

**The Accountability of New Zealand's Charities:
Meeting the Needs of Charity Stakeholders through
Information Disclosure**

**Part Two:
Appendices**

Dara Dimitrov



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waiāto

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Table of Contents

Table of Contents	3
List of Tables	6
List of Figures.....	16
Appendix One: Ethics approval for this thesis.....	20
Appendix Two: The charity regulatory framework	26
Appendix Three: Summary of Government enquiries into the charity section for New Zealand, Australia, Canada and England and Wales.....	28
Appendix Four: RS8 (Charities Commission (UK), 2014, p. 43).....	31
Appendix Five: The Charity Sample.....	32
Appendix Six: A review of the studies that use a disclosure index	33
Appendix Seven: New Zealand's Charity Annual Return	35
Appendix Eight: Qualtrics™ Survey sent to charity stakeholders.....	46
Appendix Nine: Invitation Email	86
Appendix Ten: Item-by-item analysis of the charity stakeholder exercise.....	87
Information Items 1-3: Disclosure of a charity's name	87
Information items 4-9: Disclosure of a charity's contact details	88
Information items 10-11: Disclosures of a charity's founding deed.....	90
Information items 12-15: Disclosure of a charity's objectives and sector....	91
Information items 16-21: Disclosure of a charity's legal and organisational structure	92
Information items 22-28: Disclosures about a charity's board.....	93
Information items 29-34: Disclosures about a charity board member's details	94
Information items 35-39: Disclosures about a charity board member's compensation	96
Information items 40-44: Disclosures about a charity board's recruitment..	97
Information items 45-48: Disclosures about a charity board report	98
Information items 49- 53: Disclosures about a charity board member.....	99
Information items 54-55: Disclosures about a charity's relationships.....	100
Information items 56-67: Disclosures about a charity's staff.....	101
Information items 68-79: Disclosures about a charity's programs	103
Information items 80-84: Disclosures about serious incidents	105
Information items 85-89: Disclosures in charity's financial reports – general information	106

Information items 90-91: Disclosures in charity's financial reports – general information.....	107
Information items 92-96: Disclosures about a charity's accounting policies	107
Information items 97-109: Disclosures from a charity's incomes statement	108
Information items 110-127: Disclosures from a charity's balance statement	109
Information items 128-131: Disclosures from a charity's cash flow statement	111
Information items 132-133: Disclosures about a charity's audit/review of financial reports.....	112
Items 134-136: Timeliness of a charity's reporting	112
Summary of the findings of the charity stakeholder validation of the information items.	113
Appendix Eleven: Twenty-five charities used for determining the qualitative criteria14	
Appendix Twelve: Qualitative criteria for the information items	115
Appendix Thirteen: Corrupt charity deed from Charities Services website....	140
Appendix Fourteen: Pilot test results (A1= Researcher; A2 = Master's Student)	141
Appendix Fifteen: Final Disclosure Index with Qualitative Criteria	152
Appendix Sixteen: Item-by-item analysis of the application of the disclosure index to the charity publications.....	176
Item 1-3:	176
Items 4-9:.....	178
Items 10-11:.....	181
Items 12-15:.....	184
Items 16-21:.....	201
Items 22-28:.....	209
Items 29-34:.....	221
Items 35-44:.....	226
Items 45-46:.....	243
Items 47-48:.....	246
Items 49-53:.....	250
Items 54-55:.....	253
Items 56-61:.....	261
Items 62-67:.....	275

Items 68-79:	276
Items 80-84:	308
Items 85-86:	309
Items 87-89	309
Items 90-91	316
Items 92-96	316
Items: 97-102	323
Items 103-109:	329
Items 110-127:	336
Items 128 -131:	345
Items 132-133:	346
Item 134:	347
Items 135-139:	348
Appendix Seventeen: Copy of <i>IHC New Zealand's</i> financial reports	350
Appendix Eighteen: The top-ranking information items on the Charity register	351
Appendix Nineteen: The top-ranking information items on the Charity's website	360
Appendix Twenty: The top-ranking information items in the charity's annual report/annual review.....	366
Appendix Twenty-One: The overall top-ranking information items for the investigation	372
Appendix Twenty-two: The invitation email to charity stakeholder for feedback and the executive summary	379
Meeting the needs of charity stakeholders through information disclosure	380
Study objectives and scope of the study:	380
Overall total index score	380
Summary of the Findings	380

List of Tables

Table 1: The results from using the Charities Services search engine using the commonly working name of a charity	177
Table 2: A Summary of the findings for charity deeds	182
Table 3: The ADQR of a charity's objectives on the Charity register	185
Table 4: The ADQR of the charity's objectives found on the charity's website.	186
Table 5: The ADQR of the charity's objectives found in the charity's annual report/review.....	186
Table 6: The overall ADQR of the charity's objectives.....	186
Table 7: The ADQR for a charity's beneficiaries from the Charity register.....	190
Table 8: The ADQR for a charity's beneficiaries from the charity's web page..	191
Table 9: The ADQR for a charity's beneficiaries from a charity's annual report/review.....	192
Table 10: The overall ADQR for the disclosure of the beneficiaries a charity expects to assist	193
Table 11: The ADQR for the disclosure of the charity's sector on the Charity register	195
Table 12: The ADQR for the charity's sector disclosed on the charity's website	197
Table 13: The ADQR for the charity's sector disclosed in the charity's annual report/annual review	197
Table 14: A summary of the ADQR for the disclosure of the sector in which the charity operates.....	197
Table 15: The ADQR for the charity's locations it operates on the Charity register	199
Table 16: The ADQR for the charity's locations it operates on the charity's website	199
Table 17: The ADQR for the charity's locations it operates in the charity's annual report/annual review	200
Table 18: The overall ADQR for the disclosure of a charity's locations of where it operates.....	200
Table 19 Legal structures used by the charities in this sample	202

