



# Incidence of Auditing and Assurance in Charities.

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**A report for the Ministry of Economic Development**

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## Executive Summary

This report presents research into the incidence of auditing and other assurance in charities as a result of the Discussion Paper (“Auditing and Assurance for Larger Registered Charities”) released by the Ministry of Economic Development in April 2012. In this research, the financial statements of a stratified random sample of 837 charities registered with the Charities Commission formed a database from which the demand and supply of assurance was analysed.

The demand for assurance was assumed from the assurance which charities obtained as well as from charities’ rules. However, it was found that not all charities obtain the assurance required under their own rules.

The supply of assurance is deemed from the assurance reports that were able to be viewed. This research found that a majority of assurance is provided by qualified parties (either accounting firms or qualified individuals). Nevertheless, approximately 20% of assurance reports were found not to be if a satisfactory standard and it is assumed that a poor report reflects a poorly performed assurance engagement. Accounting firms and qualified individuals were more likely than unqualified individuals to provide an assurance report that was satisfactory.

Many assurance engagements are carried out for no cost (or at least no charge is recorded by the charity on their financial statements). However, some assurance engagements cost more than 5% of a charity’s total expenditure. This may be due to the charity filing an incorrect expenditure amount with the Charities Commission (and therefore skewing the analysis) or it may be because the charity has significant revenue, assets, liabilities or other factors such as poor internal controls, that will affect how the assurance engagement is carried out and therefore the costs involved. This research concluded that charities’ expenditure is not always the brightline used when the provider decides what to charge for an assurance engagement, although in a great majority of cases expenditure appears to be a good proxy.

Finally, this research highlights the issue of reporting entity, as a number of charities registered with the Charities Commission are ‘groups’, but many do not combine or consolidate their financial statements. This means that it is difficult to analyse the audit cost over the whole group. Further it is possible that group members have different rules regarding assurance engagements which may give rise to some entities in the group obtaining assurance and others not. The practices in this area are an area for future research.

### Acknowledgements

This research was made possible through funding from the Ministry of Economic Development and Research Assistants Rachel Miller (primary) and Kapil Patel, Jenny Seow and Amy Thompson. The database used was provided by the Charities Commission in respect of research into typical transactions of charities which they also part-funded along with the External Reporting Board.

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## 1. Introduction

### 1.1. Background

The Ministry of Economic Development released a Discussion Paper in April 2012 entitled “Auditing and Assurance for Larger Registered Charities” (hereinafter called “Discussion Paper”) (Ministry of Economic Development, 2012). The Discussion Paper tentatively proposed that larger registered charities should be required to have a review engagement or audit if their annual expenditure is \$200,000 or more and an audit if their annual expenditure is \$300,000 or above (Ministry of Economic Development, 2012). These brightline tests were proposed, testing whether the costs of compliance would not exceed the benefits brought by assurance to charities and the users of their financial statements.

The Discussion Paper summarises both the status quo and the problems provoked by the status quo. Problems include charities’ financial statements exhibiting variable quality (Ministry of Economic Development, 2012). This may be due to a number of issues, including the lack of legislation requiring charities to have their financial statements audited by an independent person or firm, and the lack of monitoring of charities’ compliance with their own constitutional audit requirements. Recent research (for example, Cordery, 2012; Cordery & Patel, 2011; Sinclair, 2011) confirms the poor state of charity reporting in this country. However, only Cordery and Patel (2011) analysed assurance practices of charities, and that study was exploratory.

### 1.2. This research

This research into the assurance practices of charitable entities was commissioned by the Ministry of Economic Development to build on what is already known about charities’ assurance practices and to take advantage of data being collected by a larger project into typical transactions of charities (supported by the External Reporting Board and the Charities Commission).

For this research, charities were selected from the Charities Commission filings from the population of charities that incur expenditure of between \$40,000 and \$2,000,000 (medium-sized charities) and less than \$40,000 (small charities) (Appendix 1 describes the method and Appendix 2 provides a list of the sample charities). In selecting the sample, the expenditure figures were taken from the pro-forma filing by the charity, whereas the data analysed was taken from the annual reports uploaded by charities at the time of completing their pro-forma filing.<sup>1</sup> A spreadsheet template was compiled for data input that comprised the audit fee (where separately identified in the charity’s annual report) and details about the type of assurance and the assurance provider, as well as the quality of the assurance report.

Further, the rules of the sample charities were downloaded and scanned to ascertain whether or not charities were required to engage an assurance provider under their rules. Those charities that had a constitutional requirement to have their financial statements assured, but had not filed the

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<sup>1</sup> In Section 4.1 it is noted that more than a quarter of charities understate their expenditure, while more than 13% overstate their expenditure on the annual return. In a small number of cases this led to larger charities being in the small charity sample, which was an unanticipated outcome.

assurance report with their financial statements at the Charities Commission, were invited to send a copy of their assurance report to the author. The research data therefore comprises both assurance reports that were downloaded and those that were received following such a request.

The purpose of this report is to present the findings of the analysis of the research into charities' assurance practices. It does not provide a literature review of assurance options, nor of the reasons for assurance as these have been covered adequately in the Discussion Paper (Ministry of Economic Development, 2012). This report is divided into three further sections. First, an assessment is made of the current demand for audit, and then in Section 3, the findings with respect of the supply of assurance are presented. The findings with respect to the costs of assurance are communicated in Section 4, followed by a brief conclusion. Two Appendices are also provided, which describe the research approach and a listing of the sample charities.

## 2. Demand for audit and other assurance in charities

Charities seek assurance on their financial statements for a number of reasons. Many charities have a requirement for an audit in their constitution or rules. Further, many funders (grant-makers and contract-providers) also seek assurance as to the veracity of charities' financial statements and this is a demand driver in the assurance equation. Only the few charities that are founded by an Act may be required by legislation to have an audit.

In recent years, some members and staff of the New Zealand Institute of Chartered Accountants (NZICA) have made a concerted effort to inform charities and the users of their financial statements about alternative assurance 'products' (reviews and agreed-upon-procedures) that may meet the assurance demand cost-effectively (for example, Cordery & Prangnell, 2007; Fisher, 2008). These actions were driven partially by the recognition that international audit standards and increased regulation of auditors could lead to a dwindling supply of auditors, and a concern that demand would be undiminished, leading to a widening gap in supply. Contemporaneously work had begun on the development of an international review engagement standard which could replace the ageing New Zealand standard. In addition, these authors and others questioned the benefits of a full audit to users such as funders who may be interested only in how a small portion of a charity's budget has been spent.

Following these efforts, the amendment of the example rules on the Incorporated Society's website, and changes by some funders to their audit requirements, some charities have amended their rules to require reviews rather than audits, or to expunge the requirement completely.

### 2.1. Analysis of demand: practice and rules

From the sample, we analysed the practice of charities as shown in Figure 1. In this and all other Figures, the sample is presented in four different categories: charities with expenditure less than \$40,000 (428, of which 178 had some type of assurance undertaken) and three different categorisations of the sample which comprised charities with expenditure between \$40,000 and \$2,000,000 (409 charities, of which 279 had some type of assurance engagement).

It can be seen from Figure 1 that the larger a charity, the more likely it is that the charity will have an audit of their financial statements. The incidence of review engagements is fairly static, at around 10% over the whole sample.

Notwithstanding the categorisations of the sample of charities in different expenditure bands, not all of the charities in the sample are single entities. Charities may register as group entities, but there is no current requirement for them to file group accounts (as there would be if they were to follow NZ IFRS 10-12, or IPSAS 6-8). The lack of a group reporting entity creates difficulties when linking a charity's size to a requirement to have an audit of their financial statements.

- For example, if only one entity in the group has filed financial statements with the Charities Commission, and their expenditure is less than \$200,000, they may not believe that under the current proposal they would be required to have an audit or review of their annual financial statements. Yet, if other charities in the group were combined with the filing entity (under, for example IPSAS 6-8), the charity's expenditure might be more than \$200,000 and thus, under the current proposal, it would be required to have a review engagement or an

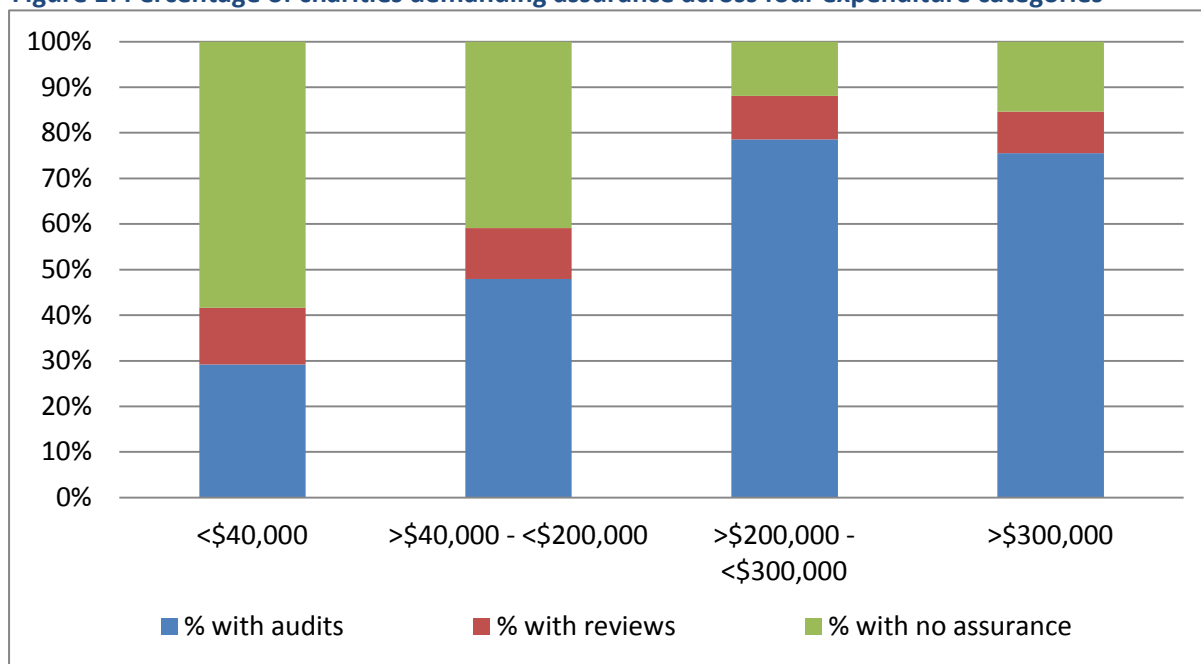


audit. For an outsider to know whether an audit was required or not, would require an assessment of the charity’s rules, knowledge that the charity is registered as a group, and analysis of the financial statements of the other group members.

- The other issue is that charities in one group may have different rules, so that some charities in the group may be required to have an audit, others a review engagement and others none at all. While a parent entity would typically require all members of a controlled group to follow similar practices, it is unclear from the Charities Commission requirements whether all groups registered have a ‘parent’ who could wield such control. In this case, the financial statements may not be combined (see above) and it raises the question of whether entities that do not have a control relationship (as required for consolidation under current accounting standards) are nevertheless required (under the current proposals) to provide combined statements for the purposes of fulfilling their group registration filing requirements.

