

Proposal to amend the constitution of the Australian Ceramic Society

The proposal is to amend the *Memorandum of Association* and *Articles of Association* of the Australian Ceramic Society to remove references to compulsory Financial Audits.

Position

The current constitution requires us to undertake annual financial audits. Changes to the *Corporations Act 2001* introduced in the *Corporations Amendment (Corporate reporting Reform) Act 2010* have exempted not-for-profit, community and professional organisations from this requirement, provided: ...”

- their annual revenue or, if part of a consolidated entity, annual consolidated revenue of less than \$250,000; and
- which do not have deductible gift recipient status under tax legislation.”

However, the current the *Memorandum of Association* and *Articles of Association* imposes compulsory Audits on the Society. The audits currently cost the society ~ \$2,500-\$3,500 per year. A huge expense when we currently have little income and no membership fees.

Proposal

The proposal is that the *Memorandum of Association* and *Articles of Association* be amended to remove all references to compulsory audits as per by the amendments listed below

1. section 7 of the *Memorandum of Association* be changed from:

7. Once at least in every year, the accounts of the Society shall be examined and the correctness of the balance-sheet ascertained by one or more properly qualified Auditor or Auditors.

To

7. Once at least in every year, the accounts of the Society shall be prepared and a balance-sheet made available for the members. An examination for correctness of the balance sheet may be authorised by a majority vote of the Federal Council of the Society or by a majority vote of the members of the Society at an Extraordinary General Meeting.

2. Section 16 of the *Articles of Association* be changed from:

16. ... It may include the appointment/termination and fixing of the remuneration of the Auditors.

to

16. ... It may include the appointment/termination and fixing of the remuneration of any Auditors employed to examine the Society's accounts. ...

3. Section 38(c) be changed

(c) ...must ensure that each Branch supplies audited accounts each year to the Federal Treasurer by a date specified by Federal Council; and has the power to direct that no Branch may publish or communicate, to any party or parties who are not members of the Society, any matters which may purport to represent the policy of Federal Council, without the sanction of Federal Council given in writing.

to

(c) ...must ensure that each Branch supplies accounts each year to the Federal Treasurer by a date specified by Federal Council; and has the power to direct that no Branch may publish or communicate, to any party or parties who are not members of the Society, any matters which may purport to represent the policy of Federal Council, without the sanction of Federal Council given in writing.

4. Section 52 be changed from:

52. Federal Council shall cause proper accounting and other records to be kept and shall distribute copies of every profit and loss account and balance-sheet (including every document required by law to be attached thereto) accompanied by a copy of the Auditors' report thereon as required by Law

To

52. Federal Council shall cause proper accounting and other records to be kept and shall distribute copies of every profit and loss account and balance-sheet (including every document required by law to be attached thereto) .

5. Section 54 be changed from

54. A properly qualified Auditor or Auditors shall be appointed as required by Law and will be remunerated.

To

54. A properly qualified Auditor or Auditors shall be appointed if required by law, or by the majority vote of the Federal Council, or by a majority vote of members at an Extraordinary General Meeting.

6. Section 56 (b) Delete "the auditor or auditors for the time being of the Society".

Federal Council of the Australian Ceramic Society