

Auditing and assurance for registered charities

Indications of supply and demand

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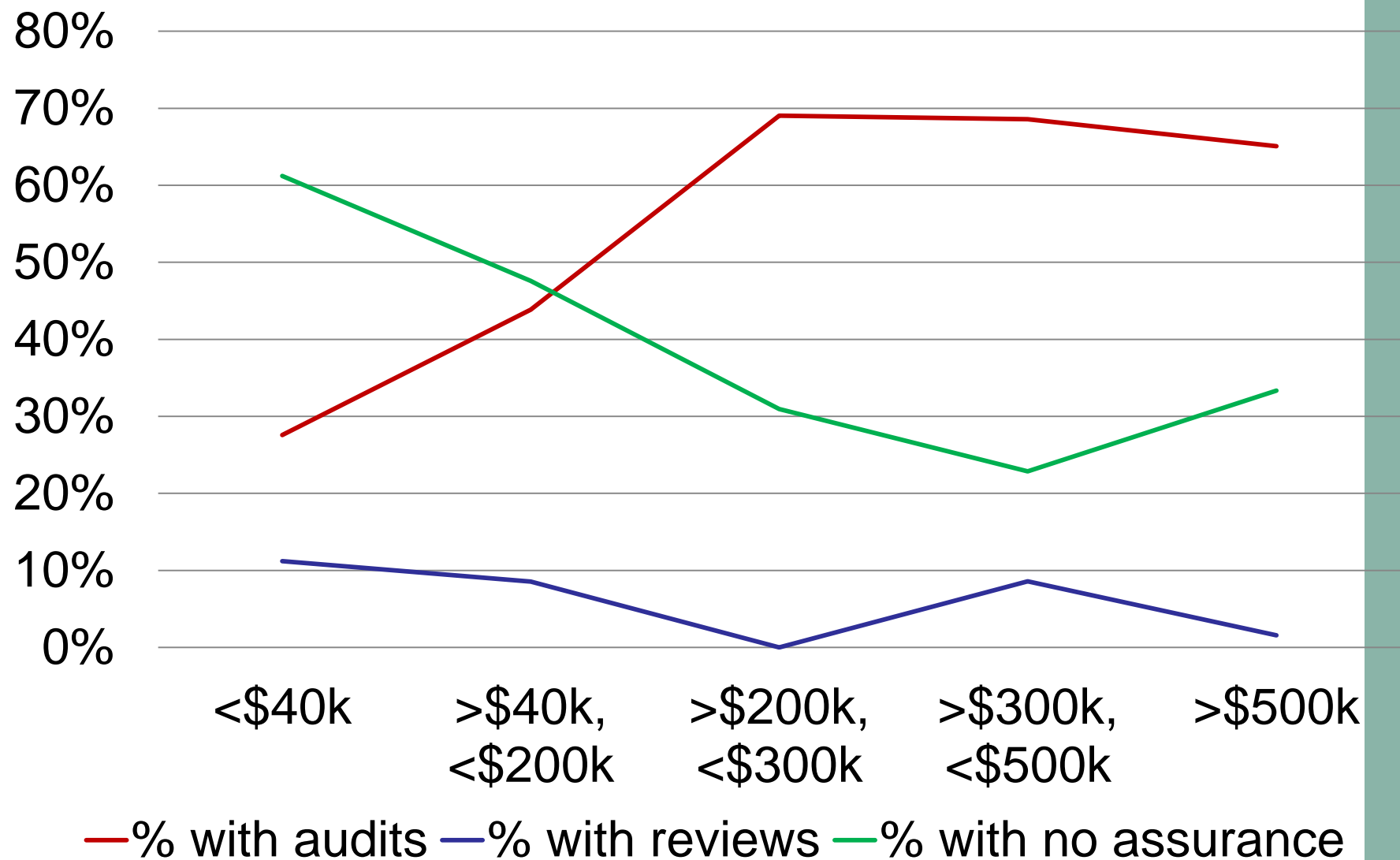
Charities' assurance practices