In respect of Tier 1 and Tier 2 charities, the New Zealand Accounting Standards Board has formed a Working Group to consider, amongst other things, principles of combination. It is to be hoped that their findings will be released by the end of 2012 and that they will result in workable accounting standards to guide charities in decisions on combining their financial statements or otherwise, with charities with which they share a group registration.

**Figure 1: Percentage of charities demanding assurance across four expenditure categories**



## 2.2. Analysis of demand: assurance gained

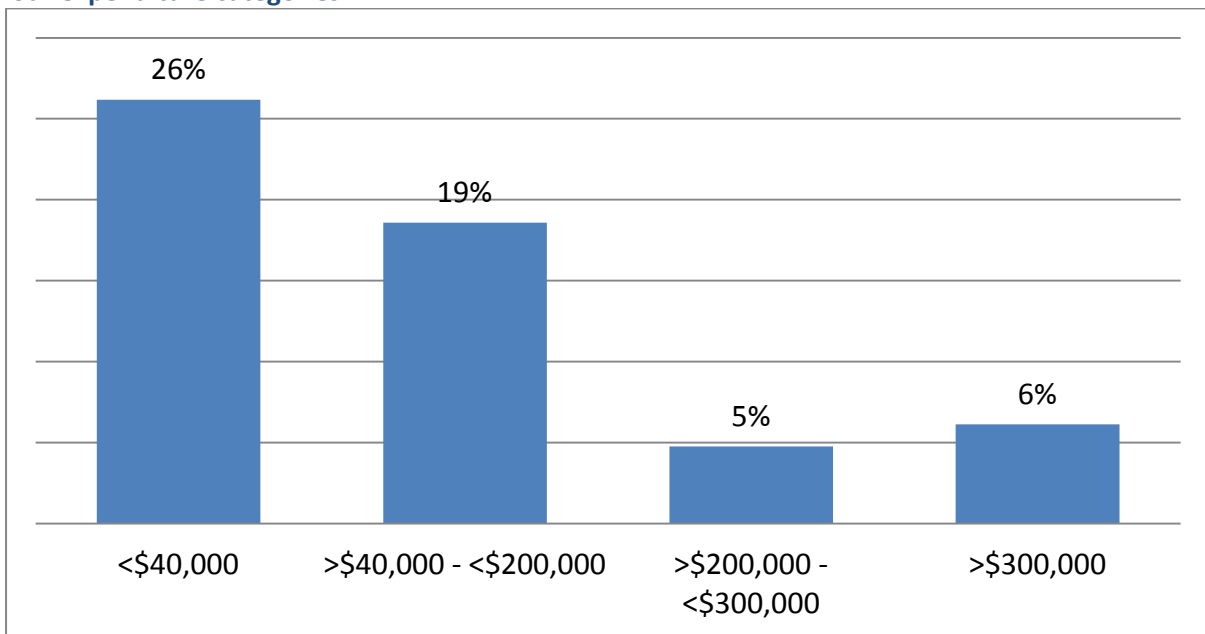
From the charity rules analysed, we found that charities used a range of options for assurance, including requirements for:

- Audited accounts (by a qualified person or an unspecified person)
- Accounts subjected to review (by a qualified person or unspecified person)

- Assurance (audit or review) only if demanded by a certain percentage of members or by the governing body (by a qualified person or unspecified person)
- No audit or review required.

Notwithstanding rules that require audits or review engagements, not all charities comply with these rules (as can be seen in Figure 2). This research depended on charities either filing a copy of their audit or review with the Charities Commission (which they are not compelled to do), or responding positively to our request to provide the audit or review where it was required by the charity’s rules. A number of charities did neither. While some responded positively, we fielded a number of phone calls and emails advising us that no assurance had been gained, or that the charity was unwilling to provide us with the information. Other charities ignored our written request, so it was not possible to tell whether they had not obtained an audit, or were too busy, unwilling, or disorganised to respond to our request.

**Figure 2: Percentage of charities requiring assurance, but not providing it when requested across four expenditure categories**



As can be seen from Figure 2, non-response ranged between 5% and 26% across the sample. Smaller charities with rules requiring audits or reviews were the most likely not to provide a copy of an assurance report to the researchers. Charities with expenditure over \$200,000 were most likely to either file an assurance report with the Commission, or to provide one on request.

However, some charities obtained assurance, even when it was not required by their rules. Table 1 shows the number of charities that had rules stating that no assurance was required (or not having a statement that an audit or review was required), or that assurance was required only if demanded by members or the governing body.

**Table 1: Number of charities with rules not mandating an audit or review each year and those with assurance gained across four expenditure categories**

Statement about not requiring an audit	<\$40,000		>\$40,000 - <\$200,000		>\$200,000 - <\$300,000		>\$300,000	
	No. of rules	No. with assurance	No. of rules	No. with assurance	No. of rules	No. with assurance	No. of rules	No. with assurance
No assurance required	120	23	45	9	3	2	15	9
Audit if demanded	47	9	22	6	4	3	1	1
Review if demanded	4	1	2	2	0	0	1	1
<b>Total</b>	171	33 (19%)	69	17 (25%)	7	5 (71%)	17	11 (65%)

In Table 1, the second column of each expenditure category contains the number of charities that obtained assurance notwithstanding a lack of obligation under the charity’s rules to do so. Of the charities that were not obligated to obtain assurance, from 19% (in the small charities) to 71% (in the \$200,000-\$300,000 bracket) did so. Two-thirds of the largest charities (with expenditure over \$200,000) obtained assurance, despite it not being required by their constitution. No independent enquiry was made of these charities as to why they had sought an audit. Often funders’ requests for audits are a driver for charities to obtain audits. Table 2 shows this same data in percentages.

**Table 2: Percentage of charities with rules not mandating an audit or review each year and those with assurance gained across four expenditure categories**

Statement about not requiring an audit	<\$40,000		>\$40,000 - <\$200,000		>\$200,000 - <\$300,000		>\$300,000	
	% with rules	% gained assurance	% with rules	% gained assurance	% with rules	% gained assurance	% with rules	% gained assurance
No assurance required	70%	19%	65%	20%	43%	67%	88%	60%
Audit if demanded	27%	19%	32%	27%	57%	75%	6%	100%
Review if demanded	2%	25%	3%	100%	0%	0%	6%	100%
<b>Total</b>	100%		100%		100%		100%	

Further analysis of these assurance reports reveals that, in the charities with expenditure less than \$40,000, assurance engagements were carried out by Firms (10), Qualified individuals (6) and Unqualified individuals (17). In the next expenditure bracket, assurance engagements were carried out by Firms (7), Qualified individuals (7) and Unqualified individuals (3). In the sample of charities with expenditure of between \$200,000 and \$300,000, assurance engagements were carried out by Firms (3), Qualified individuals (1) and Unqualified individuals (1). In the last expenditure bracket, assurance engagements were carried out by Firms (9) and Qualified individuals (2).

### **2.3. Data limitations**

A small number of charities advised us that they did not have assurance, but it cannot be inferred that all charities that did not provide copies of their assurance reports had not had an audit or review. It should be noted that some charities in this sample obviously had an audit or review engagement undertaken as they clearly marked in their financial statements that they had paid for this. Where we were unable to obtain a copy of the appropriate assurance report but the charity had paid for an audit or review, the research team recognised that the charity had engaged an assurance provider, but was unable to ascertain how qualified that provider was.

While demand has been inferred from charities' rules, a number of charities do not follow their rules in obtaining assurance (and some had to be told which rule number our request referred to). Thus, it is suggested that demand for assurance can be inferred from those charities that obtain assurance, which is a smaller number than if the rules of charities were used to define demand.

### 3. Supply of audit and other assurance to charities

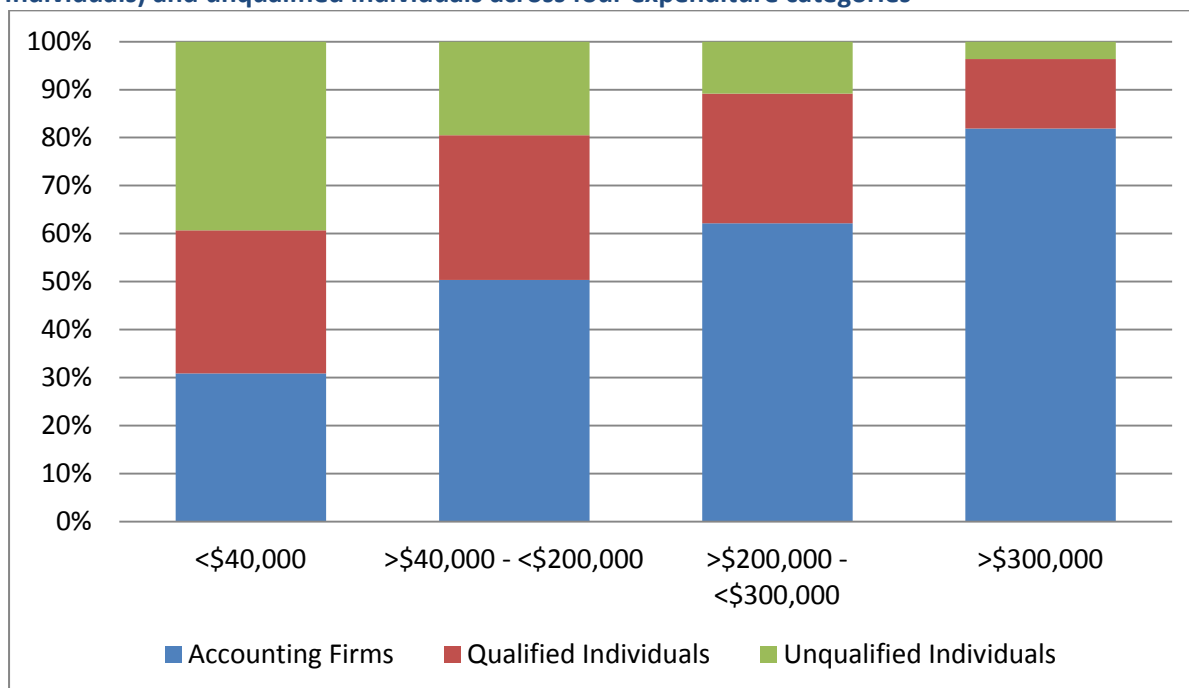
The proposal in the Discussion Paper is that audits and reviews required by legislation are to be supplied by licensed auditors, registered auditing firms, chartered accountants or overseas -qualified accountants recognised by the Registrar of Companies (Ministry of Economic Development, 2012). While this suggests that any of NZICA’s more than 30,000 members could be assurance suppliers, members must also (under the Code of Ethics) be suitably qualified to carry out assurance. This is likely to constrain the supply of auditors, as many Chartered Accountants work in areas other than public practice and do not have current experience and competency to carry out assurance engagements.

In addition, NZICA communications such as the Chartered Accountants Journal and the Regional newsletters (for example, “Capital Capsule” which goes to Wellington members) frequently host advertisements for members to provide pro bono or heavily discounted assurance services to charities and other not-for-profit organisations, which suggests that some charities expect audits or reviews to be provided at no or low cost. It can be inferred that some suitably qualified members may also be unwilling to provide assurance at the price that charities are prepared to pay.