Table 20: The ADQR for the disclosure of a charity's local chapters, branches or affiliates on the Charity register	203
Table 21: The ADQR for the disclosure of a charity's local chapters, branches or affiliates on the charity's website.....	204
Table 22: The ADQR for the disclosure of a charity's local chapters, branches or affiliates.....	207
Table 23: The ADQR for the disclosure of a charity's commercial operations and/or subsidiaries on the Charity register	207
Table 24: The ADQR for the disclosure of a charity's commercial operations and/or subsidiaries on the Charity's website.....	208
Table 25: The ADQR for the disclosure of a charity's commercial operations and/or subsidiaries in the charity's annual report/annual review	208
Table 26: The overall ADQR for the disclosure of a charity's commercial operations and/or subsidiaries	209
Table 27: the list of charities that did not name the charity board members on its website	211
Table 28: the list of charities that did not name the charity board members in its annual report/annual review	211
Table 29: Summary of charities, which have had board members who have served more than (10) years or more.	215
Table 30: the ADQR of whether a charity disclosed if its charity board members served on other charity boards/entities on the Charity register.....	219
Table 31: The ADQR of whether a charity disclosed if its charity board members served on other charity boards/entities on the charity's website.....	220
Table 32: The ADQR of whether a charity disclosed if its charity members served on other charity boards/entities in the charity's annual report/annual review	220
Table 33: The overall ADQR of whether a charity disclosed if its charity board members served on other charity boards/entities	221
Table 34: The ADQR of whether a charity disclosed the qualifications/special expertise for each charity board member on the Charity register.	221
Table 35: The ADQR of whether the charity disclosed the qualifications/special expertise of each of its charity board members on the charity's website.....	222

Table 36: The ADQR for the disclosure of a charity board member's qualification/special expertise discloses in a charity's annual report/annual review	223
Table 37: The overall ADQR of whether a charity disclosed the qualifications/special expertise of its charity board members.....	224
Table 38: The ADQR of the compensation/benefits provided to each charity board member on the Charity register.	228
Table 39: The ADQR of the compensation/benefits provided to each charity board member on the charity's website	229
Table 40: The ADQR of the compensation/benefits provided to the charity board members in the charity's annual report/annual review.....	230
Table 41: The overall ADQR for the compensation/benefits provided to each charity board member by a charity	230
Table 42: The ADQR of how the compensation/benefits for each charity board member is approved on the Charity register.....	232
Table 43: The ADQR of how the compensation/benefits for each charity board member is approved on the charity's website	232
Table 44: The ADQR of how the compensation/benefits for each charity board member is approved in a charity's annual report/annual review.....	233
Table 45: The overall ADQR of how compensation/benefits for each charity board member is approved.....	233
Table 46: The ADQR of whether any arm's length procedures are established for the charity board members on the Charity register.....	234
Table 47: The ADQR of whether any arm's length procedures are established for the charity board members on the charity's website	234
Table 48: The ADQR of whether any arm's length procedures are established for the charity board members in the charity's annual report/annual review.....	235
Table 49: The overall ADQR of whether any arm's length procedures are established for the charity board members	235
Table 50: The ADQR of how a charity recruits its charity board members on the Charity register	236
Table 51: The ADQR of how a charity recruits its charity board members on the charity's website	236

Table 52: The ADQR of how a charity recruits its charity board members in the charity's annual report/annual review	237
Table 53: The overall ADQR of how a charity recruits its charity board members	237
Table 54: The ADQR of how a charity appoints a charity board member on the Charity register.....	238
Table 55: The ADQR of how a charity appoints its charity board members on its website	238
Table 56: The ADQR of how a charity appoints its charity board members in its annual report/annual review	238
Table 57: The overall ADQR of how a charity appoints its charity board members	239
Table 58: The ADQR of how a charity board member is removed by a charity on the Charity register.....	240
Table 59: the ADQR of how a charity board member is removed by a charity on the charity's website	241
Table 60: The ADQR of how a charity board member is removed by a charity in its annual report/annual review	241
Table 61: The overall ADQR of how a charity board member is removed by a charity.....	241
Table 62: The ADQR of whether the charity's chairman published a statement on the charity's website.....	244
Table 63: The ADQR of whether the charity's chairman published a statement in the charity's annual report/annual review.....	245
Table 64: The overall ADQR of whether a charity's chairman published a statement	245
Table 65: The ADQR of whether a charity has published strategic plans for the next 12 months on a charity's website.....	247
Table 66: The ADQR of whether a charity published its strategic plans for the next 12 months in its annual report/annual review	248
Table 67: The overall ADQR of whether a charity disclosed its strategic plans for the next 12 months	249