- No current obligation to have audit or to file with Charities Commission
- Assurance practices driven by 'custom', charity rules and funders
- History of encouragement to require lower levels of assurance to
 - better target assurance provided
 - save costs

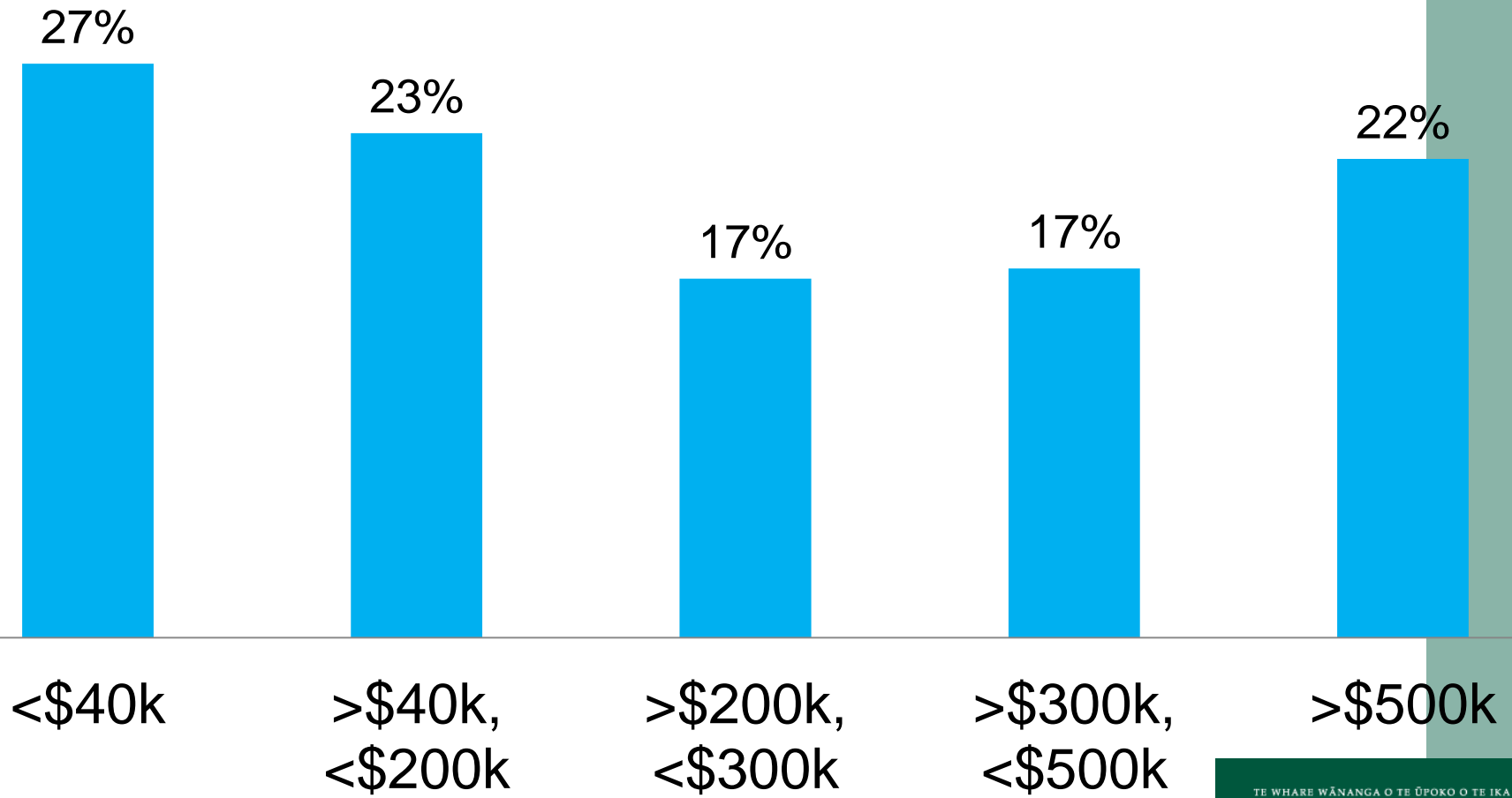
Charity research

- Research undertaken over summer of 2011/12
- 833 registered charities chosen in stratified random sample from register – expenditure 0-\$2 million
- Financial data and assurance analysed
- Funding from Charities Commission, External Reporting Board and Ministry of Economic Development – students involved were Rachel Miller, Kapil Patel, Jenny Seow and Amy Thompson.