#### 3.1. Analysis of supply: assurers’ qualifications

For the charities that obtained audits and reviews, we logged the name and qualifications of the assurance provider (where it was noted in the assurance report). Figure 3 presents the percentage of assurance engagements that were carried out by accounting firms, qualified individuals and unqualified individuals.

**Figure 3: Percent of assurance engagements provided by qualified parties (accounting firms and individuals) and unqualified individuals across four expenditure categories**



It can be seen from Figure 3 that accounting firms provide assurance to all sizes of charities. In this research the term “accounting firm” has been used very broadly and covers accounting partnerships

as well as limited liability companies. These companies included taxation consultants. There was no independent research undertaken to ascertain how qualified or otherwise these firms were to undertake audits, but it was assumed that some staff would be suitably qualified accountants.

Figure 3 shows that the majority of assurance is provided by qualified people – either in accounting firms or as individuals. At the larger end, more than 89 percent of charities with expenditure of more than \$200,000 obtain assurance from qualified professionals. Only smaller charities (i.e. those with expenditure of less than \$40,000) are more likely than larger charities to use unqualified assurance providers. Individuals were deemed ‘unqualified’ if they did not provide a CA or CPA designation after their name, or if their name and qualifications were illegible.

### 3.2. Analysis of supply: assurance provided

These qualified and unqualified assurance providers were involved in delivering audits, reviews and also agreed-upon-procedures. In this analysis, reviews and agreed-upon-procedures are both called ‘reviews’. Table 3 shows the actual number of assurance engagements (audit and reviews) carried out within the sample dollar-value categories and by type of provider. Percentages are also provided.

**Table 3: Number of assurance engagements undertaken by firms, qualified and unqualified individuals across four expenditure categories**

	<\$40,000		>\$40,000 - <\$200,000		>\$200,000 - <\$300,000		>\$300,000	
	No.	%	No.	%	No.	%	No.	%
<b>Accounting firms</b>								
<b>Audits</b>	45	79%	65	81%	20	87%	64	94%
<b>Reviews</b>	12	21%	15	19%	3	13%	4	6%
<b>Total</b>	57	100%	80	100%	23	100%	68	100%
<b>Qualified Individuals</b>								
<b>Audits</b>	41	77%	39	81%	10	100%	9	75%
<b>Reviews</b>	12	23%	9	19%	0	0	3	25%
<b>Total</b>	53	100%	48	100%	10	100%	12	100%
<b>Unqualified Individuals</b>								
<b>Audits</b>	39	57%	25	81%	3	75%	1	33%
<b>Reviews</b>	29	43%	6	19%	1	25%	2	67%
<b>Total</b>	68	100%	31	100%	4	100%	3	100%

It can be seen from Table 3 that the percentage of reviews as a total of all assurance carried out by accounting firms reduces as the charity’s expenditure increases. Qualified individuals’ provision of reviews varies, but approaches a mean of 20% across all expenditure ranges. However, Table 2 shows that the number of reviews carried out by unqualified individuals is higher in smaller charities. It also shows that unqualified individuals are less likely to carry out audits in larger charities.

There was a small number of charities in the sample of larger charities (only 120 had expenditure of greater than \$200,000, compared with 337 charities with expenditure less than \$200,000). This may reduce the generalisability of conclusions on these larger charities.

### 3.3. Analysis of supply: quality

In addition to analysing the assurance provider, we also assessed the quality of the assurance report. Assurance reports that were in line with those recommended by the relevant International Standard on Auditing (i.e. ISA700), or by the Review Engagement Standard (New Zealand Society of Accountants, 1989) were deemed 'Satisfactory', while those that did not comply with these standards were deemed to be "Unsatisfactory". This is a blunt instrument for measuring the quality of the assurance engagement; nevertheless, it is the only tool that was at our disposal. The results of this analysis are presented in Table 4.

**Table 4: Percentage of assurance engagements undertaken by firms, qualified and unqualified individuals and the quality of the assurance report across four expenditure categories**

	<\$40,000		>\$40,000 - <\$200,000		>\$200,000 - <\$300,000		>\$300,000	
	No.	%	No.	%	No.	%	No.	%
<b>Accounting firms</b>								
<b>Satisfactory</b>	49	86%	77	96%	23	100%	68	100%
<b>Unsatisfactory</b>	8	14%	3	4%	0	0	0	0
<b>Total</b>	57	100%	80	100%	23	100%	68	100%
<b>Qualified Individuals</b>								
<b>Satisfactory</b>	42	79%	36	75%	8	80%	11	92%
<b>Unsatisfactory</b>	11	21%	12	25%	2	20%	1	8%
<b>Total</b>	53	100%	48	100%	10	100%	12	100%
<b>Unqualified Individuals</b>								
<b>Satisfactory</b>	26	38%	21	68%	3	75%	3	100%
<b>Unsatisfactory</b>	42	62%	10	32%	1	25%	0	0
<b>Total</b>	68	100%	31	100%	4	100%	3	100%

It can be seen from Table 4, as might be expected, that a large proportion of the audits and reviews undertaken by accounting firms were in an acceptable format, and all assurance engagements for charities with expenditure of more than \$200,000 were deemed to be acceptable.

Table 4 shows that the quality of assurance reports from qualified individuals is lower than that provided by firms; and that at all levels, until the charities' expenditure is greater than \$300,000, 20-30% of assurance reports are unsatisfactory.

The greatest variability is in the assurance reports written by unqualified individuals. For charities with expenditure of less than \$40,000, the reports are most likely to be unsatisfactory (in many cases, these have been signed off as "certified as true and correct" or similar). However, the 3 assurance engagements undertaken by unqualified individuals for charities with expenditure of more than \$300,000 were all reported in an acceptable format.

### **3.4. Data limitations**

As with charities' demand analysed in Section 2, the supply of audits and reviews in this section has been assumed from the data available. To improve the analysis, we could have obtained survey data from Chartered Accountants as to their ability to deliver assurance to charities and their willingness to do so. Despite this further research not being undertaken, and for the purposes of this limited research, it appears that larger charities have their assurance needs met by firms, and that generally these are of a satisfactory standard.



## 4. Costs of assurance provision to charities

As noted in Section 3, many charities advertise for honorary auditors. This suggests they seek to minimise the costs of this function. In this section, data about assurance costs are analysed.

### 4.1. Analysis of assurance cost: by charity size

Analysis of the cost of assurance can be by dollar amounts or by a percentage. In respect of dollar amounts, Figure 4 shows that these increase as the size of the charity increases.

**Figure 4: Average costs of assurance by charity size and provider of assurance across four expenditure categories**

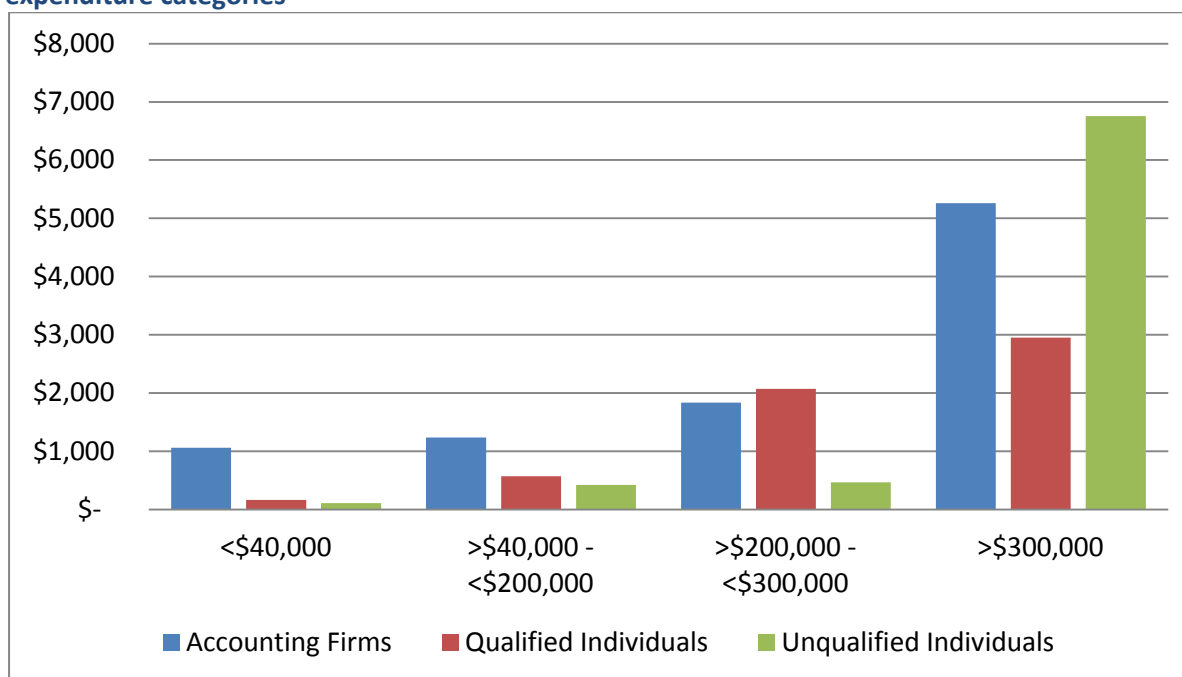
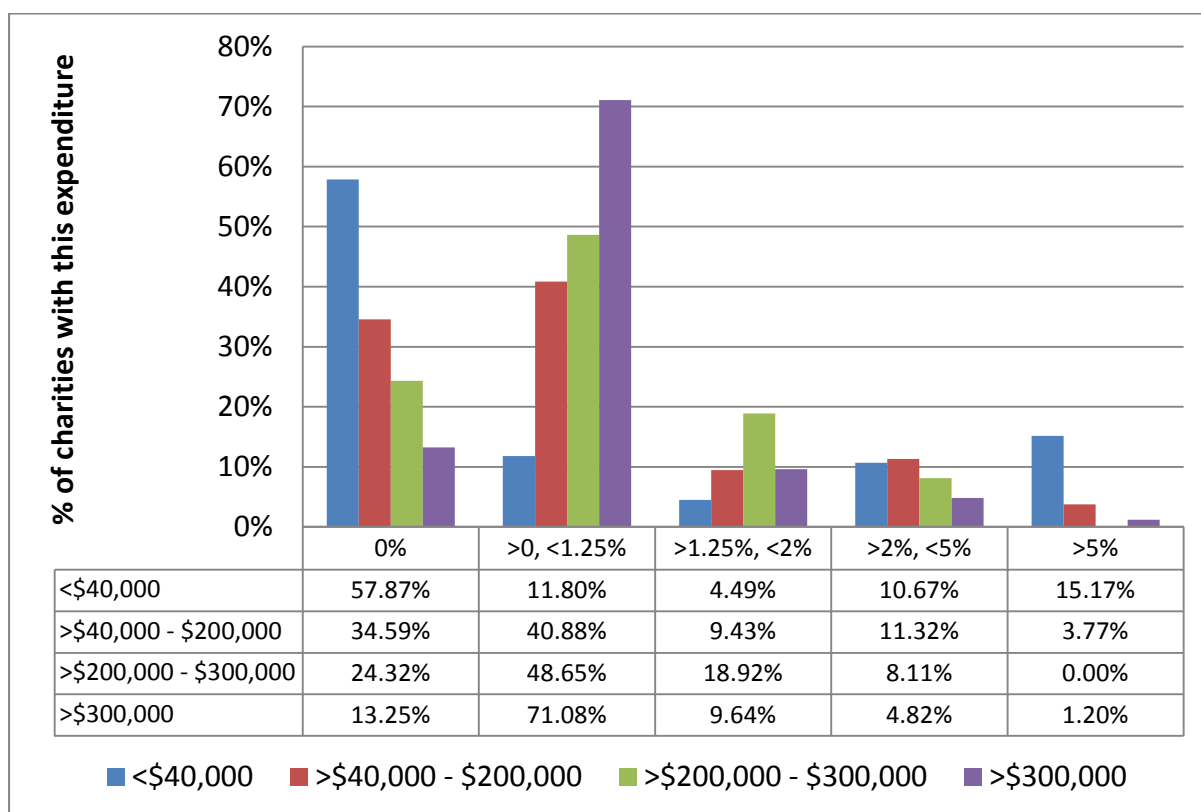


Figure 4 also shows that, while accounting firms are, on average, a more expensive option for smaller charities, individuals charge similar amounts to firms when they are undertaking assurance engagements in larger charities. Further, while individuals are generally a cheaper option for charities with lower levels of expenditure, the variable quality of some of these assurance reports (see Section 3) suggests that the costs of assurance may not only reflect the provider, but also the quality of the assurance provided.

