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Governance

'Old guard' almost destroys NSW RSL

The New South Wales RSL's 'old guard' had taken the organisation to the 'brink of destruction', New South Wales Minister for Better Regulation Matt Kean has said.

Commenting on former Supreme Court judge Patricia Bergin's report on NSW RSL's fundraising activities, Mr Kean said elements in the organisation had obscured the real reasons for the departure of disgraced former state president Don Rowe.

The inquiry found that Mr Rowe had spent \$465,376 on his RSL credit card between 2009 and 2014 and allowed his son to stay rent-free in RSL-owned accommodation in the Sydney CBD for seven years. Justice Bergin recommended that Mr Rowe's actions be referred to police.

Mr Kean said that the NSW Government:

- Is referring the alleged cover-up by 13 current and former NSW RSL state councillors of Rowe's alleged misconduct to the Australian Securities and Investments Commission and the Australian Charities and Not-for-profits Commission;
- Is referring the conduct of eight former RSL LifeCare office-holders to ASIC and the ACNC;

- Had amended the conditions of RSL NSW's fundraising authority to stop it fundraising until its auditor Ernst and Young has certified that RSL NSW has the processes to comply with the law;
- Will publish updated guidelines for charities about their compliance with NSW fundraising laws;
- Will review Fair Trading's approach to enforcing fundraising laws; and
- Will consider Justice Bergin's other recommendations.

Justice Bergin's fundraising reform recommendations included:

- Developing clear guidance for charitable fundraising organisations for political donations and attendance at political functions;
- Introducing a single, unified Australian statutory regime for the regulation of charitable fundraising;
- Consolidating conditions of fundraising authorities, including the process of obtaining an authority, any exemptions, ensuring donations can be traced, the deduction of expenses, applying proceeds to the intended or represented purpose, maintaining proper records and reporting;

- That fundraising organisations maintain a separate bank account for each appeal, ensuring that funds can be traced and applied in accordance with the intended purpose of the donor;
- Amending standard condition 6 of the fundraising authorities to make it clear that an organisation is required to prepare an income statement, a balance sheet and an officer's declaration on fundraising even if there has been none or if fundraising has been unsuccessful;
- Lowering the threshold amount in clause 12 of the regulation;
- Making the requirements for independent verification under the Act consistent with the ACNC Act;
- Requiring reporting to the regulator in line with the annual returns made to the ACNC together with the submission of financial statements;
- Amending the Act to impose self-reporting requirements similar to those in the ACNC Act;
- Reducing the amount of time for which an authority is granted.
- Amending the Act so as to ensure that fundraising authorities are limited to one or more specified appeals;
- Amending the application form for a fundraising authority to require the intended appeals to be specified as well as details of any past fundraising appeals and any past non-compliance;
- Providing the regulator with powers of inspection such as those in sections 27 and 28 of the Act irrespective of whether there is an inquiry so as to enable random inspections of charitable fundraisers;
- Using conditions specific to individual applications for fundraising authorities or types or size of applicants;
- Amending section 51 of the Act to extend criminal liability for knowing involvement to other 'organisations' as defined in section 4 of the Act;
- Developing programs for greater awareness and knowledge of the existence, scope, detail and importance of the statutory regime of charitable fundraising;
- Publishing new guidelines to help compliance with the statutory regime for charitable fundraising; and
- Increasing maximum penalties in the Act to a level that may engender more respect for and compliance with the statutory regulation of charitable fundraising.

FIA's code monitor will 'mystery shop'

Fundraising Institute Australia (FIA) is using a quality-assurance method borrowed from the retail sector to monitor compliance with its new code, which became enforceable on 1 January.

Known as 'mystery shopping', the technique involves conducting random spot checks by telephone, mail, email or in person to make sure that staff are adhering to an organisation's policies. A code monitor was appointed late last year and has begun work.

FIA CEO Rob Edwards said: 'The new code lends itself to this kind of proactive monitoring. It contains a number of specific commitments by fundraisers in how they must treat donors, beneficiaries and suppliers. By occasionally checking on their adherence to the code, we believe standards will improve across the sector and that will be good for charitable giving. The more confidence people have in our sector, the more willing they will be to support Australian charities.'

Mr Edwards said that the code monitor would, for example, simply ask a fundraiser if he or she knows the objectives of the fund for which he or she is collecting and how it uses donated funds.

FIA members agree to abide by the code as a condition of membership. The institute is providing web-based training in the new code.