Table 68: The ADQR of whether a business transaction with a current or former charity board member was an officer or indirect owner of that entity on the Charity register	251
Table 69: The overall ADQR of whether a business transaction with a current or former charity board member was an officer or indirect owner of that entity	251
Table 70: The ADQR of whether a business transaction with a current or former charity board member or a related party on the Charity register and the charity's website (the tables are identical so present in one table).....	252
Table 71: The overall ADQR for whether a business transaction with a current or former charity board member or a related party	253
Table 72: The ADQR of whether a charity has a relationship with another charity(s) on the Charity register	254
Table 73: The ADQR of whether a charity has a relationship with another charity(s) on the charity's website.	256
Table 74: The ADQR of whether a charity discloses in its annual report/annual review if it has a relationship with another charity(s)	258
Table 75: The overall ADQR of whether a charity discloses if it has a relationship with another charity(s).....	258
Table 76: The ADQR of whether a charity discloses if it has a relationship with a related party or entity on the Charity register.....	259
Table 77: The ADQR of whether a charity discloses its relationships with another related party(s) on the charity's website.....	260
Table 78: The ADQR of whether a charity discloses if it has a relationship with another related party or entity in its annual report/annual review	260
Table 79: The overall ADQR of whether a charity discloses if it has a relationship with a related party(s) or entity.....	261
Table 80: The ADQR of whether a charity declared the number of full-time staff it employs on the Charity register.....	262
Table 81: The ADQR of whether a charity disclosed the number of full-time staff it employed on the charity's website	263
Table 82: The ADQR of whether a charity disclosed the number of full-time staff employed in its annual report/annual review.....	264
Table 83: The overall ADQR of whether a charity discloses the full-time staff it employs.....	264

Table 84: The ADQR of whether a charity discloses the number of part-time staff it employs on the Charity register	265
Table 85: The ADQR of whether a charity discloses the number of part-time staff it employs on the charity's website.....	265
Table 86: The ADQR of whether a charity discloses the number of part-time staff it employs.....	265
Table 87: The overall ADQR of whether a charity discloses the number of part-time staff it employs.....	266
Table 88: The ADQR of whether a charity disclosed the number of volunteers it engages on the Charity register	266
Table 89: The ADQR of whether a charity discloses the number of volunteer staff it engages on the charity's website.....	267
Table 90: The ADQR of whether a charity discloses the number of volunteer staff it engages in its annual report/annual review	268
Table 91: The overall ADQR of whether a charity discloses the number of volunteer staff it engages.	269
Table 92: The ADQR of whether a charity disclosed the (10) highest paid staff salaries on the Charity register.....	269
Table 93: The overall ADQR of whether a charity disclosed the (10) highest paid staff salaries.....	270
Table 94: The ADQR of whether a charity discloses the number of contractors it employs	270
Table 95: The ADQR of whether a charity discloses the number of contractors it employs on its website	271
Table 96: The ADQR of whether a charity discloses the number of contractors it employs in its annual report/annual review	271
Table 97: The overall ADQR of whether a charity discloses the number of contractors it employs.	272
Table 98: The ADQR of whether a charity employs staff/agents outside of New Zealand on the Charity register.....	272
Table 99: The ADQR of whether a charity discloses if it employs staff/agents outside of New Zealand on a charity's website	273
Table 100: The ADQR of whether a charity if it employs staff outside of New Zealand in the charity's annual report/annual review.	274

Table 101: The overall ADQR of whether a charity discloses if it employs staff outside of New Zealand.....	274
Table 102: The ADQR of whether a charity disclosed its policies for selecting its programs on the Charity register	277
Table 103: The ADQR of whether a charity disclosed its policies for selecting its programs on its website.	279
Table 104: The ADQR of whether a charity disclosed its policies for selecting its programs in its annual report/annual review.	280
Table 105: The overall ADQR of whether a charity disclosed its policies for selecting its programs	280
Table 106: The ADQR of whether a charity disclosed any future/forward-looking information about its future programs on the Charity register.	280
Table 107: The ADQR of whether a charity disclosed any future/forward-looking information about its future programs on its website	282
Table 108: The ADQR of whether a charity disclosed any future/forward-looking information about future programs in its annual report/annual review.	282
Table 109: The overall ADQR of whether a charity disclosed any future/forward-looking information about future programs	283
Table 110: The ADQR of whether a charity disclosed each program it has conducted in the last (12) months on the Charity register	283
Table 111: The ADQR of whether a charity disclosed each program it conducted in the last (12) months on its website	284
Table 112: The ADQR of whether a charity disclosed each program it conducted in the last (12) months in its annual report/annual review.....	285
Table 113: The overall ADQR of whether a charity disclosed each program it conducted in the last (12) months.....	285
Table 114: The ADQR of whether a charity disclosed a narrative description of each program it conducted in the (12) months on the Charity register.....	285
Table 115: The ADQR of whether a charity provided a narrative description of each program it has conducted in the last (12) month on a charity's website	286
Table 116: The ADQR of whether a charity provided a narrative description for each of its programs it conducted in the last (12) months.	286
Table 117: The overall ADQR of whether a charity provided a narrative description for each of its programs it conducted in the last (12) months	287

