

CHARITY COMPLIANCE REPORT: DECEMBER 2012 – DECEMBER 2014 AND BEYOND

Protecting public trust and confidence in Australia's not-for-profit sector

The *Charity Compliance Report: December 2012 – December 2014 and beyond* is a thorough analysis of the compliance activity that has taken place since the establishment of the Australian Charities and Not-for-profits Commission (ACNC) in December 2012.



\$100m
in charitable assets protected



1,307
concerns were raised
with the ACNC –
that's **12 per week!**



786 concerns
were resolved by
the ACNC Advice
Services team



of concerns substantiated and
addressed by the ACNC were
**about breaches of the ACNC
governance standards**



521 concerns were
assessed in detail by the
ACNC Compliance team



96 charities
were the subject of a
compliance case following
a concern being raised



**26% of concerns were
about large charities**
(with revenue greater
than \$1 million), but
**large charities
make up only 17% of
registered charities**



79
compliance cases were
finalised from Dec 2012
to Dec 2014

Compliance focus for 2015–2016

The ACNC will continue to prioritise its compliance activities on concerns that involve serious mismanagement or misappropriation, serious or deliberate breaches of the ACNC Act, and situations where vulnerable people or significant charitable assets are at risk.

We also plan to focus on five other compliance areas:



**Lodgement of Annual
Information Statements**



**Accuracy of Annual
Information Statements
and financial reports**



**Charities operating
overseas**



**Charities that provide
private benefits to their
responsible persons or
associates**



**Charities that are
involved with illegal
activity or tax avoidance**

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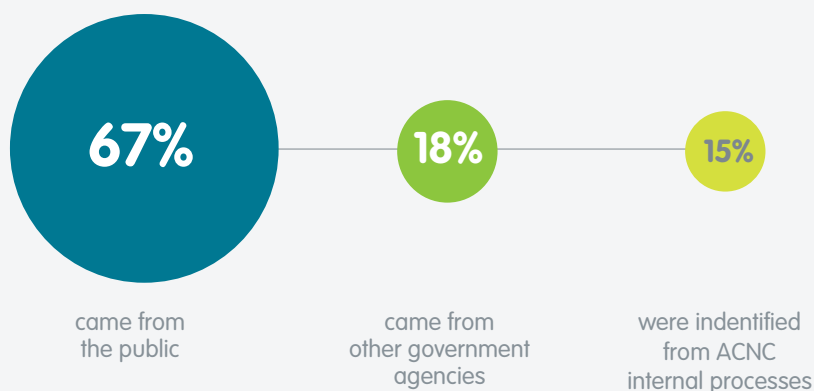
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Most common concerns raised by the public



- charitable resources being used inappropriately for the private benefit of individuals controlling the charity or their associates
- possible financial mismanagement and fraud within the charity
- charities failing to follow their constitutions and not being transparent or accountable to members
- charities that appear to be harming their beneficiaries
- sham charities soliciting funds, and fundraising scams generally

Concerns about charities



>62%

of the charities subject to complaints have Deductible Gift Recipient (DGR) status or operate a DGR fund, however only 32% of registered charities have DGR status or operate a DGR fund.



By early 2015 **nine charities** had their charity status revoked through investigations. The ACNC gave **one warning**, issued **one direction** and entered into **one enforceable undertaking**.