'If we find evidence of non-compliance we will, in the first instance, privately inform the member of the breach,' said Mr Edwards. The institute did not intend to embarrass members by publicly reporting the breach.

'It is only in cases of ongoing or wilful non-compliance that the code authority would publicly sanction [a] member,' he said.

Notifiable Data Breaches scheme begins operation

The Notifiable Data Breaches (NDB) scheme under Part IIIC of the Privacy Act has mandated how to respond to data breaches from 22 February.

Companies must notify a breach that is likely to result in serious harm to people whose personal information is involved.

When an entity experiences an eligible data breach, it must provide a statement to the commissioner, and notify individuals at risk of serious harm from the contents of the statement.

The NDB scheme applies to agencies and organisations that must take steps to secure certain types of personal information. They include federal agencies, businesses and not-for-profit organisations with an annual turnover of \$3 million or more, credit-reporting bodies, health-service providers, and tax-file-number recipients, among others.

Further information can be found at www.oaic.gov.au.

Committee to report on electoral-funding bill

Federal parliament's joint standing committee on electoral matters is reviewing the Electoral Funding and Disclosure Reform Bill.

If the bill is passed it is likely to have varying degrees of impact on not-for-profits (including those that are not incorporated) and some ACNC-registered charities.

Charities spending more than \$13,500 a year on 'political expenditure' and those connected to – such as being controlled by, financially contributing to, having voting rights in or operating for the benefit of a registered political party – registered political parties will be affected.

It will also affect NFPs based overseas that make annual donations of more than \$250 to entities in Australia mentioned in the bill.

The ACNC has highlighted several concerns over the bill, including the additional regulatory burden on charities that it imposes, the significant penalties for non-compliance, and the legislative inconsistencies between the proposed bill and the ACNC Act.

The committee, which received more than 200 submissions, will report on 9 April.

Report backs M&As in the NFP sector

RMIT University & CPA Australia have released Mergers, Amalgamations & Acquisitions in the Australian Not-For-Profit Human Services Sector.

The report aims to identify and assess the dynamics of motivations, risks, barriers and opportunities associated with mergers and acquisitions in the Australian NFP human-services sector.

Data for the study came from 21 interviews conducted in 2017 of board members, CEOs, and senior management and finance officers of NFP entities, including four who were specialist NFP governance consultants. Lawyers with M&A experience were also consulted.

Annual reports and media coverage of M&As were also reviewed.

The findings support increased M&A activity as an effective strategy for organisational growth, gaining scale efficiencies and enhancing service choice and quality. The M&A process itself, however, is often complex, time-consuming and can be costly.

Some M&A advantages included improved board and CEO leadership, clarity of social missions and goals, well-designed merger plans, and improved communications and stakeholder engagement. The report recommends a range of good-practice guidelines for M&A success.

Making the case for advocacy

Philanthropy Australia has released *The Power of Advocacy*, a useful resource for philanthropic organisations interested in learning more about funding-policy advocacy.

Funding-policy advocacy involves seeking to influence public policy – including laws, regulations and government practices – which is often an effective way to address complex social and environmental challenges.

The Power of Advocacy seeks to:

- Explain what policy advocacy is;
- Outline the rationale for philanthropic funding-policy advocacy;
- Set out the law regarding funding-policy advocacy;
- Address some misconceptions; and
- Present eight case studies of philanthropic funding-policy advocacy.

You can access the report at http://www.philanthropy.org.au/images/site/publications/The_Power_of_Advocacy.pdf.

Federal Court bans asset-replacement charges

The Federal Court has ruled that ‘asset replacement charges’ – which some providers have been charging to residential-care recipients – are not allowed under aged-care legislation. The ruling

confirmed the Department of Health’s position and previous advice.

In summary, the ruling confirms that:

- Aged-care legislation is an ‘exhaustive’ scheme of all the fees that providers can charge consumers;
- Additional service fees may be charged only for ‘other’ care and services, that is, services other than core care and those set out in the Quality of Care Principles 2014;
- Only amounts permitted under aged-care legislation may be deducted from lump-sum refundable deposits; and
- ‘Asset replacement charges’ and similar fees are not permitted under aged-care legislation.

ACNC

Charity concerns increasing

Almost 1700 concerns were raised about charities in 2017 – up from 1192 complaints in 2016 – according to ACNC’s *The Charity Compliance Report 2017*.

The report found that the 42 per cent increase was probably due to rising awareness of the national charity regulator and media coverage of charity misconduct.

