



## ATTACHMENT A

### COMPLIANCE AGREEMENT

Undertaking to the Australian Charities and Not-for-profits Commission (ACNC)

by

Returned and Services League of Australia (S.A Branch) Incorporated (ABN: 19 219 796 904)

#### Undertaking

1. This undertaking is an agreement between the ACNC and the Returned and Services League of Australia (S.A Branch) (the Charity) to implement measures to ensure compliance with its obligations under the ACNC Act and Regulation.
2. The Charity will provide an monthly update report to the ACNC after entering this undertaking, explaining what progress it has made towards meeting this undertaking, and providing documentary evidence of its progress. If it has satisfied any part(s) of the Undertaking at those intervals, the Charity will advise the ACNC and provide evidence.
3. The Charity undertakes to complete all actions in the Undertaking **within 12 months** of the date of this Undertaking and provide a report with supporting evidence to the ACNC demonstrating this. A failure to comply with the terms may be considered indicative of further non-compliance, and cause for the ACNC to consider further regulatory action.
4. The Charity undertakes to make a public statement to their members that provides a summary of the ACNC investigation.
5. The Charity agrees for this Compliance Agreement to be published by the ACNC and for the ACNC to issue a public statement regarding the investigation.

#### ACNC concerns

6. The ACNC has identified concerns with the Charity's compliance with the following provisions of the ACNC Act and the ACNC Regulation:
  - a. Governance standard 5(a) (s 45.25(2)(a) of the Regulation) - *a charity must take reasonable steps to ensure that its responsible persons act with care and due diligence;*
  - b. Governance standard 5(b) (s 45.25(2)(b) of the Regulation) - *a charity must take reasonable steps to ensure that its responsible persons act in good faith in the charity's best interests, and to further its purposes;*



- c. Governance standard 5(e) (s 45.25(2)(e) of the Regulation) - *a charity must take reasonable steps to ensure that its responsible persons disclose perceived or actual material conflicts of interest;*
- d. Governance standard 5(f) (s 45.25(2)(f) of the Regulation) - *a charity must take reasonable steps to ensure that its responsible persons manage its financial affairs in a responsible manner*
- e. Governance standard 5(g) (s 45.25(2)(g) of the Regulation) - *a charity must take reasonable steps to ensure that its responsible persons not allow the entity to operate whilst insolvent; and*
- f. Failing to notify the ACNC of changes to responsible entities as required by section 65-5 of the ACNC Act.

#### **Compliance Agreement**

7. In order to demonstrate its compliance with the provisions of the ACNC Act and ACNC Regulation, the Charity undertakes to complete the following actions.

#### **Strategic and Business Planning**

8. The Charity will produce a strategic and business plan or similar that details the objectives, goals and plans of the organisation for the next two, five and ten years.
9. The Charity will produce projected budgets and relevant financials for the financial years ending 2018, 2019 and 2020.
10. At the completion of this Undertaking, or when completed (whichever occurs first), the Charity will submit to the ACNC:
  - a. Copies of the documents outlined in paragraphs 8 and 9 above.

#### **Board Composition and Skills**

11. The Charity will consider the appointment of Board members external to the organisation with specialist skills and experience to enhance the Charity's business practices and compliance with relevant legislation.
12. The Charity is to ensure the board members have the necessary skills and training to comply with their duties under the governance standards.
13. The Charity will introduce a policy that all new board members are provided a letter of appointment that outlines their obligations and duties. I refer to the version provided by the ACNC: [https://www.acnc.gov.au/ACNC/Publications/Templates/Template\\_appointment.aspx](https://www.acnc.gov.au/ACNC/Publications/Templates/Template_appointment.aspx)
14. The Charity will implement a policy that its board members will read the following ACNC Guidance materials within two weeks of being appointed to the board:



- a. 'Governance for Good – the ACNC guide for charity board members, which is attached with this email and available at [http://www.acnc.gov.au/ACNC/Edu/Tools/GFG/GFG\\_Intro.aspx](http://www.acnc.gov.au/ACNC/Edu/Tools/GFG/GFG_Intro.aspx)
  - b. 'Managing conflicts of interest – guide for charity board members' which can be accessed at [www.acnc.gov.au](http://www.acnc.gov.au), 'Publications', 'Factsheets, guides and quick tips' and 'Good governance tips and guides'
  - c. 'Managing charity money – guide for board members' which can be accessed at <http://www.acnc.gov.au/ACNC/Publications/COIguide/COIGuide1.aspx> ([http://www.acnc.gov.au/ACNC/Publications/Charity\\_money/Managing\\_charity\\_money\\_-\\_guide\\_for\\_board\\_members.aspx](http://www.acnc.gov.au/ACNC/Publications/Charity_money/Managing_charity_money_-_guide_for_board_members.aspx));
  - d. the online ACNC webinar 'Welcome to the Board' which can be accessed at [www.acnc.gov.au](http://www.acnc.gov.au), 'Media centre', 'Videos and audio' (<http://www.acnc.gov.au/ACNC/Comms/Multimedia/Webinar-06092016.aspx>).
15. The Charity will implement a policy that current and new board members will undertake any necessary training that the ACNC is delivering including any webinars that will be beneficial to the Charity and enrol all responsible entities to participate in them. Webinars can be accessed at [www.acnc.gov.au](http://www.acnc.gov.au), 'Media centre' and 'Videos and audio'.
16. At the completion of this Undertaking, or when completed (whichever occurs first), the Charity will submit to the ACNC:
- b. Evidence of complying with paragraphs 11 to 15 ; and
  - c. Copies of all of the board minutes for the period of the Undertaking.