Table 118: The ADQR of whether a charity disclosed the revenues and expenditures for each program conducted in the last (12) months on the Charity register.....	287
Table 119: The ADQR of whether a charity disclosed the revenues and expenditures of each program conducted in the last (12) months on its website	288
Table 120: The overall ADQR of whether a charity disclosed the revenues and expenditures of each program it conducted in the last (12) months	288
Table 121: The overall ADQR of whether a charity disclosed a comparative between the planned budget and actual costs for each program.	289
Table 122: The ADQR of whether a charity disclosed the number of beneficiaries assisted by each of its programs on the charity’s website.....	290
Table 123: The ADQR of whether a charity disclosed the number of beneficiaries assisted by each of its programs in the charity’s annual report/annual review...	292
Table 124: The overall ADQR of whether a charity disclosed the number of beneficiaries assisted by each of its programs	292
Table 1255: The ADQR of whether a charity disclosed the public benefit of each program on the Charity register	293
Table 126: The ADQR of whether a charity discloses the public benefit of each program on the charity’s website	294
Table 127: The ADQR of whether a charity disclosed the public benefit of each of its programs in its annual report/annual review	295
Table 128: The overall ADQR of whether a charity discloses the public benefit of each of its programs	295
Table 129: The ADQR of whether a charity disclosed if it worked with another charity(s) to deliver a program.....	296
Table 130: The ADQR of whether a charity disclosed if it worked with another charity(s) to deliver a program.....	296
Table 131: The ADQR of whether a charity disclosed if it worked with another charity in its annual report/annual review.....	297
Table 132: The overall ADQR of whether a charity disclosed if it worked with another charity.....	297
Table 133: The ADQR of whether a charity disclosed if it worked with a government agency	298
Table 134: The ADQR of whether a charity disclosed if it worked with a government agency on its charity website	299

Table 135: The ADQR of whether a charity disclosed if it worked with a government agency in its annual report/annual review	299
Table 136: The overall ADQR of whether a charity disclosed if it worked with a government agency.....	300
Table 137: The ADQR of whether a charity discloses if it worked with another entity to deliver a program on the Charity register.....	301
Table 138: The ADQR of whether a charity discloses if it worked with another entity to deliver a program on a charity's website.....	302
Table 139: The ADQR of whether a charity discloses if it worked with another entity to deliver a program in a charity's annual report/annual review.....	303
Table 140: The overall ADQR of whether a charity discloses if it worked with another entity to deliver a program.....	303
Table 141: The ADQR of whether a charity disclosed the nature of the relationship it has with another charity/government agency/entity on the Charity register....	305
Table 142: The ADQR of whether a charity disclosed the nature of the relationship it has with another charity/government agency/entity on a charity's website.....	306
Table 143: The ADQR of whether a charity disclosed the nature of the relationship with another charity/government agency/entity in the annual report/annual review	307
Table 144: The overall ADQR of whether a charity disclosed the nature of the relationship it has with another charity/government agency/entity	308
Table 145: A summary of the charities in the sample group which are part of a group	311
Table 146: The ADQR of whether a charity provided access to its consolidated accounts on the Charity register.	313
Table 147: The ADQR of whether a charity provided access to its consolidated accounts on the charity's website	313
Table 148: The ADQR of whether a charity provided access to its consolidated accounts in its annual report/annual review	314
Table 149: The overall ADQR of whether a charity provided access to its consolidated accounts	314
Table 150: The ADQR of whether a charity had a subsidiary(s), the activities of the subsidiary(s) is disclosed on the Charity register.	315

Table 151: The ADQR of whether a charity had a subsidiary(s), the activities of the subsidiary(s) is disclosed in the charity's annual report/annual review.....	315
Table 152: The overall ADQR of whether a charity had a subsidiary(s), the activities of the subsidiary(s) is disclosed	316
Table 153: The ADQR of whether a charity disclosed a full set of financial reports with associated notes on the Charity register	317
Table 154: The ADQR of whether a charity disclosed a full set of financial reports with associated notes on its website.....	317
Table 155: The ADQR of whether a charity disclosed a full set of financial reports with associated notes in its annual report/annual review	318
Table 156: The overall ADQR of whether a charity disclosed a full set of financial reports with associated notes.....	319
Table 157: The ADQR of whether a charity disclosed its accounting policies on the Charity register.....	319
Table 158: The ADQR of whether a charity disclosed its accounting policies on its website	319
Table 159: The ADQR of whether a charity disclosed its accounting policies in its annual report/annual review	320
Table 160: The overall ADQR of whether a charity disclosed its accounting policies	320
Table 161: The overall ADQR of whether a charity has made any material changes to its accounting policies in the last (12) months	321
Table 162: The ADQR of whether a charity discloses its policies for investing on the Charities Website	322
Table 163: The ADQR of whether a charity discloses its policies for investing on its website.....	322
Table 164: The ADQR of whether a charity discloses its policies for investing in its annual reports/annual review	323
Table 165: The overall ADQR of whether a charity discloses its policies for investing	323
Table 166: The social media found on the Charity register.	348
Table 167: The social media used by the charities on its website.	349
Table 168: The social media found in the charity's annual report/annual review	349