New ACNC commissioner Gary Johns said: ‘As awareness of the ACNC has grown over the last five years, we have seen a steady

increase in the number of concerns raised about the activities and operations of charities.

'Members of the public remain a valuable source of information, as they contributed 23 per cent of the concerns that our compliance team assessed in 2017.'

The commission last year investigated 202 charities, 82 of them finalised. Twenty-six charities lost their charity registration as a result, and a further 16 charities entered into compliance agreements.

The latter controlled more than \$5.9 billion of assets.

Poor governance was a common theme to emerge from the ACNC's investigations. The most common issues identified were poor financial controls, inadequate due-diligence, and a failure by charities' responsible persons to act in a charity's best interests. These issues, in addition to fraud, terrorism, harm to beneficiaries and disqualifying purposes, will be areas of focus for the ACNC this year.

The full report is available on the ACNC website at acnc.gov.au/compliancereport.

Charity revocations hit record high in 2017

Charity compliance revocations have risen by 30 per cent, according to new figures released by the ACNC.

Four revocations were announced before Christmas, a fifth early in the new year.

A total of 26 organisations were stripped of their charity status in 2017 following investigations into misconduct and mismanagement.

The five most recent revocations – Pathways to Leadership, Synergy Active, Fitzroy Basin Elders Committee, Childs Vision, and the Australian Council on Alcoholism and Drug Dependence – were found to have breached the ACNC Act or governance standards.

Working with RSLs to restore confidence

The ACNC is working with several RSL charities to rectify serious governance failures and to restore confidence.

ACNC commissioner Gary Johns said that the commission's own investigations and the Bergin inquiry had detailed serious governance and accountability issues. The ACNC provided information to the inquiry.

'Unfortunately, poor governance practices and misconduct have been far too common in the past, and this has damaged the reputation of one of Australia's most well-known charities,' Dr Johns said.

'The RSLs must now improve their governance and accountability to regain trust and ensure our veterans and their families are getting the best possible support and care.'

Dr Johns said: 'In August 2017 we completed an investigation into RSL SA, which resulted in the charity entering into a compliance agreement with the ACNC. We have opened investigations into both RSL NSW and RSL LifeCare, and we will progress these now that the Bergin inquiry has published its findings. We are issuing a direction to RSL National after our investigation found a number of governance failures.'

The ACNC's compliance powers include providing regulatory advice, enforceable undertakings, directions, suspending or removing board members, and, ultimately, revoking charity status. Revocation of charity status removes an organisation's entitlement to commonwealth charity tax concessions.

RSL Queensland commits to rectifying serious failures

The ACNC has issued a direction to RSL Queensland after an investigation into the charity uncovered serious governance failures.

The direction – a formal enforcement – sets out the commission's findings, actions RSL Queensland must take, and

possible regulatory action if the breaches are not addressed.

Dr Johns said that the direction required the charity to address several serious issues.

The commission found that RSL Queensland did not take reasonable steps to ensure that its directors managed charitable funds in a responsible manner. A long-established practice, RSL Queensland made monthly payments to its directors to cover 'out of pocket' expenses. However, the charity did not have appropriate policies, guidelines and agreements to govern the payments.

RSL Queensland was unable to demonstrate to the ACNC how charitable funds of more than \$400,000 over the period of the investigation were expended.

The charity failed to take reasonable steps to ensure that its directors identified and mitigated the financial risk of attracting a taxation liability due to the type and treatment of entitlements provided to its Directors. RSL Queensland failed to have appropriate controls in place, such as tailored financial systems, policies and procedures to manage responsibly its taxation obligations.

Commissioner Johns said: 'Our investigation found RSL Queensland has breached governance standard 5. This standard requires charities to take reasonable steps to make sure that the following duties apply to responsible persons and that they follow them.

The duties can be summarised as:

- To act with reasonable care and diligence;
- To act honestly and fairly in the best interests of the charity and for its charitable purposes;
- Not to misuse their position or information they gain as a responsible person;
- To disclose conflicts of interest;
- To ensure that the financial affairs of the charity are managed responsibly; and
- Not to allow the charity to operate while it is insolvent.

'The investigation also found that the charity has not met financial and operational record-keeping obligations.'

The commission found that RSL Queensland had breached:

- Financial record-keeping obligations by failing to retain financial records pertaining to the majority of transactions covered by payments to directors for 'out of pocket' expenses, for example, receipts and a robust acquittal process; and

- Operational record-keeping obligations by failing to retain records of directors' operational use of RSL Queensland vehicles, for example, log books.