The argument for brightline tests in the Discussion Paper works on the basis of a maximum probable cost to charities of 1.25% for assurance (Ministry of Economic Development, 2012). Accordingly, the costs of assurance for the charities in the research sample were analysed as a percentage of charities' total expenditure, as shown in Figure 5.

It can be seen from Figure 5 that a great majority of charities obtain their assurance for less than 1.25% of their total expenditure. Indeed, a sizeable number obtain their assurance for no cost at all (between 24% and 31% for charities with expenditure less than \$300,000 and more than \$40,000, and 57.8% for charities with expenditure less than \$40,000). However, 27 charities with expenditure of less than \$40,000 paid more than 5% of their expenditure towards assurance, as did 6 with expenditure greater than \$40,000 but less than \$200,000 and one charity with expenditure over \$300,000. Overall, 25% of charities spent more than 1.25% on their assurance.

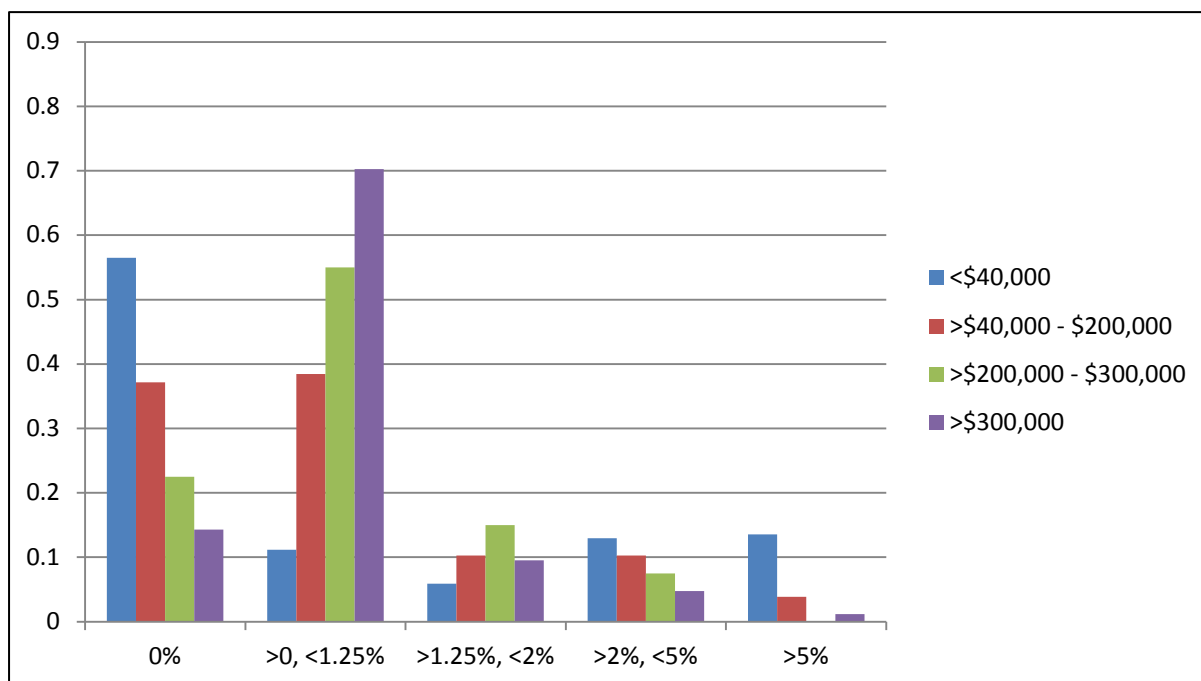
**Figure 5: Assurance Cost as a percentage of each charity’s total expenditure across four expenditure categories (as filed)**



Expenditure is not always a proxy for charity size. First, as noted, some charities file expenditure as zero with the Charities Commission, but their financial statements show expenditure was greater than that (see below). Second, expenditure is not always the basis for the cost of an audit. In five cases from this sample, the audit fee was 50% or more of the charity’s annual expenditure as filed. In these cases, costs ranged from 0.08% to 11.58% of total revenue. This pattern occurs in only a small number of cases (0.6% of the sample), and these charities are exceptions to the normal patterns of revenue and expenditure that would be expected. In addition, a further five charities who filed a return with zero expenditure had audits and reviews that cost between 0.34% and 4.5% of their total actual expenditure.

Figure 6 repeats the analysis of Figure 5, but is based on the actual expenditure that was extracted from charities’ annual reports. While a number of charities had filed an incorrect expenditure total with the Charities Commission, it can be seen in Figure 6 that a similar number of charities were in each category of assurance cost as were in Figure 5. Some of the differences were small, but 13.5% of charities overstated their expenditure in their Charities Commission return, while 25.1% of charities understated their expenditure in their Charities Commission return. As the Discussion Paper (Ministry of Economic Development, 2012) uses Charities Commission filing data for its analysis, this data has otherwise been used consistently throughout this report.

**Figure 6: Assurance Cost as a percentage of each charity’s total expenditure across four expenditure categories (taken from actual annual report)**



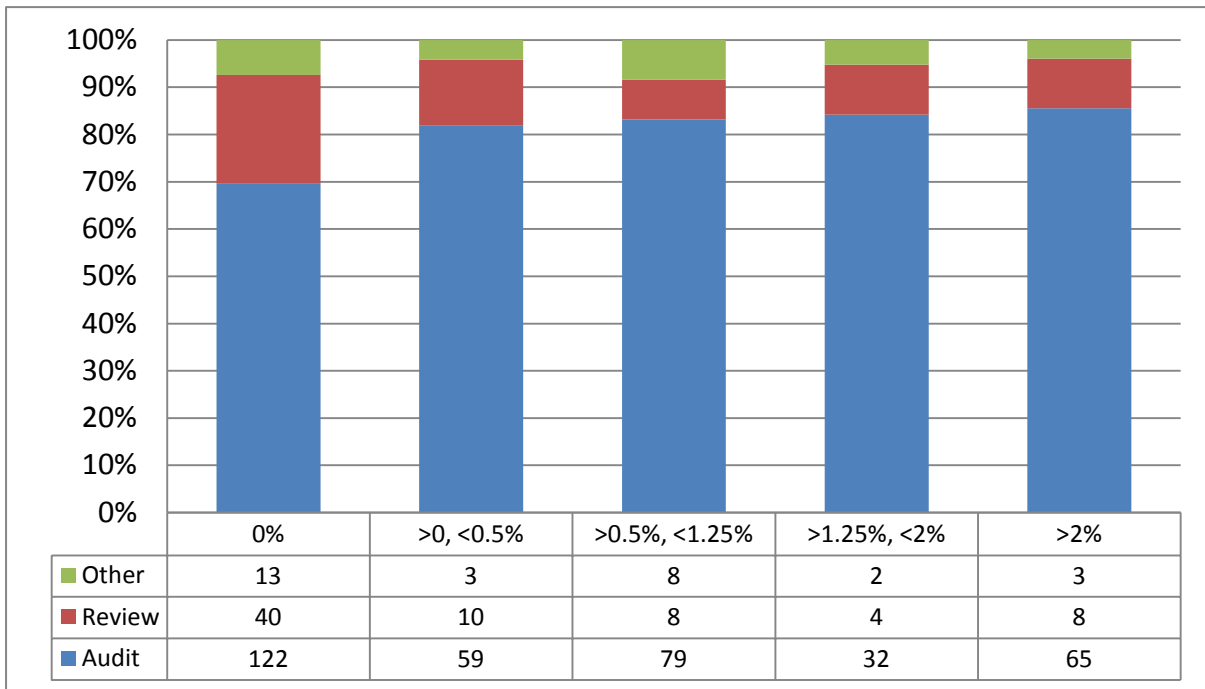
A number of factors drive the setting of an audit or review engagement fee, including whether the charity has significant assets, liabilities, and the state of its internal controls and governance. These factors affect the cost of the engagement and the effort required. Notwithstanding that, revenue and expenditure are commonly used by overseas regulators as brightlines for requiring assurance in charities.

#### **4.2. Analysis of assurance cost: by type of assurance**

The cost of assurance is also dependent on the type of assurance provided. Figure 7 shows that, while audits comprise the majority of the more expensive assurance types, reviews and other engagements (agreed-upon-procedures) may also involve charities in considerable cost compared to their total expenditure. The number of each type of assurance engagement is also provided in a table underneath Figure 7.

Thus it can be seen that, while many assurance engagements are carried out for no cost (or at least no charge is recorded by the charity on their financial statements) a number of the sample charities incurred assurance costs in excess of 2% of their total expenditure. As stated, there could be a number of reasons for higher costs in some charities. First, Figures 5 and 6 show that higher costs are borne by smaller charities (with expenditure of less than \$40,000 per annum) which may be due to a minimum fee for carrying out an engagement. In addition to the fact that fixed assurance costs will reflect a higher percentage of total expenditure when charities’ expenditure is low, it is also possible that smaller charities have poorer internal controls and governance than larger charities.

Figure 7: Assurance cost as a percentage of a charity's expenditure by type of assurance



## 5. Conclusion

This report analysed charities' demand for assurance from charities' rules and their annual reports. We ascertained compliance with those rules and the level of assurance obtained from reports either filed with the Charities Commission, or sent to us following a direct request to the charity. It was found that not all charities follow their own rules in obtaining assurance, with some having review engagements instead of audits, and others obtaining no assurance at all, despite having the requirement for assurance (an audit or review) in their rules. While we were unable to definitively state why charities do not comply with their own rules in obtaining assurance, we suspect that, for some, the unavailability of an assurance provider and the cost of obtaining assurance are important factors in this decision. Some charities that contacted us stated that they were "too small" for an audit or review, and apparently did not feel the need to follow their own rules.

The majority of assurance that we observed was provided by qualified parties (either accounting firms or chartered accountants). Where unqualified individuals undertook the assurance engagement, it was more likely that the report provided was not acceptable in terms of the standards that regulate how these should be set out. Although we did not observe the assurance undertaken, it could be inferred that a poor report reflects a poorly performed assurance engagement.