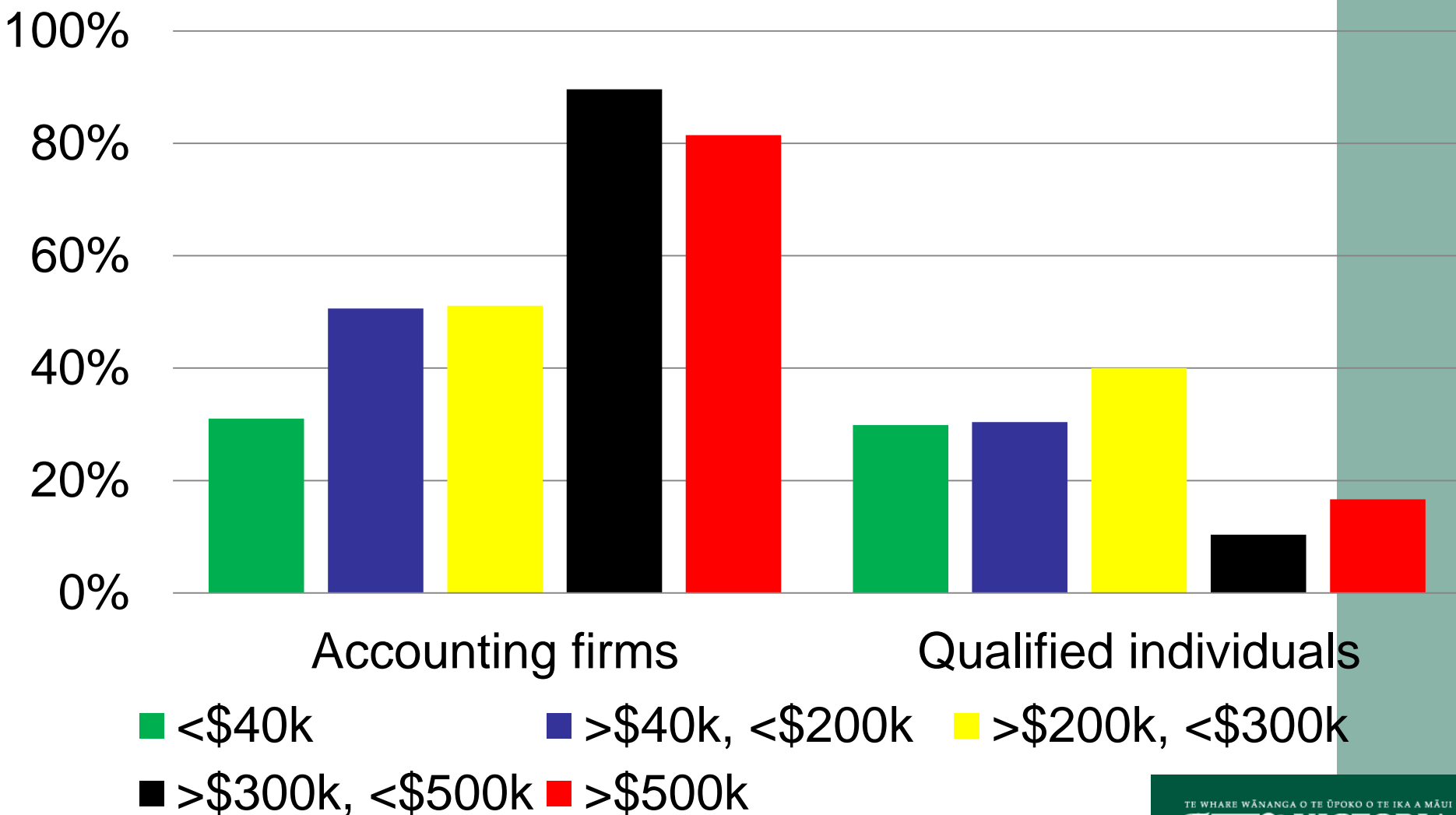
% of charities demanding assurance