List of Figures

Figure 1: A screenshot taken from The National Heart Foundation of NZ’s annual report.....	188
Figure 2: A screenshot of the beneficiaries of the Royal New Zealand Foundation of the Blind found on the Charity register	189
Figure 3: A screenshot of the beneficiaries of the Cystic Fibrosis Association of NZ found on the Charity register.	189
Figure 4: An example of a picture of a beneficiary on Barnardos New Zealand Incorporated web page	191
Figure 5: An example of a blocked statement taken from the Royal New Zealand Plunket Society Incorporated’s annual report.	192
Figure 6: The Charity register Purpose & Structure web page of World Vision of New Zealand Trust Board	194
Figure 7: Child Cancer Foundation’s home page of its website.....	196
Figure 8: Barnardos New Zealand Incorporated’s homepage of its website.....	196
Figure 9: A screenshot of the Society of St Vincent de Paul in New Zealand on the Charity register – ‘Charity Details’ section.....	198
Figure 10: A screenshot of ChildFund NZ Ltd on the Charity register – ‘Charity Details’ section	198
Figure 11: A screenshot of the note to the financial reports for The National Foundation for the Deaf Incorporated	201
Figure 12: A screenshot from an excerpt of the charity deed from the Cystic Fibrosis Association of NZ.....	203
Figure 13: The screenshot from the Nga Whare Whakaruruhau O Aotearoa National Collective of Independent Women’s Refuge Incorporated annual report (2014/2015, p. 12)	205
Figure 14: The screenshot from the World Vision of New Zealand Trust Board annual report (2015, p.4)	206
Figure 15: The screenshot from The Evangelical Alliance Relief Fund Annual Report (2015, p.2).....	206
Figure 16: Screenshot of the New Zealand General Service Board of Alcoholics Anonymous Incorporated Officer Details	210

Figure 17: An excerpt of The National Foundation for the Deaf Incorporated charity board members found on the Charity register.....	213
Figure 18: An example from the Royal New Zealand Blind Foundation of the Blind duration of appointment	216
Figure 19: An excerpt taken from the Royal New Zealand Plunket Society Incorporated's annual report (2015, p.27)	216
Figure 20: An excerpt taken from The Age Concern Foundation's website	219
Figure 21: An excerpt taken from The Fred Hollows Foundation (NZ)'s website	220
Figure 22: A charity board member from Oxfam New Zealand profile found on the Oxfam New Zealand's website.	222
Figure 23: An excerpt taken from ChildFund NZ Ltd disclosure of a charity board member's qualifications/special expertise	223
Figure 24: A screenshot of an excerpt taken from Barnardos New Zealand Incorporated financial notes filed on the Charity register.....	227
Figure 25: A screenshot of an excerpt taken from The Fred Hollows Foundation (NZ)'s charity deed filed on the Charity register	228
Figure 26: A screenshot of an excerpt taken from the Orphans Aid International Charitable Trust's website	228
Figure 27: An excerpt taken from Lifeline Aotearoa Charitable Trust's deed found on the Charity register.....	231
Figure 28: An excerpt taken from Amnesty International Incorporated's charity deed found on the Charity Services website.	232
Figure 29: A screenshot of the statement taken from The Fred Hollows Foundation (NZ).....	236
Figure 30: The screenshot from the charity deed of the Cystic Fibrosis Association of NZ found on the Charity register	240
Figure 31: The screenshot of an excerpt taken from Laura Fergusson Trust Board Incorporated's charity deed found on the Charity register (note this is also the quality of the document)	242
Figure 32: A screenshot taken from Save the Children New Zealand's website	247
Figure 33: A screenshot taken from The Priory of the Most Venerable Order of the Hospital of St John Jerusalem's annual report (2015)	249

Figure 34: A screenshot taken from the (2015) financial reports of Nga Whakaruruhau o Aotearoa National Collective of Women’ refugees Incorporated’s on the Charity register	253
Figure 35: A screenshot taken from the (2015) financial reports of Variety – the Children’s Charity Incorporated on the Charity register	254
Figure 36: A screenshot take from Save the Children New Zealand’s website ..	255
Figure 37: A screenshot taken from World Vision of New Zealand Trust Board’s annual report (2015, p. 8).	257
Figure 38: A screenshot of Oxfam New Zealand’s website	263
Figure 39: A screenshot of IHC New Zealand’s annual report (2015).	268
Figure 40: A screenshot taken from The Salvation Army website.....	273
Figure 41: A screenshot from ChildFund NZ Ltd’s website	275
Figure 42: A screenshot of World Vision of New Zealand Trust Board’s website	278
Figure 43: A screenshot of The Starship Foundation’s statement.....	278
Figure 44: A screenshot from Deaf Aotearoa NZ Incorporated’s website.....	281
Figure 45: A screenshot of Royal New Zealand Foundation of the Blind website	284
Figure 46: A screenshot taken from Oxfam New Zealand’s website.....	290
Figure 47: The screenshot taken from the National Heart Foundation’s website (note that this is a full page in the annual report).	291
Figure 48: A screenshot of National Heart Foundation of NZ’s charity summary on the Charity register	293
Figure 49: A screenshot taken from The Fred Hollows Foundation (NZ)’s website	294
Figure 50: A screenshot taken from The Evangelical Alliance Relief Fund’s website	298
Figure 51: A screenshot taken from ChildFund NZ Ltd’s website.	299
Figure 52: A screenshot of an excerpt taken from Oxfam New Zealand’s financial reports filed on the Charity register	305
Figure 53: A screenshot of an excerpt taken from the Charity register – The Salvation Army Group	310
Figure 54: A screenshot take from Save the Children New Zealand’s webpage	325
Figure 55: A screenshot take from Save the Children New Zealand’s website ..	329