Commissioner Johns confirmed that the ACNC and RSL Queensland have been working together over the past year to improve governance.

'In late 2017, RSL Queensland developed a governance plan in response to the ACNC's concerns. This was a step in the right direction, however we are concerned about the lack of progress in implementing key aspects of the [...] plan,' he said.

'To their credit, RSL Queensland have unanimously accepted the terms of the direction and have committed to implementing the reforms. This includes engaging a governance expert to oversee the implementation of a Good Governance Guide, as set out under the charity's governance plan, and to conduct a review of the board's performance and effectiveness.'

'There is a great deal of work to be done to ensure that RSL Queensland can resolve these significant governance issues. However, I am encouraged by RSL Queensland's response to this Direction, and I am hopeful that we can continue to work with them to improve and strengthen the charity's governance.'

RSL Queensland CEO Luke Traini said that the charity had been modernising and transforming its services but noted that there was still work to be done.

Mr Traini said: 'Over the past year, we have worked closely with the ACNC to improve and upgrade the board's governance and compliance policies and we remain committed to building a strong, transparent organisation.

'The actions contained in the ACNC's direction will be implemented as soon as possible, and the RSL Queensland board is currently revising its constitution to pave the way for a skills-based board.'

The ACNC will monitor RSL Queensland's progress over the next 12-months.

ACNC slams RSL National

The ACNC has issued a direction to RSL National after its investigation uncovered several governance failures.

The direction requires RSL National to take specific actions to address non-compliance with the ACNC's governance standards, including a review of the charity's board and governance practices.

The scope of the investigation included a review of gifts made by RSL National to the outgoing RSL national president in June 2016. The president was given a vehicle worth

about \$27,434 and a set of books worth \$3600.

The commissioner considered that the gifts were inconsistent with RSL National's not-for-profit character and therefore a breach of governance standard 1.

In the commissioner's view, RSL National did not take reasonable steps to ensure that its responsible persons exercised the duty under governance standard 5. The charity also failed to ensure that its responsible persons had an adequate and consistent understanding of their responsibilities and expectations.

RSL National had failed to take reasonable steps – such as implementing tailored financial management policies, procedures and financial delegations – to ensure that expenditure was properly considered, authorised and documented in line with its constitution and not-for-profit character.

More than 100 charities face deregistration

The ACNC has issued a public notice to more than 100 charities to let them know that their registration is at risk.

A total of 116 charities have failed to submit two annual information statements. They have until Friday 13 April to submit their outstanding AISs or their charity registration will be revoked and they will lose

access to commonwealth charity tax concessions.

Commissioner Johns reminded charities that submitting an AIS was a legislative requirement and an important part of ensuring transparency and accountability.

'Registered charities are required to submit an [AIS] each year,' Dr Johns said.

'Not only is this an ongoing obligation set out in ACNC Act. It is also the primary source of the information we make available to the public on the charity register. It is crucial that the public has accurate and up-to-date information about Australia's 55,000 registered charities.'

The charities at risk of revocation and notices of intention to revoke registration are available at acnc.gov.au/doubledefaulters.

ACNC submits key recommendations on its legislation

The federal government announced in December terms of reference for a legislated five-year review of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012*.

The ACNC's submission on the review of its legislation focused on what the commission has learned over the past five years of operation

as Australia's national charity regulator and provided suggestions and recommendations.

It believed that the review needed to address three major areas.

First was the ACNC's secrecy provisions. The commission is unable to publish information about its decisions on application for registration or the reasons why it decides to revoke a charity's registration.

The ACNC submitted that the ability to disclose information where it was in the public interest was important.

It could disclose if an investigation had begun, if the commission had acted against a registered charity, and publish a reason for a decision to revoke a charity's registration. Donors had a right to know whether a charity was involved in an investigation, the commission submitted. This level of transparency was critical in building trust.

The second recommendation was to broaden publication of information the ACNC collected.

While information about registered charities was published on the ACNC charity register, more could be done to highlight the depth, diversity and achievements of the charity sector. Changes to the legislation should allow further information to be displayed and

publicised, which would benefit stakeholders.

The third recommendation added two objectives to the ACNC Act – to promote the effective use of the resources of not-for-profit entities and to enhance the accountability of not-for-profit entities to donors, beneficiaries and the public.

The submission is available to download at http://acnc.gov.au/ACNC/Comms/LN/LN_20180119.aspx.

A review panel will report its findings and recommendations by 31 May.