#### Financial Management, Conflict of Interest and Good Governance

17. Until the policies and procedures outlined below have been implemented and submitted to the ACNC, the Charity will not enter into any commercial or business arrangements with any current or former responsible entity.
18. The Charity will include declarations of conflicts of interest as a standing item on Board meeting agendas for the term of this undertaking.
19. The Charity will create and maintain a register of related party transactions, including transactions between the Charity, the ANZAC Remembrance Appeal – 1965 Trust Fund Inc (ABN 77 184 885 894)(ANZAC Trust), the Poppy Day Trust Fund (82 849 152 041)(Poppy Trust) and any other organisation that shares one or more responsible entities with the Charity.
20. The Charity will create and maintain a 'Conflicts of Interest Register' that details all perceived or actual conflicts of interest involving responsible entities
21. The Charity will create policies and processes to manage any perceived or actual conflicts of interest involving the Charity's responsible entities.



22. The Charity will implement a specific conflicts of interest policy that will outline what steps the board must take before the Charity enters into a commercial arrangement, including the following requirements from the board:
  - a. Written consideration if the following steps are necessary:
    - i. obtaining independent advice about a fair price and terms,
    - ii. considering multiple quotes from different providers; and
  - b. Written consideration of how this agreement will be in the Charity's best interests.
23. The Charity will implement a specific conflict of interest policy for handling and dealing with conflicts arising from the responsible entities roles with the ANZAC Trust, the Poppy Trust and RSL Care South Australia (ABN 42 419 627 410).
24. The Charity will implement and apply a fraud prevention policy.
25. The Charity will create and maintain a register of all grants applied for and received by the Charity, including the purpose of the grant and regular updates on how the grant has been used for this purpose.
26. The Charity will implement and apply procedure for regular and appropriate financial reporting to the board, including detail of how charitable funds are used to further the Charity's charitable purposes.
27. The on-going solvency of the Charity will be reported in detail to the board on a monthly basis.
28. The Charity will implement a 'Property and Asset Register' that records all significant assets owned or controlled by the Charity, their value at purchase and current assessed value.
29. The Charity will implement policy and procedures that clearly separates the financial delegations of the Board and the CEO and/or CFO.
30. The Charity will seek independent advice on any current or proposed reimbursements or allowances paid to responsible entities for the Charity.
31. At the completion of this Undertaking, or when completed (whichever occurs first), the Charity will submit to the ACNC:
  - a. Copies of the policies, procedures and considerations outlined in paragraphs 17 to 30 above; and
  - b. Evidence that these policies and procedures have been implemented, including copies of all commercial agreements; copies of procurements; and the financial reports submitted to the Charity's board.

#### Recordkeeping and Notifying the ACNC

32. The Charity will implement a policy that outlines the requirements of notifying the ACNC as required by section 65-5 of the ACNC Act.
33. The Charity will include notifications to the ACNC as a standing item on board meeting agendas for the term of this undertaking.



34. At the completion of this Undertaking, or when completed (whichever occurs first), the Charity will submit to the ACNC:

- a. Copies of the policies and procedures outlined in paragraphs 32 and 33 above; and
- b. Evidence that these policies and procedures have been implemented

**Commencement of the Compliance Agreement**

35. This agreement comes into effect when it is executed by the Returned and Services League of Australia (S.A. Branch) Incorporated and a copy of the signed document is provided to [compliance@acnc.gov.au](mailto:compliance@acnc.gov.au).

**Acknowledgement**

36. Notwithstanding that the Returned and Services League of Australia (S.A. Branch) Incorporated is entering into the agreement voluntarily, it acknowledges that a failure to comply with the undertaking to the ACNC's satisfaction may result in further compliance action against the Charity by the ACNC.

**Executed by**

Full name: BRANSON LEON HORAN Full name: WILLIAM THOMAS DENNY

Signature: [Signature] Signature: [Signature]

Date: 17 AUG 2017 Date: 17 AUG 2017

Full name: Ross Trevelyan Full name: \_\_\_\_\_

Signature: [Signature] Signature: \_\_\_\_\_

Date: 17 Aug 2017 Date: \_\_\_\_\_

Full name: ANTHONY JOHN FLAHERTY Full name: \_\_\_\_\_

Signature: [Signature] Signature: \_\_\_\_\_

Date: 17 August 2017 Date: \_\_\_\_\_