Figure 56: A screenshot from Variety – the Children’s Charity Incorporated’s annual report (2015, p.23)..... 331

Figure 57: Screenshot taken from ChildFund NZ Ltd.’s annual report. 335

Appendix One: Ethics approval for this thesis

Application for Ethical Approval

Outline of Research Project

Waikato Management School
Te Raupapa



Template:

Use clear and simple language. Avoid technical terms wherever possible.

Please allow **at least two weeks** for your application to be reviewed by the WMS Ethics Committee

You must gain ethics approval prior to the commencement of data collection for your research project

See [How to fill out the form](#) for guidance.

1. IDENTIFY THE PROJECT.

1.1 **Title of Project:** *The accountability of NZ's Charities: Meeting the needs of charity stakeholders through information disclosure*

1.2 **Researcher(s) name and contact information:** *Dara Dimitrov (021 158 7478 – dkd4)*

1.3 **Supervisor's name and contact information (if relevant):** *Howard Davey*

1.4 **Anticipated date to begin data collection:** *Dec 2015*

2. DESCRIBE THE RESEARCH.

2.1 **Briefly outline what the project is about including your research goals and anticipated benefits. Include links with a research programme, if relevant.**

This investigation will improve the accountability of NZ's charities by improving the information disclosures made by charities. Currently NZ's charities use legal compliance as the benchmark for information disclosure, and as a result, the information disclosures do not meet the needs of many charity stakeholders.

An example of this is compensation paid to a charity board member – currently this is not disclosed by most NZ charities. This can be demonstrated by the Destiny church charities (there are 11 separate registered charities) – the Destiny church charities refuse to disclose this information and the current legal framework does not demand this information from charities. Moreover, my literature review and an international comparison of charity accountability has identified 10 categories of information disclosures, where significant improvement can be made.

The primary goal of this investigation is to construct a model of best practice for charity information disclosure. With the assistance of charity expert stakeholders a disclosure index will be created and applied to the published material of 50 big NZ charities to assess the current status of charity information disclosures (from those charities).

The benefits will be two fold – a model of best practice will be created specifically for the charity sector (currently there is little guidance provided to NZ charities for information disclosure) and secondly recommendations about law changes to the current legal framework will also be made.

2.2 Briefly outline your method.

The construction of the disclosure index (the research instrument) will be carried out with the assistance of at least 80 participants; the participants will be grouped into 10 panel groups. Using the e-Delphi technique the participants will be asked to consider the information items in the initial survey list, and then either delete or add items as well as provide feedback on the categories of information disclosures.

The software used to conduct the e-Delphi technique will be Qualtrics. The research participant's identities will remain anonymous throughout the investigation so that they are able to participate freely without concern for themselves or the organisations they work(ed) for.

The e-Delphi is a 3- stage process. In the preparation stage, a cover letter with an outline of the study goals, a profile of me will be sent to each potential participant inviting them to take part in the study. Snowballing will also be used to increase the number of participants as well (this is where the initial participant is asked to recommend others who fit the criteria of a charity expert to the research project).

There are three reiterations of the survey – so at the end of each round – a summary of the results will be sent back to the research participants for consideration.

In the convergence stage – the mean and the standard deviation will be used to establish convergence over each round. At this stage the list of items to be included into the disclosure index will be almost finalised

The consensus stage is achieved when the standard deviation reduces but the mean stays consistent. At the end of the consensus (or alternatively dis-consensus stage – where some a panel group/s will remain in conflict with other panel group/s but the mean will remain consistent and the standard deviation will reduce no further) - which is the final round of reiterations, the disclosure index will be finalized.

The final disclosure instrument will be applied to the selected published material of the selected charities. The published material will be annual reports, websites and annual reviews published by the sample charities.

The research participants will be asked if they want to participate in a follow-up interview once the results have been established and returned to them for consideration at the end of the investigation. It is anticipated that there will be a minimum of 10 semi-structured interviews.

2.3 Describe plans to give participants information about the research goals.

The study goals and general information about the investigation (like ethics consent and a profile of the researcher) will be made available to the participants via email. In the initial invitation these documents will be provided to the participants.