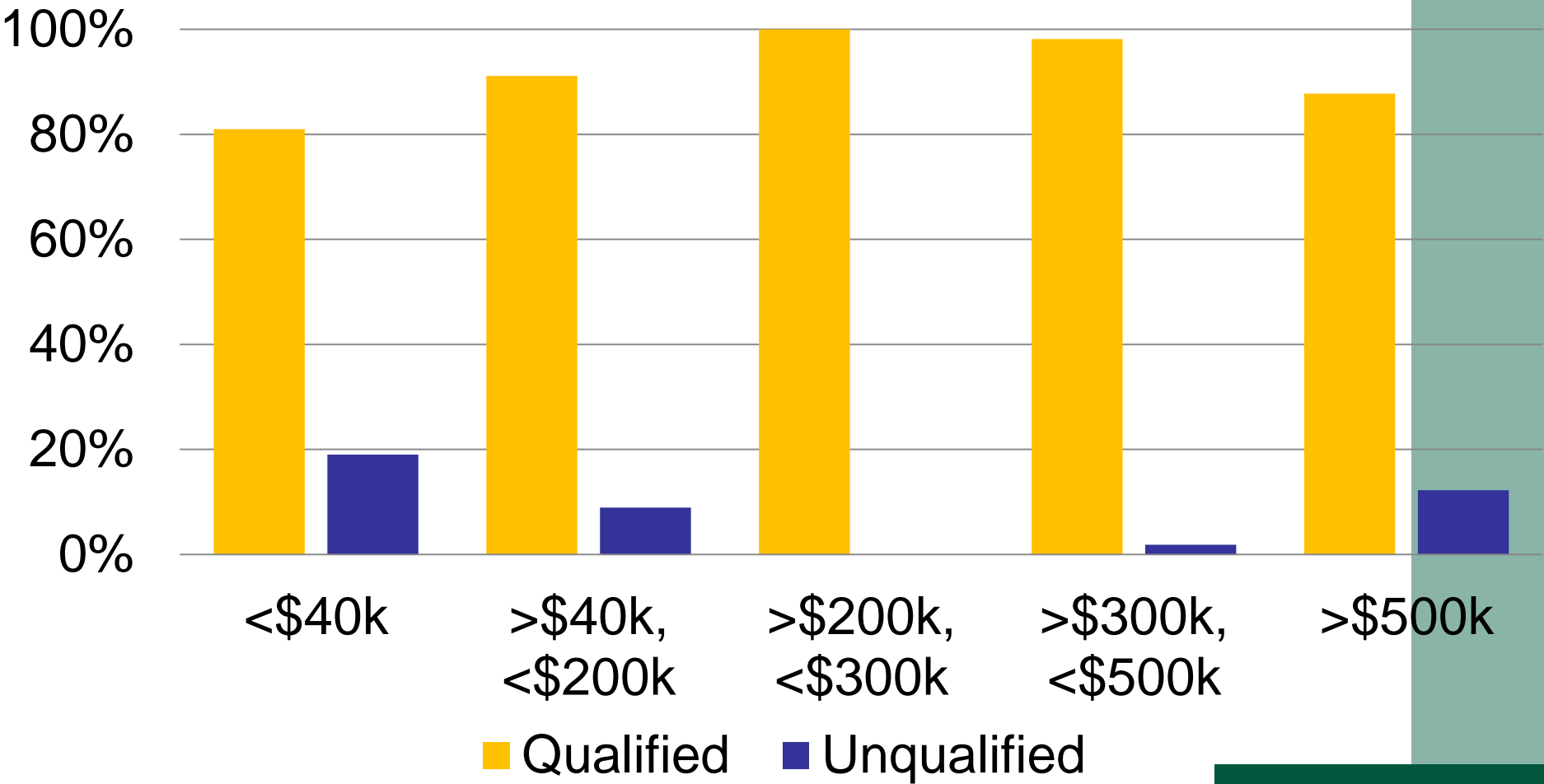
% of charities requiring assurance but not providing it when requested