It appears that cost is a factor in whether or not charities secure assurance. Mindful of the potential liability that a poorly performed audit or review has for the provider, we were therefore surprised that a great number of the assurance engagements are carried out for no cost (or at least no charge is recorded by the charity on their financial statements). More than 50% of the smallest charities reported no cost, but 14% of the largest charities in this sample also reported paying nothing for their assurance. At the other end of the scale, however, for more than 25% of charities, obtaining assurance cost more than 1.25% of their expenditure. This impacts the smallest charities the most (those with expenditure of less than \$40,000 per annum) where 30% of charities pay more than 1.25% for assurance, but 15% of the largest charities also pay more than 1.25% for their assurance. Expenditure is not the only factor that assurance providers take into account when setting the fee for their task, although in a great majority of cases expenditure appears to be a good proxy.

Finally, this research highlights the issue of reporting entity, as a number of charities registered with the Charities Commission are 'groups', but many do not combine or consolidate their financial statements. This means that it is difficult to analyse the audit cost over the whole group. Further it is possible that group members have different rules regarding assurance engagements. There could usefully be more research on what type of group reporting is used by the charities that register as groups.

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## Appendix 1: Method

The research was undertaken in three stages; namely database sampling, invitations to provide assurance documents and analysis. These are explained below.

### Database sampling/financial data

The Charities Commission provided us with a copy of their database, that is, all the charities' filed annual returns sorted into medium-sized and small charities. As part of a larger project, we elected to download the financial statements filed by the charities and any assurance reports that accompanied those financial statements.

A random sample of charities was selected. The database sample took into consideration variations in charities' financial reporting needs and was representative of:

- a. The main sectors in which charities operate (18 plus 'other')
- b. The 11 main activities which charities undertake.

We reduced the number of sectors to ten common sectoral groupings by observing the incidence of transactions across the Charities Commission filings in the 19 original sectors (see Table 2). The sample was stratified by population (large or small charity) and, within population by sector. Within each population, each sector was sampled at a rate to give approximately 40 units from that sector. Then, within each sector, the proportion of charities with each main activity in the sample was compared to the proportion of charities with that main activity in the population. Where percentages were difficult to match, we tended to oversample, to make sure that each activity in each sector was represented. Charities were randomly added to give these approximately equal percentages of each activity. We worked with Dr Dalice Sims (School of Mathematics, Statistics and Operations Research) to define the sample size and she undertook the sampling process.

While the geographical spread both in areas of operation and post code may have provided another factor for selection, it did not seem likely that regional variations would affect financial reporting.

**Table 5: Sectors and activities chosen for categorisation of charities**

Main sectors
1. "assistance" This comprises Charities Commission sectors of accommodation/housing; economic development; employment; marae on conservation land; and people with disabilities
2. arts/culture/heritage
3. "other". This includes Charities Commission sectors of care/protection of animals; environment/conservation; international activities; promotion of volunteering; religious activities <sup>2</sup> ; and other
4. community development
5. education/training/research
6. emergency/disaster relief
7. fund-raising
8. health

<sup>2</sup> While most of the merging of sectors is due to their small size (e.g. international activities has 37 organisations across the 2 populations), religious activities has been merged as 78% of these organisations also undertake "religious services" so they were sampled through that activity.

9. sport/recreation 10. social services
<b>Main activities</b> 1. acts as an umbrella/resource body 2. makes grants/loans to individuals 3. “organisational funding”. This includes the Charities Commission activities of makes grants/loans to organisations (including schools or other charities); and provides other finance (e.g. investment funds) 4. provides services (e.g. care/counselling) 5. provides advice/information/advocacy 6. sponsors/undertakes research 7. provides human resources (e.g. staff/volunteers) 8. provides religious services/activities 9. provides buildings/facilities/open space 10. other

From December onwards, three Research Assistants downloaded financial data and any assurance statements from the Charities Commission’s register. They logged information about the cost of the assurance, and details of the type of assurance, who undertook it and whether the report was acceptable. Where the report was not provided, gaps were dealt with in the next stage of the research.

**Invitations to charities to provide their assurance document**

Following the data input, we analysed which charities had yet to provide assurance documents. The incidence of filing was higher than noted in the previous research (Cordery and Patel, 2011), however 482 charities did not file assurance reports. The rules of these charities were accessed from the charities database and these were checked to see whether the charity required and audit or review (or other assurance). Where assurance was required, the charity was written to, to ask for the report of the auditor or reviewer.

From a total of 331 charities that were written to, 192 responded to the letter by sending us an assurance report either in the stamped addressed envelope we provided, or by email. The split on these responses is shown in Table 3.

**Table 6: Filing and return of assurance report**

	Expenditure less than \$40,000	Expenditure >\$40K, but less than \$2million.
Charities filed assurance report with Charities Commission	149	207
Charities’ rules did not require assurance to be provided	138	66
Charities did not respond positively to request for assurance report	112	65
Charities that responded by sending assurance report	29	72

**Data Analysis**

Data were analysed and outcomes provided in the body of this report.



## Appendix 2: Medium-sized and small charities included in sample

### Medium-Sized charities

Alexandra District Museum Incorporated  
Abbeyfield New Zealand Incorporated  
Abbeyfield Waikato Incorporated  
Abbeyfield Whangarei Incorporated  
ACROSS Holdings Limited  
Age Concern (Tauranga) Incorporated  
Age Concern Taupo Incorporated  
Age Concern Wellington Incorporated  
Alliance Francaise Wellington Incorporated  
Alzheimer's Society South Canterbury Incorporated  
Aoga Faa-samoa Society Incorporated  
Arai Te Uru Whare Hauora Limited  
ASD Kids Community Charitable Trust  
Ashburton Operatic Society Incorporated  
Aspiring Beginnings Early Learning Centre Incorporated  
Asthma And Respiratory Foundation of New Zealand (Inc.)  
Te Taumatua Huangō, Mate Ha O Aotearoa Incorporated  
Athletics S.C. All Weather Track Trust  
Auckland Baptist Tabernacle Hostel Limited  
Auckland International Airport Marae Limited  
Auckland Refugee Community Coalition Incorporated  
Auckland Women Lawyers' Association Incorporated  
Auckland Workers Educational Association Inc  
Aviation Country Club of New Zealand Incorporated  
Baptist Childrens Trust  
Barbara Theresa Lipanovich and Robert Ned Covich Charitable Trust  
Bay of Plenty Education Trust  
Bay Of Plenty Rural Support Trust Board  
Bay Of Plenty Seafarers Charitable Trust  
Belfast Community Network Inc  
Bike On New Zealand Charitable Trust  
Blenheim City C3 Church Charitable Trust  
Board of Governors of Kirkpatrick House  
Breast Cancer Support Service Tauranga Trust  
Browns Bay Market Charitable Trust  
Cambridge Christmas Festival Society Incorporated  
Cantabrian Rugby Football Club Incorporated  
Canterbury Tertiary Education Chaplaincy Committee Inc.  
Canterbury West Coast Air Rescue Trust  
Canterbury Youth Workers Collective Incorporated  
Capital Vision Research Trust  
Career Moves Trust  
Carterton Volunteer Fire Brigade  
Cashmere Avenue School Home And School Association  
Central Bay Hockey Charitable Trust  
Central Otago Budgeting Service Incorporated  
Centre for Fine Woodworking Trust  
Charis Charitable Trust  
Chartwell Co-operating Parish  
Christchurch - Little River Rail Trail Trust  
Christchurch Arts Festival Trust  
Christchurch Fire Brigade  
Christian Leadership Training Centre Trust  
Church of the Nazarene (New Lynn) Trust Board  
CHURCH OF THE RISEN LORD JESUS CHRIST  
City Of Invercargill Highland Pipe Band Incorporated  
City of Manukau Education Trust  
Clutha Health Incorporated  
College of Nurses Aotearoa (New Zealand) Incorporated  
Community Of Refuge Trust  
Crossroads Youth With A Future  
D J Hewitt Charitable Trust  
Dance Aotearoa New Zealand Ltd  
Dannevirke Volunteer Fire Brigade Incorporated  
Dave Hume Swimming Pool Trust  
Devonport School Parent Teacher Association  
Diocesan School Heritage Foundation  
Dove Charitable Trust  
DRC Charitable Trust  
Dunedin Public Art Gallery Society Incorporated  
East Coast Rural Support Trust  
Eastern Bay Of Plenty Regional Economic Development Trust  
Eastland Sports Foundation Education Trust Board of Trustees  
EcoMatters Environment Trust  
Eco-Trust 2000 Trust  
Edgumbe Squash and Tennis Club Incorporated  
Edwin Fox Society Incorporated  
Egmont Agricultural and Pastoral Association  
Eltham Baptist Church

Enjoy Trust  
Epilepsy Association of New Zealand  
Incorporated  
Equippers Church Gisborne  
Estate of Effie Barbara Purves Taylor  
Eventing Northland Incorporated  
Far North Coastguard Radio Incorporated  
Fencibles United Association Football Club  
Incorporated  
Fiji Community Association of Auckland  
Incorporated  
Five Talents Charitable Trust  
Floral Art Society of New Zealand  
Incorporated  
Friends Of Brain Injured Children Of New  
Zealand Charitable Trust  
Friends Of Hawke's Bay Cultural Trust  
(Incorporated)  
Friends Of Rapaura School  
Gateway Community Trust  
Geraldine Amateur Swimming Club  
Geraldine Volunteer Fire Brigade  
GI Cancer Institute (NZ) Limited  
Gisborne City Vintage Railway Incorporated  
Gisborne Volunteer Coastguard Association  
Incorporated  
Gisborne Waikanae Surf Lifesaving Club  
Incorporated  
Glenview Community Centre Incorporated  
Global Hope  
Golden Bay Agricultural and Pastoral  
Association Inc.  
Gracegate Church  
Granity Volunteer Fire Brigade  
Great Barrier Island Community Heritage and  
Arts Village Trust  
Greerton Bible Church  
Greyhound Adoption Programme Trust  
Habitat For Humanity (Northland) Limited  
Hakatere Maori Komiti  
Hamilton Hydrotherapy Pool Charitable Trust  
Hamilton Junior Cricket Association  
Incorporated  
Harlequin Theatre Incorporated  
Hawkes Bay Childrens Holding Trust  
Hawke's Bay Multisports Club Incorporated  
Hawksbury Property Trust  
Health Star Pacific Trust  
Helen Anderson Trust  
Hepatitis C Resource Centre Otago Trust  
Hikurangi Incorporated

Home and Family Counselling Incorporated  
Home Made Partnerships Trust  
Homebuilders Family Services North Rodney  
Incorporated  
Hurupaki School Support Group Incorporated  
Idea Services Limited  
Ignite Sport Trust  
Inglewood Playcentre  
Inter-Country Adoption New Zealand  
Incorporated  
IPv6 Task Force Trust  
Kaiapoi Volunteer Fire Brigade  
Kaipara Community Health Trust  
Kapiti Emergency Medical Services Trust  
Karahandd's Charitable Trust  
KareKare Surf Lifesaving Club Incorporated  
Kenwyn Trust  
Khandallah Home and School Association  
Kilbirnie School Fundraising Committee  
Kingston House Community Trust  
Kumeu And Districts Community Centre  
Incorporated  
Lancaster Park Cricket Club Incorporated  
Legal Information Service Incorporated  
Levin Volunteer Fire Brigade  
Life Expressions Fellowship Trust  
Lions Club of Ashhurst Pohangina  
Incorporated  
Lions Club Of Gore Pakeke Charitable Trust  
Lions Club of Hastings (Host) Charitable Trust  
Lions Club Of Seaward Kaikoura Incorporated  
Literacy North Shore Incorporated  
Lower Hutt Playcentre  
Maeroa Intermediate Parent Teacher  
Association  
Mahurangi Community Sport and Recreation  
Collective Inc.  
Manawatu Community Trust  
Mangahauini 7A Section 8  
Manukau Community Foundation  
Manukau Elim Christian Centre Trust  
Maramarua Volunteer Rural Fire Force  
Marist Softball Club Incorporated  
Marlborough Marine Radio Association  
Incorporated  
Massey Community Trust  
Matamata Volunteer Fire Brigade  
Matata Rugby and Sports Club Incorporated  
McKee Charitable Trust  
McLaren Park and Henderson South  
Community Initiative Inc.