2.4 Identify the expected outputs of this research (e.g., reports, publications, presentations), including who is likely to see or hear the reports or presentations on this research

There is 1 paper that is currently undergoing peer review for publication, with a 2nd paper going off shortly. The paper undergoing peer review was also presented at the WMS Student Conference, while the 2nd paper will be presented to Law, Justice and Policy Conference on Thursday 24th Nov. I was a finalist in 3MT

Identify the physical location(s) for the research, the group or community to which your potential participants belong, and any private data or documents you will seek to access. Describe how you have access to the site, participants and data/documents. Identify how you obtain(ed) permission from relevant authorities/gatekeepers if appropriate and any conditions associated with access.

The research home base for this investigation is the University of Waikato.

The research participants will be global in nature – they are all charity professionals, academics and people who have expert knowledge of charities. The initial contact will be made through an email invitation (the emails of

potential participants are publicly available on the internet). The investigation will be an e-Delphi technique (so solely through the internet with no face-to-face interaction).

The published material used in this investigation will be publicly available material (annual report, website and annual review) from the charities themselves

3. OBTAIN PARTICIPANTS' INFORMED CONSENT, WITHOUT COERCION.

3.1 Describe how you will select participants (e.g., special criteria or characteristics) and how many will be involved.

The basis for the selection of the research participants is that they are charity 'experts'. The Oxford dictionary definition of expert is used at the base line "A person who is very knowledgeable about or skillful in a particular area". On that basis a participant can self-select themselves into or out of the investigation when they receive the invitation email.

Overall the groups will contain a minimum of 80 participants who are a mixture of professionals and academics who are involved with a charity.

3.2 Describe how you will invite them to participate.

The participants will be invited to participate in the investigation by a global email (sent individually) to each participant. The emails of the participants are made available via the internet (therefore they are publicly available). The software Qualtrics will be used to assist in this stage of the investigation.

The invitation email will also provide the participants the opportunity to ask further questions about the investigation.

3.3 Show how you provide prospective participants with all information relevant to their decision to participate. Attach your information sheet, cover letter, or introduction script. See document on informed consent for recommended content. Information should include, but is not limited to:

- what you will ask them to do;
- how to refuse to answer any particular question, or withdraw any information they have provided at any time before completion of data collection;
- how and when to ask any further questions about the study or get more information.
- the form in which the findings will be disseminated and how participants can access a summary of the findings from the study when it is concluded.
- - See attached documents

3.3 Describe how you get their consent. (Attach a consent form if you use one.)

- See attached documents

3.5 Explain incentives and/or compulsion for participants to be involved in this study, including monetary payment, prizes, goods, services, or favours, either directly or indirectly.

There are no incentives to be a part of this investigation

4. MINIMISE DECEPTION.

4.1 If your research involves deception – this includes incomplete information to participants -- explain the rationale. Describe how and when you will provide full information or reveal the complete truth about the research including reasons for the deception.

This does not apply to my research as the research participants will receive full information at the beginning of the investigation. The information will be on-going with each round of the Delphi technique (by a summary report sent to each participant) and at the end of the investigation the results will be made available to them if they want them.

5. RESPECT PRIVACY AND CONFIDENTIALITY

5.1 Explain how any publications and/or reports will have the participants' consent.

Any material (such as quotes for example) will remain anonymous and confidential – there will be no publication of the participant's personal information or their workplace information. Moreover there is no need to publish a person's personal information for the purposes of this study.

5.2 Explain how you will protect participants' identities (or why you will not).

User Security: The Qualtrics software will appoint a number to each participant (encryption) – and this will be known only to me. Throughout the investigation the participants will only use their ID numbers to access each Delphi round. The summary of each Delphi round will contain information about the disclosure index, not the participants. Any relevant themes will also be identified (this will be done via SPSS) however again, the personal information of the participants that are commenting will remain confidential

5.3 Describe who will have access to the information/data collected from participants. Explain how you will protect or secure confidential information.

The application and user security: the only person who will have access to the information collected from the participants will be I (and my supervisors for the purposes of oversight of the investigation). The results of the Delphi reiterations will be published in my thesis – however there will be neither personal information about the participants, nor any identifying comments published to protect their identities and their confidentiality.

The final disclosure index will be published in my thesis

The physical security of the information collected from the participants will held by the University of Waikato data storage center and access is secured by a user password. All user data is stored and protected by the University of Waikato security requirements.

At the end of the investigation, the data collected through the Delphi reiterations will destroyed once my thesis have been accepted and passed.

6. MINIMISE RISK TO PARTICIPANTS.

'Risk' includes physical injury, economic injury (i.e. insurability, credibility), social risk (i.e. working relationships), psychological risk, pain, stress, emotional distress, fatigue, embarrassment, and cultural dissonance and exploitation.

6.1 Where participants risk change from participating in this research compared to their daily lives, identify that risk and explain how your procedures minimize the consequences.

The anonymity and the confidentiality of the data collection during the investigation minimizes any potential risks to the participants and the organisations that they may work(ed) for.

6.2 Describe any way you are associated with participants that might influence the ethical appropriateness of you conducting this research – either favourably (e.g., same language or culture) or unfavourably (e.g., dependent relationships such as employer/employee, supervisor/worker, lecturer/student). As appropriate, describe the steps you will take to protect the participants.