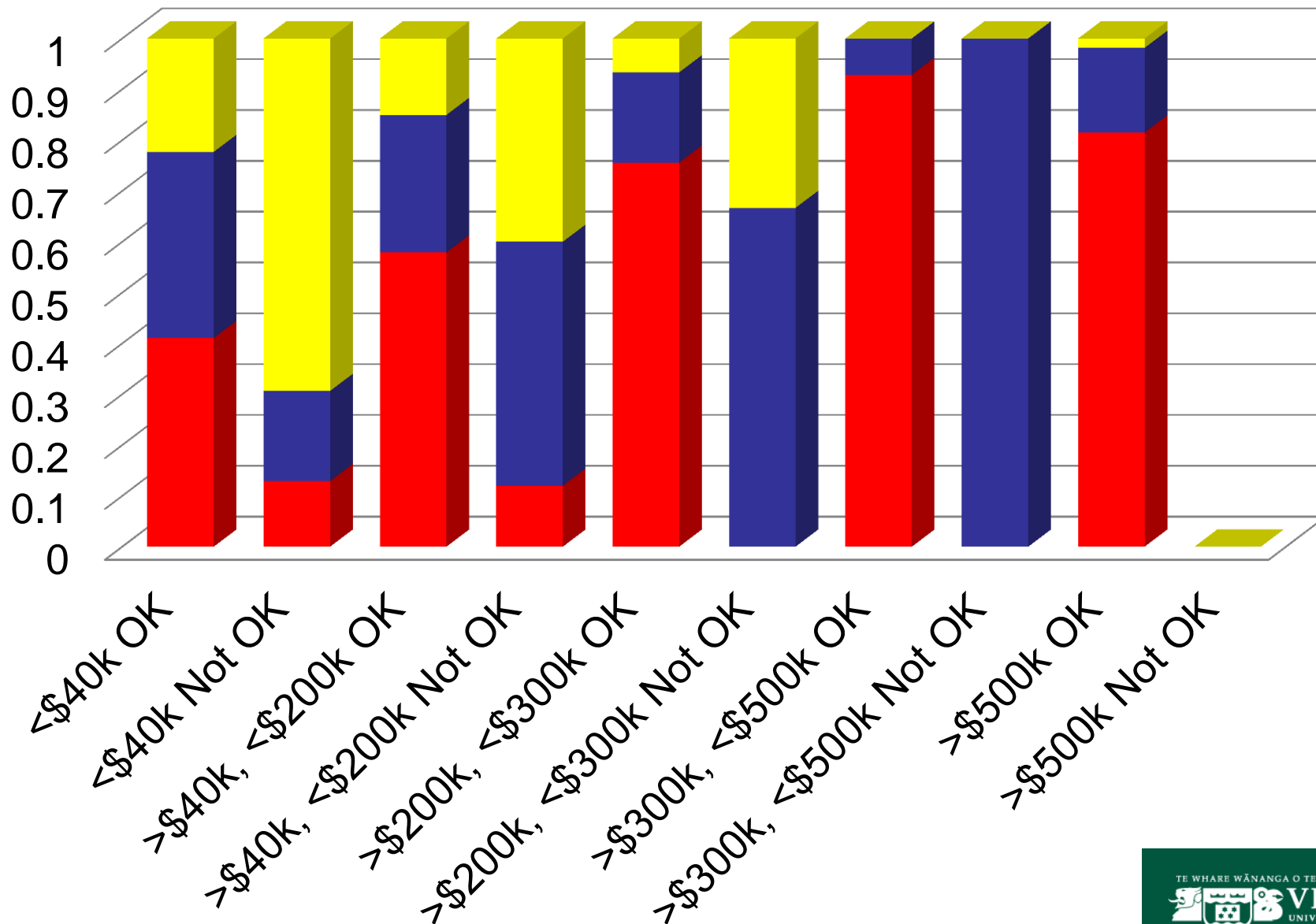
Percent of assurance provided by qualified parties