Grant-making charities provide more than \$4 billion annually

Grant-making charities donate and grant more than \$4 billion annually and hold more than \$56 billion in assets, according to *Australia's Grant-making Charities in 2016*, released by the ACNC.

Grant-making charities distribute grants and donations to other charities and charitable causes. Grants are mainly used to build the capacity and capabilities of a charity, to provide support services or advocate for or against an issue.

The ACNC paper assessed the activities of 10,398 grant-making charities in the 2016 reporting period.

Key findings were:

- Grant-making charities provided \$4 billion in grants and donations in 2016;
- Combined, they had total revenue of \$16.5 billion in 2016;
- They controlled \$56.5 billion in total assets;
- They employed 103,211 staff;
- 80.8 per cent of charities operated with no paid staff and were supported by 337,288 volunteers; and
- 20.9 per cent distributed a major share of grant funds through multi-year grants.

Australia's Grant-making Charities in 2016 is available for download at australiancharities.acnc.gov.au, along with the full Australian Charities Report 2016 and an interactive data cube.

Financial Reporting

Moves to replace special-purpose statements

The Australian Accounting Standards Board (AASB) is to consult in May on the ending of special-purpose financial statements for entities complying with Australian accounting standards.

The AASB's international counterpart's revised Conceptual Framework includes a definition of 'reporting entity' that conflicts with the counterpart Australian concept used to determine when an entity

should prepare general-purpose financial statements.

According to the AASB, the conflict must be resolved to avoid confusion, non-compliance with international reporting standards and directors' potential liability.

The AASB proposes to:

- Make the revised framework applicable to entities required to prepare financial statements in accordance with Australian standards;
- Remove the current definition of reporting entity from Australian accounting requirements, effectively removing the option to prepare special-purpose financial statements, if entities are required by legislation or otherwise to comply with Australian standards; and
- Provide an alternative Tier 2 general-purpose financial-statement framework 'specified disclosure requirements' that requires only four incremental disclosures to those currently required under current ASIC regulatory guidance for entities preparing special-purpose financial statements.

The move would have important consequences for some entities, effectively removing the option to prepare special-purpose statements (if they are required by legislation or otherwise to comply with Australian standards).

The proposals will be discussed in an AASB consultation paper, which will be released shortly.

The AASB wants to hear your views on:

- The effect of removing the ability to prepare special-purpose financial statements;
- The usefulness of related-party, revenue, impairment and tax disclosures; and
- The effect of consolidation and equity accounting requirements.

Consultation sessions are in Melbourne (14 May), Sydney (17 May), Brisbane (18 May), Adelaide (21 May) and Perth (22 May). Register at www.aasb.gov.au.

The GAAP Consulting team would also like to hear your views. We will be there. Please provide your comments to colin@gaap.com.au.

IASB completes its framework revisions

The International Accounting Standards Board has issued a revised version of its Conceptual Framework for Financial Reporting that underpins IFRS standards.

The framework sets out the fundamental concepts of financial reporting that guide the board in developing standards. It helps to ensure that standards are conceptually consistent and that similar transactions are treated the same way, providing useful information for investors and others.

The framework also assists companies to develop accounting policies when no international standard applies to a particular transaction. It also helps stakeholders more broadly to understand standards.

The revised framework includes a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance – in particular, the definition of a liability – and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty.

IASB chair Hans Hoogervorst said: 'The revised [framework] will greatly assist the board when developing IFRS Standards. It will also help other stakeholders to better understand the concepts that underpin the standards.'

The board will start using the revised framework immediately, whereas companies will use it for annual-reporting periods commencing on or after 1 January 2020.

Australian framework discussion paper nears

At its March meeting, the AASB decided that the range of options for improving the financial-reporting framework applicable to public-sector entities should include an option that relieves local governments from preparing tier 1 general-purpose financial statements.

The board also reviewed a near-final draft report that sets out financial-reporting requirements for public-sector entities in Australia and overseas. The report will give context for the discussion paper and is to be published shortly.

Transitional reporting arrangements for charities extended

Assistant minister to the Treasurer Michael Sukkar has announced that the government would extend the ACNC transitional-reporting arrangements for two years, comprising the 2017-18 and 2018-19 financial years.

The arrangements would give discretion to the ACNC commissioner to accept documents prepared for other commonwealth (ORIC, DET, ATO), state and territory government agencies as satisfying ACNC reporting requirements.

You can find information about the transitional reporting arrangements on the ACNC website at acnc.gov.au/transitionalreporting.

