



AUDITOR-GENERAL

Australian Capital Territory



MEDIA RELEASE

PA05/18

28 March 2006

Performance Audit Report: Regulation of Charitable Collections and Incorporated Associations

The Auditor-General, Mrs Tu Pham, has today presented a report titled *Regulation of Charitable Collections and Incorporated Associations*, to the Speaker for tabling in the Legislative Assembly.

There are over 150 charities that are licensed to collect donations and conduct fundraising in the ACT. There are 2400 incorporated associations in the ACT, and many Canberrans are members of at least one such organisation. These bodies contribute to the social fabric of the Canberra community by promoting sporting, artistic, social, charitable, professional and other pursuits.

Effective government regulation of charities and associations contributes to community confidence in the management of these organisations, and encourages them to operate properly and in compliance with the law.

Audit Opinions and Key Findings

Charitable Collections

Audit found that overall, there is a serious deficiency in the regulation of charitable collections. Although licence applications are assessed and approved in a timely manner, the Department of Urban Services (DUS) does not adequately monitor, review and control charitable collections to meet the requirements of the *Charitable Collections Act 2003*. In particular:

- A significant number of charitable collections may be underway in the ACT without complying with the Collections Act.
- No monitoring is currently undertaken of whether all collection moneys are deposited into bank accounts used solely for money received from the collections.
- Most licensees reviewed by the audit did not comply with the regulation to submit annual accounts to the Chief Executive of DUS.
- Monitoring by DUS of charitable collections (licensed or otherwise) does not provide the community with confidence that money donated is properly accounted for. There is no legislative requirement for regulation of annual collections under \$15 000, increasing the risk of improper collection and inadequate accounting of money collected.

Incorporated Associations

The Registrar-General's Office adequately administers the incorporation function and monitors incorporated associations. In particular, Audit found that:

- The incorporation process is reasonably efficient and timely.
- Monitoring of incorporated associations is currently sufficient to meet the requirements of the *Associations Incorporation Act 1991*.
- The RGO currently has no formal procedures in place for handling complaints about incorporated associations.

Audit noted that given the limited regulation provided under the Associations Act, there is a risk to effective governance when members do not involve themselves in controlling their Associations. This risk is more significant for larger associations with substantial revenue, assets and liabilities.

Recommendations

The Audit made eight recommendations. The Department of Urban Services and the Registrar-General agreed or agreed in part to all the recommendations.

Further information

For further information, please contact Rod Nicholas, Director, Performance Audits and Corporate Services on 6207 0833. Copies of the report are available from the ACT Auditor-General's Office (Level 4, 11 Moore Street, Canberra City) and from its website, www.audit.act.gov.au.