% of assurance undertaken by different providers

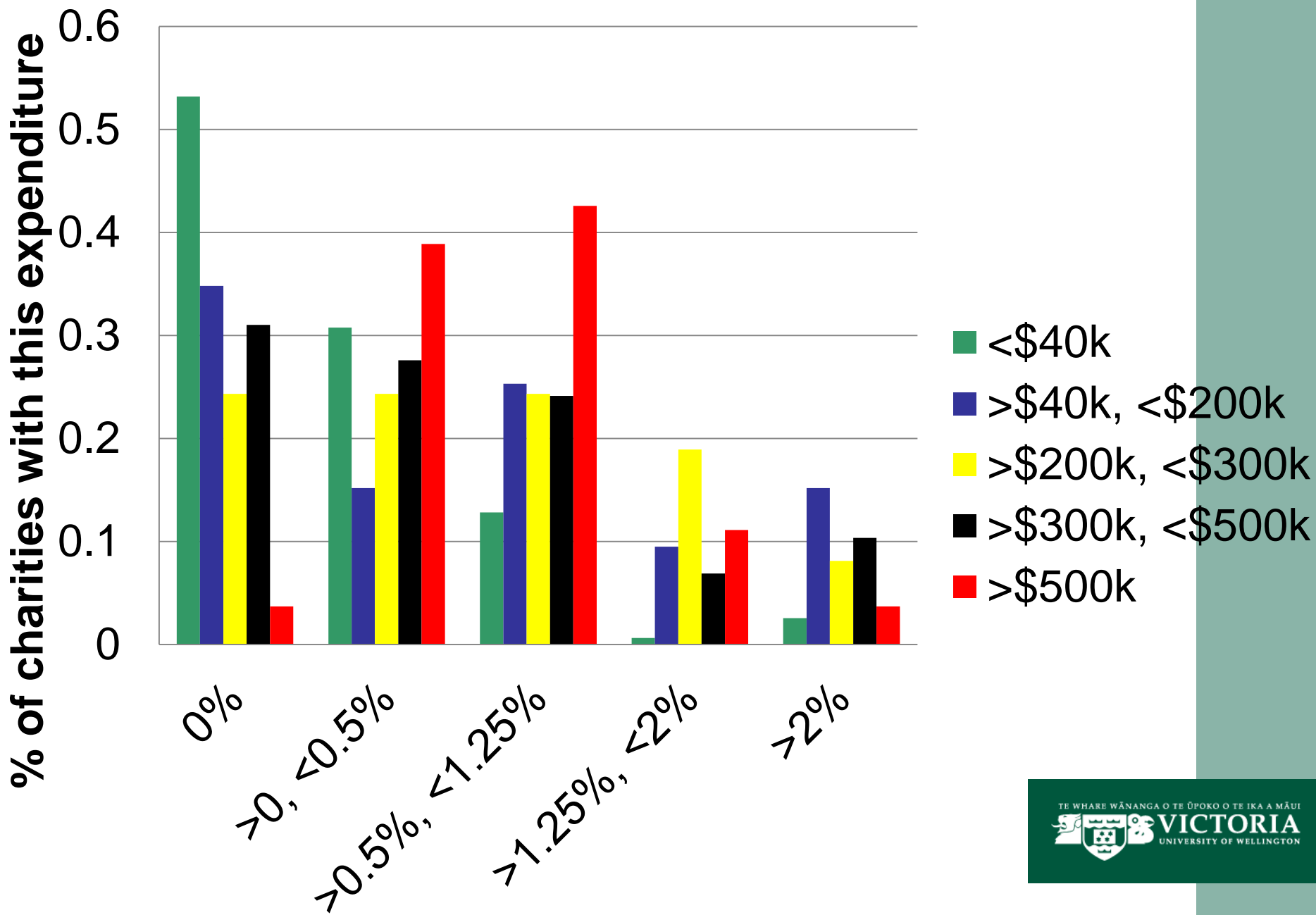


Quality of audit and review reports