ME/CFS Support Group (BOP) Incorporated  
Medical Science Secretariat Limited  
Melville Association Football Club  
Incorporated  
Michael and Linda Gill Charitable Trust  
Midway Surf Life Saving Club Gisborne  
Incorporated  
Mission College New Plymouth Trust Board  
Monty Betham Steps for Life Foundation Trust  
Moriah Kindergarten Incorporated  
Moriel Ministries NZ  
Morrinsville Volunteer Fire Brigade  
Mt View Residential Work Trust  
Murchison Sport, Recreation And Cultural  
Centre Inc.  
Muriwai Volunteer Lifeguard Service  
Incorporated  
Napier Community Foodbank Trust  
Nelson Cycle Trails Trust  
Nelson Marlborough Rescue Helicopter Trust  
Board  
Nelson Musical Theatre Incorporated  
New Foundations Trust  
New Plymouth Girls' High School Parent  
Teacher Association Incorporated  
New Zealand Kiwi Foundation Charitable Trust  
New Zealand Secondary Schools Sports  
Council Incorporated  
New Zealand Theosophical Properties Trust  
Board  
New Zealand Wind Energy Association  
Incorporated  
Nga Maia O Aotearoa Me Te Waipounamu  
Charitable Trust  
Nga Ringa Awhina O Hauora Trust  
Ngati Haua Iwi Trust  
Ngati Kuri Trust Board  
Ngatiwai O Aotea Kawa Marae Trust  
North Shore Brass Incorporated  
North Shore Womens Centre  
Northland Community Foundation  
Northland Hospital Chaplaincy Trust  
Northpoint Community Trust  
NZ Cricket Foundation Incorporated  
Okaihau Volunteer Fire Brigade  
On the Edge Trust  
Orton Bradley Park Board  
Otago Boys High School: Mount Aspiring  
Lodge  
Otago Masonic Charitable Trust  
Otago Rescue Helicopter Trust

Otaki Surf Life Saving Club Incorporated  
Otorohanga Support House Whare Awhina  
Incorporated  
Our Lady's Home of Compassion Island Bay  
Limited  
Pacific Peoples Advancement Trust  
Paengaroa Bible Chapel  
Palmerston North City Neighbourhood  
Support Groups Inc.  
Palmerston North Esplanade Scenic Railway  
Incorporated  
Palmerston North Theatre Trust  
Papakura Volunteer Coastguard Incorporated  
Papamoa School PTA Incorporated  
Papanui Baptist Church Community Services  
Freedom Trust  
Paparua Street School Parent Teacher  
Association  
Paraparaumu Beach School Kapiti Karnival  
Parents and Friends of Tairua School  
Association  
Parklands Bowling Club Incorporated  
Paroa Playcentre  
Petone Residence for the Elderly Trust  
Pindrop Foundation  
Plimmerton Volunteer Fire Brigade  
Incorporated  
Poly-Emp Employment & Advisory Service  
Pooh Corner Childcare Centre Incorporated  
Putahi Marae  
Putinka Forest Trust for Schools  
Queen Elizabeth II Army Memorial Museum  
Trust Board (Inc.)  
Queenstown Auto Extravaganza Charitable  
Trust  
Quota International Of Papakura Incorporated  
QWU Charitable Trust  
R G and E F MacDonald Trust Board  
Raglan Community House Society  
Incorporated  
Rangi Ruru PTA  
Ratana Communal Board Of Trustees  
Rauawaawa Kaumatua Charitable Trust  
Refocussing Trust  
Richmond Baptist Church  
Riding for the Disabled Association Manawatu  
Group Inc.  
Ringa Atawhai Trust  
Riverlea Theatre & Art Centre Incorporated  
Riversdale & District Progress League  
Incorporated

Riverslea Tu Tangata Incorporated Charity Trust  
 Riverton Community Arts Centre Charitable Trust  
 Rodmor No.2 Charitable Trust  
 Rolleston Volunteer Fire Brigade  
 Rongotea Bible Chapel  
 Rotary Club Of Courtenay Place Charitable Trust  
 Rotary Club of Hutt City Incorporated Charitable Trust  
 Rotary Club of Katikati Charitable Trust  
 Rotary Club Of Waitara Charitable Trust  
 Royal New Zealand Plunket Society Upper Hutt Branch Inc  
 Royal New Zealand Plunket Society (Central Otago) Branch Inc.  
 Royal New Zealand Plunket Society Auckland One Tree Hill Branch Incorporated  
 Royal New Zealand Plunket Society Bay Of Plenty Area Inc.  
 Russell Centennial Trust Board  
 Safe Haven Ministry  
 Safer Papakura Trust  
 Saorsa Retirement Village  
 Science OlympiaNZ Association  
 Scots College Parents Association Incorporated  
 Shakti Asian Women's Safe House Incorporated  
 Shoreline Youth Trust  
 Shoreside Theatre Incorporated  
 Society of St Vincent de Paul Thermal Lands Area Council  
 Society of St Vincent de Paul West Auckland Area Council  
 Society of St Vincent de Paul Western Bay of Plenty Area Council  
 Sommerville Centre For Special Needs Wanganui Inc.  
 South Auckland Vision Project Trust  
 South Waikato Education Centre Trust  
 Sport Southland  
 Sri Guru Singh Sabha Auckland Incorporated  
 St Hilda's Collegiate School Parents and Friends Association  
 St John Otorohanga Area Committee  
 St John Pukekohe Area Committee  
 St John Rangiora Area Committee  
 St John Russell Area Committee  
 St John Vincent Area Committee

Sumner Surf and Life Saving Club Incorporated  
 SuperGrans Manawatu Charitable Trust  
 Supporting Families In Mental Illness Taranaki Incorporated  
 Surf Aid International Incorporated  
 T.C.C. TRUST  
 Taeaomanino Trust  
 Taihape Older And Bolder Incorporated  
 Tairua/Pauanui Volunteer Coastguard Incorporated  
 Tamaki College Community Recreation Centre Trust  
 Taranaki Safer Family Trust  
 Tararua Learning Incorporated  
 Taupaki School Parent Teacher Association  
 Taupo Hospital And Health Society Incorporated  
 Tauranga Community Foodbank  
 Tauranga Hospital Healthcare Chaplaincy Committee Inc.  
 Tauranga Moana Maori Trust Board  
 Te Aitanga a Mahaki Trust  
 Te Aroha Country Music Club Incorporated  
 Te Awamutu Eventide Home Trust Board  
 Te Haapai Mauri Limited  
 Te Kauwhata Health Awareness Society Incorporated  
 Te Kauwhata Volunteer Fire Brigade  
 Te Korowai Roopu Tautoko Incorporated  
 Te Kotahitanga o Te Arawa Waka Fisheries Group  
 Te Kuiti Volunteer Fire Brigade  
 Te Manu Korero O Nga Matauranga Central King Country Rural Education Activities Programme (REAP) Society Inc.  
 Te Mata Home and School Association  
 Te Paepae Arahi Trust  
 Te Puna Oranga Incorporated  
 Te Runaka Otakou Limited  
 Te Tapuae o Rehua Limited  
 Te Whangai Trust Board  
 The United Way (NZ) Charitable Trust  
 The Angels for Children Trust  
 The Audio Foundation  
 The Avery Foundation  
 The Bay Of Islands Branch Of The Royal New Zealand Society For The Prevention Of Cruelty To Animals Incorporated  
 The Beechgrove Charitable Trust  
 The Brain Injury Association Of New Zealand Incorporated

The Bruce McLaren Trust  
 The Cancer Society of New Zealand  
 Canterbury-West Coast Division Trust Board  
 The CBMC Charitable Trust  
 The Centre At Warkworth Puhinui Pokapu O  
 Iwi Trust  
 The Charles Duncan Charitable Trust  
 The Christian Schools Association of Avondale  
 The Christmas Carols Charitable Trust  
 The Council for International Development  
 Incorporated of Aotearoa/New Zealand/Te  
 Kaunihera mo te Whakapakari Ao Whanui o  
 Aotearoa  
 The First Tuesday NZ Trust  
 The Graham Nuthall Classroom Research Trust  
 The Great New Zealand Trek Charitable Trust  
 The Harold Thomas Rotary Trust  
 The Hearing Association Horowhenua Branch  
 Incorporated  
 The Hearts and Hands for Haiti Trust New  
 Zealand  
 The Hihiaua Cultural Centre Trust  
 The Hospitaller Brothers of St John of God  
 Aotearoa Society  
 The Housing For Women Trust  
 The Invercargill City Charitable Trust Board  
 The J B Johns Trust  
 The Kohimarama Tennis Club Incorporated  
 The Legend Charitable Trust  
 The Leprosy Mission of New Zealand  
 Resettlement Trust  
 The Matua School Parent Teacher Association  
 The Mercia Barnes Trust  
 The New Zealand Film and Television School  
 Trust  
 The New Zealand Home Health Association  
 Incorporated  
 The Norman and Marion Allright Trust  
 The North Otago R.S.A Trust Fund  
 The North Shore Performing Arts  
 Competitions Society Inc.  
 The Palmerston North RSA Trust Fund  
 (Incorporated)  
 The Polyfest Trust  
 The Prisoners Aid & Rehabilitation Society  
 (Otago)  
 The Pukeora Trust  
 The Ranfurly Trust  
 The Ravenscar Trust  
 The Social Service Waikato Trust  
 The Starlight Ball Charitable Trust

