immediately above.

Should you have any difficulty in obtaining the services of a qualified auditor, please contact one of our staff below, or reference the Synod Register of Auditors.

As you can sense from our regular reminders, FMS takes the auditing of financial statements for Congregations very seriously. As an illustration, in every fraud committed and reported to us, the triggering point has always been the failure of Congregations to treat auditing as a serious or priority issue; often seeing the matter as a nuisance, only to suit Synod needs, rather than of local importance.

This is especially so with Congregations, that for consecutive years (two or more successive years) haven't conducted an audit of their accounts. It's only when an audit has finally been conducted that the fraud has been exposed, though by that stage (as is often the case), substantial (and much needed) funds have been misappropriated, the realisation that proper records have not been maintained is apparent, as is the financial health of the Congregation not having been reported to church council, and other such clues. By this stage, it's all too late for the Congregation to do anything, and the importance of an audit is finally realised. As the saying goes, "the horse has bolted" and the Congregation comes to the realisation that they should have done something much sooner. As such, an audit is similar to taking out insurance or risk management.

An independent audit is a key function of good governance of an organisation dealing with funds. The generally accepted view is that audited financial information is of higher quality than unaudited financial information. Conducted effectively, audits will assist with identifying risk, providing recommendations for improvement, ensuring regulatory compliance and support sound decision making through provision of quality financial information. Budgets shouldn't even be attempted until audited financial information is used as the foundational starting point. Independent audits add real value and give the Church Council a sense of comfort that "all is well" and properly accounted for.

Please note that further delay in complying with the UCA audit requirements may result in the Council of Synod providing Uniting Resources (UR) authority to supervise the accounts by instituting an immediate audit at cost to the Congregation/Presbytery. Accordingly, unless reason is given to UR for not completing and verifying audited financial statements, implementation of such action may occur.



3. A SPECIAL NOTE FROM UNITING FINANCIAL SERVICES

Volatile markets call for experienced financial management - and a disciplined approach

Adherence to a disciplined and risk-averse investment philosophy has seen Uniting Financial Services come through the last 12 months not completely unscathed, but certainly well positioned to continue its role and focus on superior service delivery and meeting the financial competency expectations of our investors. To read more about this and other news from Uniting Financial Services, please on this link

<http://www.unitingfinancial.com.au/pages/content.asp?plid=4> >



4. LIVING IS GIVING IN 2009

Thank you to all Congregations, faith communities and individuals that have supported Living is Giving in 2008.

Look out for the 2009–10 Living is Giving Leaders Guide and Planning Form which will be sent to Treasurers in early 2009, and the Living is Giving Handbook which will appear in March *Insights*. Please make sure you return the Planning Form with your Congregation's choices and amounts nominated by **June 30 2009**.

For regular Living is Giving prayer points, news and events in the life of the Uniting Church, subscribe to *Community Connections* e-newsletter — visit <http://www.nsw.uca.org.au/e-news/index.htm>

You'll also find stewardship resources, updates about Living is Giving mission focus areas, and more on the Living is Giving website — <http://livingisgiving.nsw.uca.org.au/>

Kind regards,

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