Accounting for equity instruments under the new AASB 9

AASB 9 Financial Instruments has been operative since 1 January. Many NFPs have a 31 December year-end and will be among the first to apply the new standard. There are three major changes to AASB 9 – classification, impairment and hedging.

New rules for equity instruments require:

- Measurement of non-trading equity instruments at fair value through profit and loss unless you make an irrevocable policy choice at initial recognition of the instrument to measure it at fair value through other comprehensive income (FVTOCI);
- Fair value is determined in accordance with AASB 13 Fair Value; and
- Measure all other equity instruments at fair value through profit and loss.

Remember, no longer may you:

- Use available-for sale-classification category (it does not exist in AASB 9);
- Measure an equity instrument at cost (it must be measured at fair value);
- Recognise an impairment loss in the profit or loss for a FVTOCI equity instrument (prolonged or significant decline impairment considerations do not apply); and
- Re-cycle gains or losses on FVTOCI equity instruments through the profit or loss (they remain in OCI).

Update your financial-reporting template for these changes and related disclosures in AASB 7 Financial Instruments: Disclosures.

Also, consider your reduced-disclosure options.

A third balance sheet, incorporating AASB 9, was required as of 1 January 2017, comparatives preparation as of 31 December 2017, and live accounting under AASB 9 from 1 January

Fraud and NOCLAR

Our Community releases cyber-safety guide

Our Community has released an excellent guide on cyber safety designed specifically for charities and NFPs.

Damn Good Advice on Cyber-safety and Fraud Prevention highlights the importance of cyber security, providing advice and recommendations on topics including data security, identifying vulnerabilities, and preventing data loss.

An emphasis on the importance of cyber security is growing, and the charity sector is as threatened by cyber crime as any industry.

Charities should consider carefully their approach to cyber security, conducting regular risk assessments and ensuring that their systems and procedures are up to date.

Damn Good Advice on Cyber-safety and Fraud Prevention is available at www.ourcommunity.com.au.

Former RivMed CEO jailed for nine months

Selena Joan Lyons, a former CEO of Riverina Medical and Dental Aboriginal Corporation (RivMed), has been sentenced to 15 months' jail.

She is to serve nine months in custody before release on recognisance of a \$500 surety. She was also ordered to repay \$24,187.25.

In August 2016 Ms Lyons was charged with 28 counts of exploiting her position as CEO of RivMed to authorise payments to herself to which she was not entitled. The charges were laid under section 265-25(3)(a) of the Corporations (Aboriginal and Torres Strait Islander) Act 2006.

In handing down the sentence, Magistrate Kennedy said: 'Ms Lyons's offences amounted to \$24,187.25, every cent of which should have been spent on the local Aboriginal community. In terms of objective seriousness, it's in the lower range. But taking into account the importance of the organisation and the number of charges and the position of trust Ms Lyons held within the organisation [...] all that elevates the seriousness of her offence. Ms Lyons took little responsibility, continuing to blame others over whom she had authority.'

Ms Lyons was found guilty in November of exploiting her position 24 times by authorising travel

payments to herself to which she was not entitled. The payments were made between October 2011 and April 2014.

Acting registrar Joe Mastrolembo said: 'Ms Lyons was the CEO of an organisation with a mission to improve the health and well-being of Aboriginal and Torres Strait Islander people [...] in the Wagga Wagga area. Her sustained dishonesty over two and half years constituted a significant abuse of trust and authority.

'[Her] sentence leaves no doubt that it is unacceptable for a CEO to misuse funds meant for the most vulnerable in our community.'

Governments

Registered Aboriginal and Torres Strait Islander corporations pass 3000

The number of registered Aboriginal and Torres Strait Islander corporations has surpassed 3000 for the first time ever.

This financial year 126 corporations have registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006, including eight transfers from other incorporation regimes.

Most new registrations have been Queensland, New South Wales and Western Australia, the states accounting for 74 per cent of registrations this year.

Western Australia has 26 per cent of registered corporations, almost 800 being based there. A further 18 per cent are based in New South Wales.

Reasons for registering a corporation vary. Groups may incorporate to carry on business, enter into contracts, apply for funding or manage native title. Incorporating under the CATSI Act provides corporations with legal protection for Aboriginal and Torres Strait Islander ownership as well as access to specialist regulatory support.

The Office of the Registrar of Indigenous Corporations promotes responsible incorporation. It offers a pre-registration service to help groups understand what incorporation means, the requirements and processes, and to consider if it's appropriate for the group.

Find out more about Aboriginal and Torres Strait Islander corporations through the public register at www.oric.gov.au.