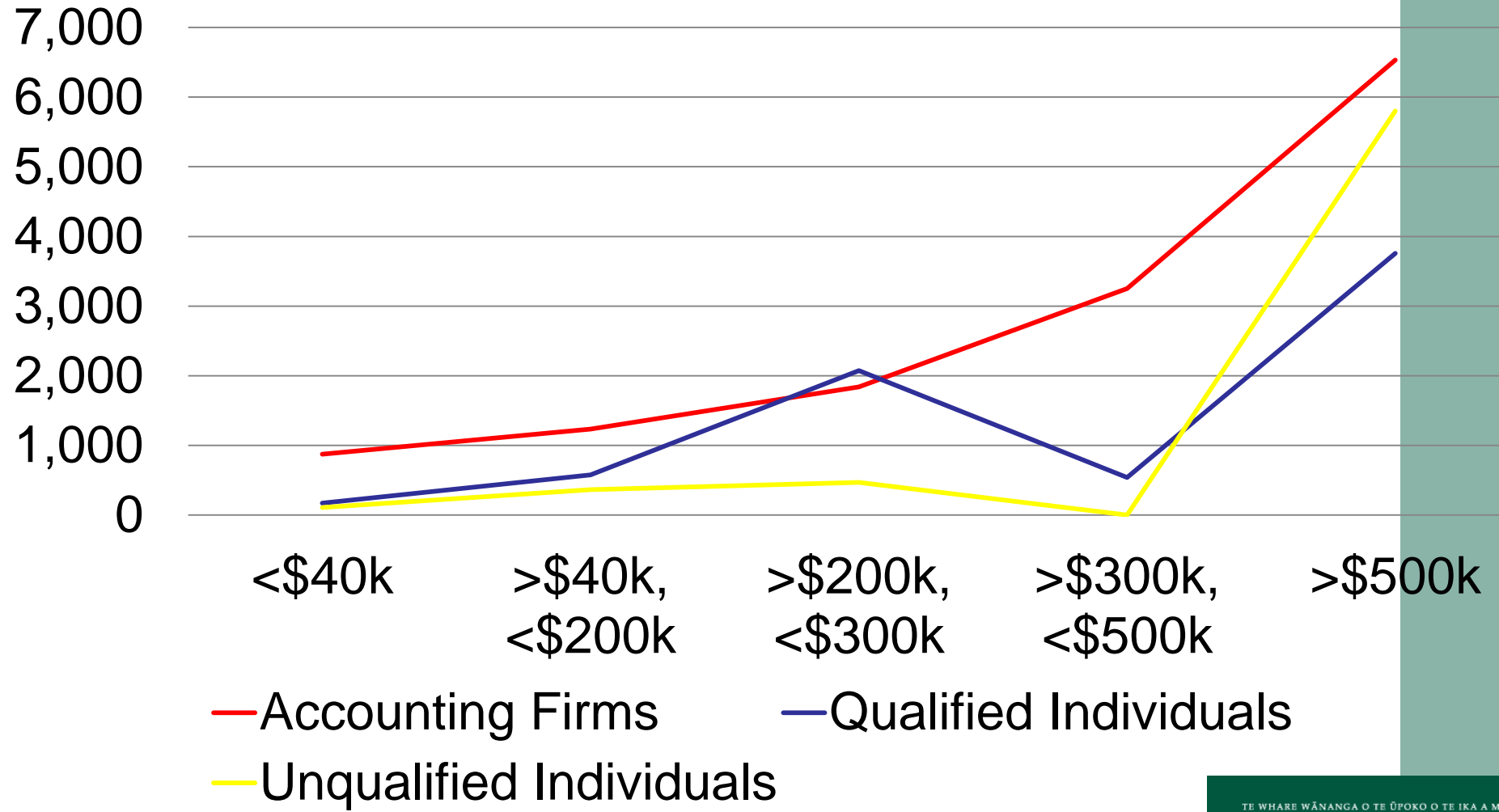
■ Accounting Firms
 ■ Qualified Individuals
 ■ Unqualified Individuals

