ACT GOVERNMENT RESPONSE

STANDING COMMITTEE ON PUBLIC ACCOUNTS REPORT NO 17, 2008 – *REVIEW OF AUDITOR-GENERAL'S REPORT NO 1 OF 2006: REGULATION OF CHARITABLE COLLECTIONS AND INCORPORATED ASSOCIATIONS*

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ACT GOVERNMENT RESPONSE TO
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INTRODUCTION

The Report presents the findings of the Standing Committee on Public Accounts Inquiry into the Auditor-General's performance audit on the regulation of charitable collections and incorporated associations in the ACT.

The Report covers two areas of importance to ACT community groups and the general public.

Many members of the ACT community belong to a community group, be it a sporting group, school group, or a charitable organisation. These community groups impact on the social fabric of Canberra and help to make Canberra a vibrant place to live.

As the Auditor-General indicated in her report, it is important that there is effective government regulation of the activities of these groups to ensure public confidence in their fundraising and general operations.

The *Charitable Collections Act 2003* was developed to promote the proper management and administration of fundraising by community groups. The Act provides for licensing of fundraising above a specified threshold, proper record keeping and auditing of accounts; and ensures that the public has access to information about collections.

The *Associations Incorporation Act 1991* provides community groups with a simple and inexpensive method of recognition under the law. The Act also ensures proper record keeping and rules to govern the operation of the association.

Since this Audit Report was completed there has been significant change in the regulation of both charitable collections and incorporated associations, with the creation of the Office of Regulatory Services. The Office of Regulatory Services has responsibility for the regulation of both charitable collections and incorporated associations. With the creation of the Office there has been the opportunity to improve the regulation of both of these areas, by improving and standardising forms, public information, the website, and public registers.

RECOMMENDATIONS

Recommendation 1. The Committee recommends that the Auditor-General undertakes a performance audit of the Office of Regulatory Affairs to assess the quality of its internal processes and how effectively it is contributing to the aim of reducing the burden of regulation.

Agree In-principle

The Government agrees in-principle that it would be appropriate to externally review the operations of the Office of Regulatory Services through conduct of a performance audit. The Government notes, however, that under section 9 of the *Auditor-General Act 1996*, the Auditor-General is not subject to direction by the Executive or any Minister in the exercise of the functions of the Auditor-General. As such the Government cannot direct the Auditor-General to conduct such a performance audit.

The objective and scope of any performance audit would be a matter for the Auditor-General to determine, but an audit that addressed the efficiency and effectiveness of the Office as a regulator could be of considerable benefit.

Recommendation 2. The Committee recommends that section 93 of the *Associations Incorporation Act 1991* be amended to allow the registrar general to begin the process to remove an association's incorporation if the association has not lodged an annual return with the registrar-general in relation to each of the last 2 years.

Agree

The Government agrees to this recommendation. It is anticipated that the implementation of recommendation 2 will be progressed in a Justice and Community Safety Legislation Amendment Bill prepared in 2009.

Recommendation 3. The Committee recommends that section 93 of the *Associations Incorporation Act 1991* be amended to allow the registrar-general to begin the process to remove an association's incorporation if the association has submitted three consecutive annual returns with qualified audits and the reason for the qualified audit is not merely technical.

Agree

The Government agrees to this recommendation. It is anticipated that the implementation of recommendation 3 will be progressed in a Justice and Community Safety Legislation Amendment Bill prepared in 2009.