The Stewards' Foundation (N.Z.) Incorporated  
 The Taranaki Arts Festival Trust  
 The Tasman Broadcasting Trust  
 Theatre Artists Charitable Trust  
 Theatre Royal Charitable Foundation  
 Titahi Bay Lions Club Charitable Trust  
 Titirangi Playcentre  
 Toy Library Federation of NZ Inc  
 Tu Tama Wahine o Taranaki Incorporated  
 Tu Teao Marae  
 Turangi Transport Group Incorporated  
 Tuwharetoa Health Services Limited  
 University Of Canterbury Alumni Association  
 Incorporated  
 Upper Hutt Roller Skating Club Incorporated  
 Valder Ohinemuri Charitable Trust  
 Incorporated  
 Viva Voce Incorporated  
 Voice Advocacy Trust  
 W. Duncan Bickley Trust Fund  
 Waiheke Community Childcare Centre  
 Incorporated  
 Waikato Enterprise Agency  
 Waikato Institute for Leisure & Sport Studies  
 Waikato, Hauraki/Coromandel Rural Support  
 Trust  
 Waimate Childcare Centre Incorporated  
 Waimate Health Developments Incorporated  
 Waimate Historical Society Incorporated  
 Waimeha Te Kohanga Reo  
 Wairau Rowing Club Incorporated  
 Wairoa Community Centre Trust  
 Waitakere Volunteer Rural Fire Force  
 Wakatipu Health Trust Board  
 Wanganui Airport Control Tower Restoration  
 Group Inc.  
 Wanganui Community Sports Centre  
 Incorporated  
 Warkworth Volunteer Fire Brigade  
 Wellington Circus Trust  
 Wellington Marathon Clinic Incorporated  
 Wellington Potters Association Incorporated  
 Wellington Presbyterian Methodist Halls Of  
 Residence Trust  
 West Coast Women's Refuge Incorporated  
 Westport Early Learning Centre Incorporated  
 Whakaaro Tahi Community Trust  
 Whanganui Community Living Trust  
 Whangaparaoa Primary School Parents &  
 Friends Association

Whangarei Boys' High School Old Boys' Association Inc.  
 Whare Mauri Ora Trust  
 Whenuakiwi Trust  
 Whitford Brown Community Workshop Trust  
 Wilding Park Foundation Incorporated  
 Windows Trust  
 Women's Empowerment Foundation "The Trust"  
 Women's Health Information Centre Incorporated  
 Women's Network (Wanganui) Incorporated  
 Woolston Development Project Incorporated  
 Yarrow Stadium Trust  
 YMCA Wanganui Community Trust  
**Small charities**  
 Ashburton Community Water Trust Board  
 A Reason To S.M.I.L.E. Charitable Trust  
 A Second Chance Foundation  
 Abbeyfield Christchurch Incorporated  
 ABC Disability Trust  
 ACROSS Supporters Trust  
 Activate Trust  
 Akarana Maitahi Charitable Trust  
 Alpha Club Incorporated  
 Altrusa Club of Oamaru Incorporated  
 Amberley Volunteer Fire Brigade  
 Amputee Society of Canterbury & Westland Incorporated  
 Amputees Federation of New Zealand Incorporated  
 Appleby Voluntary Rural Fire Force  
 Aranui Marae  
 Artists Against Slavery  
 Ashburton Mackenzie Community Group Incorporated  
 Ashburton Society of Performing Arts Incorporated  
 Association of Local Government Rating New Zealand Inc.  
 Auckland Canoe Polo Society Incorporated  
 Auckland City Mission Foundation  
 Auckland District Council of Social Services Incorporated  
 Auckland Tokelau Society Incorporated  
 Auckland Youth Choir Incorporated  
 Autism Lifestart Trust  
 Awhero Community Trust  
 Baci Foundation Charitable Trust  
 Baradene College Parent and Teachers' Association

Barrington Miller Educational Trust Board  
 Baverstock Oaks School Parent Teacher Association  
 Bay Of Plenty Family And Foster Care Association Inc.  
 Bay View Volunteer Fire Brigade  
 Bayview Trust  
 Beachlands Volunteer Fire Brigade  
 Blenheim Volunteer Fire Brigade  
 Blockhouse Bay Historical Society Incorporated  
 Boulcott After School Care Incorporated  
 Brett Stevens Trust Fund  
 Bruce Bay Hall Board  
 C.M Laing Charitable Trust  
 Camp Kaitawa Trust  
 Canterbury Secondary School Mountain Bike Club  
 Canterbury Theatre Organ Society Incorporated  
 Carterton Tennis Club Incorporated  
 Catholic Cathedral College Parent, Teacher and Friends Association Incorporated  
 Cats In Need Trust  
 Chatham Island Volunteer Fire Brigade  
 CHB Mayoral Health Trust  
 Circuit 3B Of Jehovah's Witnesses  
 City Impact Church Queenstown Education Limited  
 City of Papakura and Districts Highland Pipe Band Inc.  
 Clinton Senior Citizens Club  
 Coastguard Bluff Incorporated  
 Coastguard Whangaroa Incorporated  
 Colac Bay Volunteer Fire Brigade  
 Community Action Group Of Eltham  
 Community Learning Association Through Schools Inc.  
 Community Wellness Foundation Charitable Trust  
 Cornerstone Life Trust Board  
 Coromandel Community Services Trust  
 Culverden Volunteer Fire Brigade  
 Dan Davin Literary Foundation  
 Dawn of Hope Trust Board  
 Devonport Squash Club Incorporated  
 Diabetes New Zealand Taupo Incorporated  
 Diabetes NZ Kapiti Incorporated  
 Drama Development Trust  
 Dunedin Fire Brigade Restoration Society Incorporated

E. Rewa Begg Scholarship Fund  
Eion and Jan Edgar Charitable Trust  
Ellerslie/Panmure Stroke Club  
Emmaus Bible School  
Estate Ena May Gillespie  
Estate of Dorothea Sydney McAuliffe  
Estate of Francis Hearn Mills  
Estate of Ivy Matilda Webber  
Estate of Kathleen Charlotte Maria Hardcastle  
Estate of Mary Ann Barstow  
Estate Rachel Frew  
Estate Ramsey Harrison Corlett Deceased  
Faith in Families Foundation  
Families Advance  
Fiji Indian Association Wgtn Incorporated  
Fiordland Museum Trust  
Four Corners Humanitarian Trust  
Foxton Beach Community Centre  
Incorporated  
Franklin District Rose Society Inc  
Frankton Volunteer Fire Brigade  
Friends of Christchurch Symphony Orchestra  
Incorporated  
Friends Of Dunstan Hospital Incorporated  
Friends Of The Nelson Library (Incorporated)  
Friends of the Williams House, Paihia Library  
Incorporated  
Friends Of Waikato Museum Of Art And  
History Incorporated  
Glen Innes Housing Trust  
Golden Bay Emergency Communication  
Services Charitable Trust Board  
Gonville Womens Bowling Club Inc  
Gore And Districts Community Youth Worker  
Trust  
Grace Carruth Trust  
Greenwood Park Residents' Health  
Association Incorporated  
Grey District Wheelchair Van Organisation  
Incorporated  
Hamilton Community Mens Shed  
Hand Deficiency Trust  
Harvestime Apostolic Fellowship  
Hastings Pioneer Lions Club Charitable Trust  
Board  
Hawkes Bay Addiction Centre Trust  
Hawkes Bay Secondary Schools Deputy  
Principals & Assistant Principals Association  
Incorporated  
Hearing Association Piako Branch  
(Incorporated)

Hearing Voices Network Aotearoa New  
Zealand Incorporated  
Henderson Photographic Society Incorporated  
Henry Ah Hee Trust Fund  
Hibiscus Coast Veterans' Tennis Club  
Himatangi Volunteer Fire Brigade  
Hindu Heritage Research Foundation (NZ)  
Hinemoa Lodge Charitable Trust  
Hobson Aratapu Trust  
Honikiwi Hall Society Incorporated  
Hornby Toy Library Incorporated  
HPCC Business Life Charitable Trust  
I. M. Richdale Trust  
Inglewood Welfare Society Incorporated  
Inspired Productions Trust  
Intercreate Trust  
Invitation Only Events Limited  
Island Bay Home and School Association  
Incorporated  
John and Nellie O'Halloran Charitable Trust  
Kai Tahu Ki Otago Charitable Trust  
Kaiapoi District Historical Society Inc  
Kaikorai School Parents Group  
Kaimai School PTA  
Kaingaroa Forest Village Community  
Committee  
Kapiti Primary School PTA  
Karoro PTA  
Katikati Herb Society Incorporated  
Kawakawa Assembly of God Trust Board  
Incorporated  
Kawerau & Districts Neighbourhood Support  
Trust  
Kawhia Volunteer Fire Brigade  
Kent Bay Trust  
Kerikeri Youth Sail Incorporated  
Kumara Community Trust  
Kupa International Training Centre  
Lake Rotoiti Charitable Trust  
Life Plus Community Trust  
Limehills Home and School  
Linkwater Fire Party Incorporated  
Lioness Club Of Rangiora District Incorporated  
Lions Club of Blenheim Charitable Trust  
Lions Club of Dunedin Central Charitable Trust  
Lions Club Of Huntly Charitable Trust  
Lions Club of Invercargill East Incorporated  
Charitable Trust  
Lions Club of Kelston Charitable Trust  
Lions Club of Matakura Charitable Trust  
Lions Club of Ngatea Charitable Trust

Lions Club Of Ohope Beach Charitable Trust Board  
 Lions Club Of Riverton Charitable Trust  
 Lions Club of Tamaki Charitable Trust  
 Lions Club of Te Puke Trust  
 Llanrwst Charitable Trust  
 M F Anderson Trust  
 Madeleine Joyce Adams Charitable Trust  
 Maori Midwifery Ropu Incorporated  
 Marlborough Coastguard Incorporated  
 Marlborough Hospital Chaplaincy Trust  
 Marlborough Tramping Club Inc  
 Marvyn and Doug Smith Charitable Trust  
 Masterton Miniature Train Society Incorporated  
 Mataa Waka Ki Te Tai Aorere Incorporated  
 Matahuru Papakainga Reservation Marae Committee  
 Matamata Contract Bridge Club Incorporated  
 Mates on the Road - Road Safety and Traffic Education Charitable Trust  
 Maungaraki Playcentre  
 Maungaturoto Primary School Parent Teacher Association  
 Maverick International Student and Migrant Support Trust  
 Medbury School Foundation  
 Mercy Foundation Limited  
 Mission Aid Trust  
 Mona Semke Trust  
 Morrinsville Stroke Club  
 Motueka Branch of the Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated  
 Naike Community Incorporated  
 Nelson Decorative And Fine Arts Society Incorporated  
 New Brighton Catholic School Parent Teachers and Friends Association  
 New Zealand Association of Clinical Research Incorporated  
 New Zealand Family Keepers Trust  
 New Zealand Good Neighbor Church  
 New Zealand Indian Senior Citizens Association Incorporated  
 New Zealand Junior Golf Development Charitable Trust  
 New Zealand Russian Community Trust  
 New Zealand Sterile Services Association Incorporated  
 Ngai Te Ao Hapu Incorporated  
 Ngai Te Rangihouhiri Hapu Trust  
 Ngatira Tennis Club Incorporated  
 Ngongotaha Volunteer Fire Brigade  
 Norsewood Golf Club Incorporated  
 North East Valley Normal School Parent Teachers Association  
 North King Country Youth Trust  
 North Shore Chess Club Incorporated  
 Northern Southland Community Shears Community Trust Inc.  
 Not For Me Charitable Trust  
 Novalife Charitable Trust  
 Oakura Volunteer Fire Brigade  
 Oamaru Opera House Charitable Trust  
 Okiwi Trust  
 Omokoroa Point School Parent Teacher Association  
 Onslow Cricket Foundation  
 Operations Research Society of New Zealand Incorporated  
 Opotiki Fibre and Fleece Trust  
 Orepuki Volunteer Fire Brigade  
 Osteoporosis Society (Canterbury) Incorporated  
 Otago Ostomy Society Incorporated  
 Otago Southland Provincial Fire Brigades Association  
 Otorohanga Household Budgeting Service Incorporated  
 Otumu'omu'a Trust  
 Outram Volunteer Fire Brigade  
 Owaka Volunteer Fire Brigade  
 Paerata School Parent Teacher Association  
 Palmerston North Boys' High School Educational Foundation Trust  
 Palmerston North Inner Wheel Charitable Trust  
 Palmerston North Tramping and Mountaineering Club Inc.  
 Papakura Art Group Incorporated  
 Parkinson's New Zealand  
 Parkland School PTA (Parent Teacher Association)  
 Parry Field Charitable Foundation  
 Patients Rights Advocacy Waikato Incorporated  
 Patumahoe Emergency Support Charitable Trust  
 Paul Ambrose Radomski Trust  
 Pinehaven Home & School Cooperative  
 Pirinoa Hall Incorporated