Assurance cost/charity's total expenditure

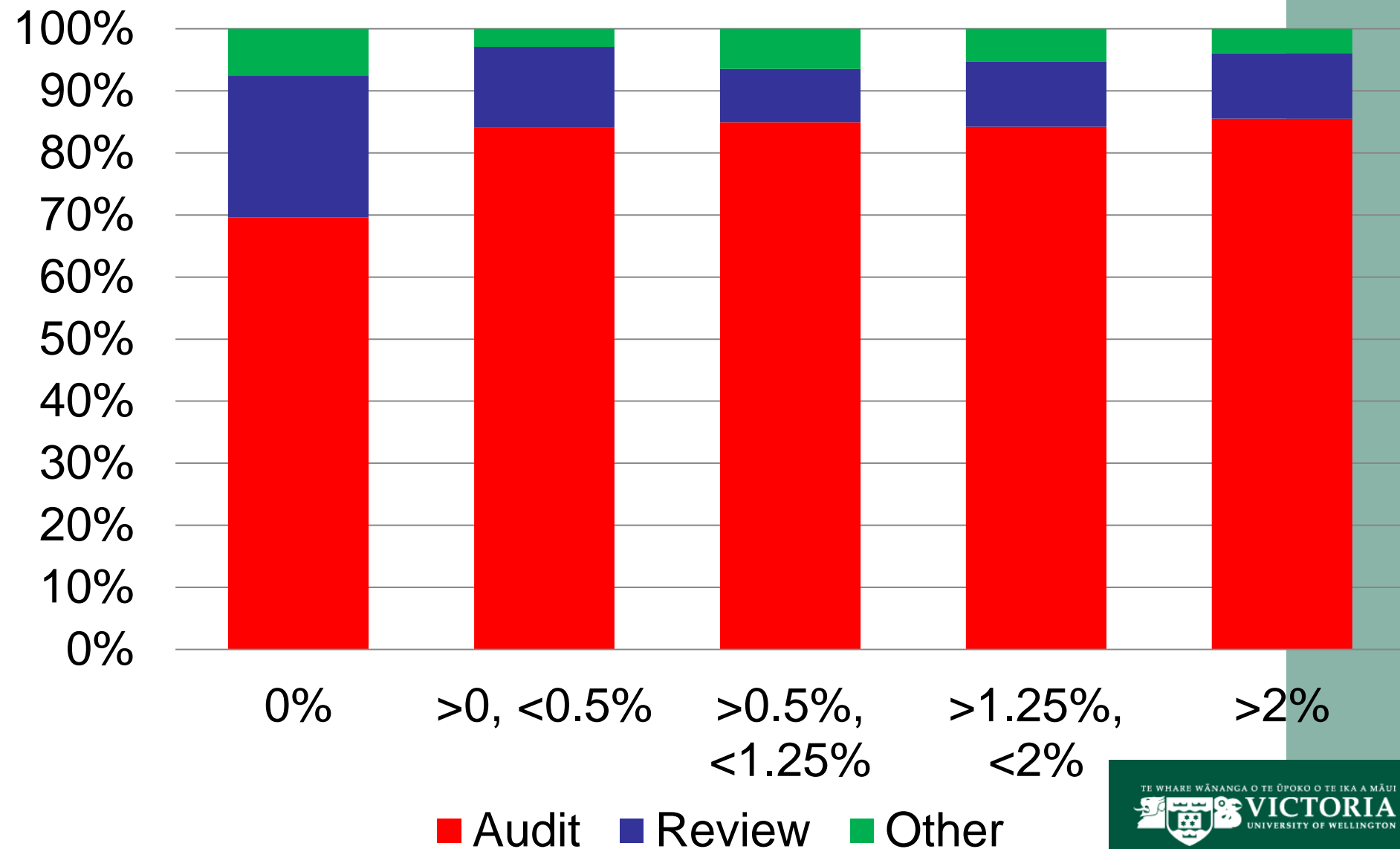


Costs of charities' assurance by differently qualified parties

\$



Assurance cost/type of assurance



Summary

- Demand assumed from assurance obtained
- Current supply assumed from 'holes' in data
- Quality of assurance variable
- Expenditure not always a proxy for organisational size
- Not all organisations are as discrete as data suggests