Play-A-While Toy Library Devonport  
 Incorporated  
 Point Money Movers  
 Progress Of Waikouaiti Area Incorporated  
 Puhoi Community Forum Incorporated  
 Q-Topia Incorporated  
 Queen Elizabeth Hospital Community Trust  
 Queenstown Gymnastics Club Incorporated  
 Rangiora Youth Community Trust  
 Rannerdale Foundation  
 Rasheed Memorial Dawah Trust Incorporated  
 Ratana Volunteer Fire Brigade  
 Ravensbourne Volunteer Fire Brigade  
 Ravensbourne Youth Yachting Trust  
 RB Wade Charitable Trust  
 Redoubt North Wesleyan Church  
 Reefton Volunteer Fire Brigade  
 Rehu Ma Tangi  
 Reliance Limited  
 Remuera Parnell Sports Community  
 Charitable Trust  
 Respiratory Relief Society Canterbury  
 Incorporated  
 Revue For Engineering Faculty Students  
 RNZN Association: North Shore Branch  
 Rochester Hall Trust Board Incorporated  
 Ron and Edna Greenwood Environmental  
 Trust  
 Ronald Woolf Memorial Trust  
 Rotary Club Of North Harbour 2008 Charitable  
 Trust  
 Rotary Club of Palmerston North Charitable  
 Fundraising Trust  
 Rotary Club of Waiuku Incorporated  
 Charitable Trust  
 Rotary Pathway Trust  
 Rotorua Careers Expo Trust  
 Rotorua Multicultural Council Inc  
 Rotorua United Association Football Club  
 Incorporated  
 Rotorua Volunteer Fire Brigade  
 Roy Allen Manurewa Lions Club Trust Board  
 Royal New Zealand Plunket Society  
 (Dannevirke Branch) Inc.  
 Royal New Zealand Plunket Society (Te Kuiti)  
 Branch Inc.  
 Royal New Zealand Plunket Society Fairlie  
 Branch Inc.  
 Royal New Zealand Plunket Society Hibiscus  
 Coast Branch Inc

Royal New Zealand Plunket Society Mackenzie  
 High Country Branch Incorporated  
 Royal New Zealand Plunket Society Malvern  
 Branch Inc.  
 Royal New Zealand Plunket Society Ohinemuri  
 Branch Inc.  
 Royal New Zealand Plunket Society Rodney  
 Branch Inc.  
 Royal New Zealand Plunket Society South  
 Otago Branch Inc.  
 Ruahine Playhouse  
 Russell Landcare Trust  
 RWGC Golf Foundation  
 Saint Luke's Centre Incorporated  
 Saxton Field Sports Stadium Society  
 Incorporated  
 Science Awards Trust  
 Selina Sutherland Trust  
 Selwyn Village Independent Residents Society  
 Incorporated  
 Seniornet Feilding Incorporated  
 Seniornet Oamaru Incorporated  
 Sherwood Primary School Parents' Association  
 Side Door Arts Trust  
 Silver Photography Trust  
 Sir Charles Hilgendorf Memorial Trust  
 Sir Ernest Davis Trust - Masonic Lodge  
 Soroptimist International of Wellington  
 South Waikato Stroke Support Group  
 Southbound Blues Trust  
 Southern Cross Building Society Charitable  
 Trust  
 Southern Heritage Trust  
 Southern Rugby Football Club Trust  
 Southern Southland Community Health Trust  
 SPELD Nelson Incorporated  
 Sri Om Incorporated  
 St Albans Tennis Club Incorporated  
 St Benedict's School Help Our Kids Committee  
 St John Buller Area Committee  
 St John Greymouth Area Committee  
 St John Papakura Area Committee  
 St John Waiheke Island Area Committee  
 St Pauls Lutheran Church Wellington Trust  
 St Paul's School PTFA  
 St Teresa's Foodbank  
 Stoke Volunteer Fire Brigade  
 Stokes Valley Toy Library Incorporated  
 T & J Nevin Charitable Trust  
 Tabitha New Zealand Trust  
 Tainui Playgroup Society Incorporated

Takapuna Services & Social Bowling Club (Inc)  
 Taonui School Fundraising Team  
 Taranaki Regional Branch Of NZ Choral  
 Federation  
 Tararua Riding For The Disabled Incorporated  
 Taupo Council of Social Services Incorporated  
 Tauranga Agricultural And Pastoral  
 Association  
 Tauranga Musica Incorporated  
 Tauranga Ongoing Pain Support Incorporated  
 Tawa College Trust  
 Tawa Volunteer Fire Brigade  
 Te Ao Hou Careers Association  
 Te Awamutu Gracelands Property Trust  
 Te Kawau Swimming Incorporated  
 Te Kuiti And District Highland Pipe Band  
 Incorporated  
 Te Ohaakii a Hine - National Network Ending  
 Sexual Violence Together Trust  
 Te Pua Memorial Marae 2008 Incorporated  
 Te Puna Quarry Park Society Incorporated  
 Te Rau Matatini  
 Te Waiora (Canterbury) Healing Centre Trust  
 Te Whare Ora Maori Alternative Health  
 The Ahimsa Trust Fund  
 The Aitoloakarnania Brotherhood  
 Incorporated (To Messologi)  
 The Arthur White Trust  
 The Barbara Milne Charitable Trust  
 The Bett Collection  
 The Butterfly Creek Theatre Troupe  
 Incorporated  
 The Camrose Village Trust  
 The Canterbury Arthritis Support Trust  
 The Canterbury Branch of New Zealand  
 Society of Genealogists  
 The Canterbury Mineral And Lapidary Club  
 Incorporated  
 The Canterbury Ostomy Society Incorporated  
 The Christchurch Naval Memorial Benevolent  
 Trust  
 The Colin Spratt Charitable Trust  
 The Community Broadcasters' Society  
 (Canterbury) Inc.  
 The Dipton Community Baths Trust  
 The Earthcare Foundation  
 The Federation of Irish National Societies  
 Incorporated  
 The Friends of Cathedral Music Incorporated  
 The Gisborne District Disaster Relief Trust

The Gleniti School Parent Teachers  
 Association (P.T.A)( Incorporated)  
 The Grace Memorial Trust  
 The Gynaecological Cancer Research Trust  
 The Hans Trommel Trust  
 The Hawkes Bay Philatelic Society  
 (Incorporated)  
 The Hearing Association Hastings Branch  
 Incorporated  
 The House of God Incorporated  
 The HRKA Charitable Trust  
 The Hutt Hospital Foundation Trust  
 The Hutt Valley Multiple Birth Club  
 (Incorporated)  
 The Keith And Meida Hepburn Foundation  
 The Kiwifruit Coast Life Guard Foundation  
 The Lighthouse Vision Trust  
 The Limit (Hawke's Bay) Trust  
 The Lincoln Rotary Trust  
 The Lions Club of Beavertown Blenheim Inc  
 Charitable Trust  
 The Lions Club of Piopio Charitable Trust  
 The Lions Club Of Turangi Incorporated  
 Charitable Trust  
 The Methodist Church of New Zealand Te  
 Haahi Weteriana O Aotearoa New Plymouth  
 Samoan Parish (9585)  
 The Milan Society of New Zealand  
 The Music Association Of Auckland  
 Incorporated  
 The New Zealand Sports Foundation  
 Charitable Trust  
 The New Zealand Theatre Federation  
 Incorporated  
 The Nib Charitable Trust  
 The One Mile Power House Restoration Trust  
 The Presbyterian Church Of Aotearoa New  
 Zealand Presbytery of Auckland St Martins  
 Trust  
 The Pukekohe Branch of the New Zealand  
 Society of Genealogists  
 The Remarkables Conservation, Recreation  
 and Safety Trust  
 The Rotary Club of Dunedin North Charitable  
 Trust  
 The Royal New Zealand College of General  
 Practitioners Research and Education  
 Charitable Trust  
 The Sacred Heart College Development  
 Foundation Trust  
 The Sci-Tech Experience Trust

The Shayle R Searle Trust  
The Sisterhood Kaitaia (2007) Charitable Trust  
The St Peters Special School Charitable Trust  
The Stoke Companions Incorporated  
The Teach Me Trust  
The Toogood Trust  
The Toy Library Howick and Pakuranga  
Incorporated  
The Trudi Johnston Cancer Support Charitable  
Trust  
The Unitarian Church Of Auckland Trust Board  
The Unitarian Church Of Auckland Trust Board  
The Vision Africa Charitable Trust  
The Wellington College Rugby Charitable Trust  
The Wharepaina Trust  
The Willem Van Der Oort Charitable Trust  
The Yes Disability Resource Centre Services  
Trust Board  
Then India Sanmarga Ikya (NZ) Sangam  
Charitable Trust  
Three Kings Congregational Church  
Tides Charitable Trust Board  
Toko Volunteer Fire Brigade  
Trinity College of Wellington Trust Board  
Incorporated  
Trinsley Charitable Trust  
Troppodoc Charitable Trust  
Tui Ora Trust Board  
Twin Rivers (Opotiki) Country Music Club  
Incorporated

Ulva Island Charitable Trust  
Unitarian Universalists Of Marlborough  
Waihi Agricultural and Pastoral Association  
Wainui Marae  
Wairau Valley Volunteer Fire Brigade  
Wairoa Service Clubs Hall Incorporated  
Wairoa Volunteer Fire Brigade  
Wairua Marie The Centre of WellBeing Trust  
Waitaha Taiwhenua O Waitaki Trust Board  
Waitomo Search and Rescue  
Wanganui Coastguard Trust  
Wanganui Heritage Event Trust  
Wanganui South Rotary Community Trust  
Wanganui Stroke Support Group  
Wanganui Technical Boys and City College  
Past Students Ass.  
Warrington War Memorial Hall Society  
Incorporated  
Wattledowns Residents and Ratepayers  
Association Inc.  
Wellington Rose Society Incorporated  
Westport Volunteer Fire Brigade  
Whakatane Maritime Charitable Trust  
Whanau Atawhai Komiti  
Whangarei South Rotary Medical And Services  
Trust  
Whatatutu Volunteer Fire Brigade  
Whiti Te Ra Hou Trust  
Women's International Newcomers Group  
Social Inc