I do not know personally or professionally any of the participants that are expected to participate in this investigation.

Anonymity and confidentiality will protect the identity of anyone participating in this investigation as the organisations that they work(ed) for. The investigation is carried out exclusively on the internet – therefore the participants are able to access the survey anytime and anywhere.

6.3 Describe any possible conflicts of interest and explain how you will protect participants' interests and maintain your objectivity.

At this point – I do not know of any possible conflicts of interests that could arise – in the event that any arise I will consult both with my supervisory team and if needs be with the Ethics Committee.

7. EXERCISE SOCIAL AND CULTURAL SENSITIVITY.

7.1 Identify any areas in your research that are potentially sensitive, especially from participants' perspectives. Explain what you do to ensure your research procedures are sensitive (unlikely to be insensitive). Demonstrate familiarity with the culture as appropriate.

I am unaware of any potential breaches of social or cultural sensitivity in this investigation.

Again the anonymity and the confidentiality of the participants is protected through the use of software encryption and the use of the internet as the vehicle to carry out this investigation means that the participants can access it anywhere at any time.

7.2 If the participants as a group differ from the researcher in ways relevant to the research, describe your procedures to ensure the research is culturally safe and non-offensive for the participants.

The material that is being sent to the participants has been signed off by my supervisors – so I believe that the material is neither socially or culturally offensive

Appendix Two: The charity regulatory framework

Country	Charity Regulator	Charity Legal Framework	Financial Reporting Standard Setters	Financial Standards Applicable to Charities	Annual Return	Financial Reports
New Zealand	Charities Services, Department of Internal Affairs	Charities Act 2005	External Reporting Board	Standards for Not-for-profit public benefit entities	✓	✓ - Tiered system
		Financial Reporting Act 2013			□	□
		Financial Reporting Act & Financial Reporting (Amendment to other Enactments) Act			□	□
		Accounting Infrastructure Reform Bill			□	□
Australia	Australian Charities and Not-for-profit Commission	Australian Charities and Not-for-profit Act 2012	Australian Standards Board	AASB 2013-8; 128, 131, 133	✓	✓ - Tiered system
		Australian Charities and Not-for-profit Commission (Consequential and Transitional) Act 2012 (CTH)			□	□
		Australian Charities and Not-for-profit Commission Regulation 2013 (CTH)			□	□
		Charities Act 2013			□	□

Country	Charity Regulator	Charity Legal Framework	Financial Reporting Standard Setters	Financial Standards Applicable to Charities	Annual Return	Financial Reports
Canada	Charities Directorate, Canada Revenue Agency	Income Tax Act (R.S.C. , 1985, c. 1 (5th Supp.))	Public Sector Accounting Board (this is part of the Financial Reporting & Assurance Standards Canada)	CICA Handbook – Accounting : Part I Accounting Standards for Not-for-profit organisations or Part III for International Financial Reporting Standards for Not-for-profit organisations	✓ - T3010	N/A
		Canada Not-for-profit Corporations Regulations 2011			☐	
England & Wales	Charity Commission of England & Wales	Charities Act 2011 (the prior Act was Charities Act 2006)	SORP-making Body (must be approved by the Financial Reporting Council)	Charities SORP (FRS 102)	✓	✓ - Tiered system
				Charities SORP (FRSSE)	☐	☐

Appendix Three: Summary of Government enquiries into the charity sector for New Zealand, Australia, Canada and England and Wales

Country	Date	Department	Report
New Zealand	1979	Property Law and Equity Reform Committee	Report on The Charitable Trusts Act 1957
	1989	Ministry of Social Welfare	Working Party on Charities and Sporting Bodies
	1997		Working Party on the Accountability of Charities & Sporting Bodies
	2001	Inland Revenue Department	Tax and charities: a government discussion
			document on taxation issues relating to charities and non-profit bodies
	2002	Charities Working Party	[First] Report by the Working Party on Registration, Reporting and Monitoring of Charities
	2002	Charities Working Party	[Second] Report by the Working Party on Registration and Monitoring of Charities
	2012	Ministry of Business, Innovation & Employment	Carolyn Cordery: Incidence of auditing and assurance in charities
	2013	Law Commission (NZ)	Reforming the Incorporated Societies Act 1908
	2013	Ministry of Business, Innovation & Employment	Auditing and Assurance for Large and Medium Registered Charities – Concrete Proposals.
	2013	Ministry of Business, Innovation & Employment	Cabinet paper and regulatory impact statement.

Appendix Three continued:

Country	Date	Department	Report
Australia	1965	Victorian Chief Justice's Law Reform Committee	Report on Charitable Trusts
	1971	Queensland Law Reform	Report of the Law Reform Commission on the Law Relating to Trusts, Trustees, Settled Land and Charities
	1980	Victorian Government Interdepartmental Working Party	First Report on the Administration of Charities
	1984	Tasmanian Law Reform Commission	Report on the Variation of Charitable Trusts
	1989	Victorian Legal and Constitutional Committee	Report to the Parliament on the Law Relating to Charitable Trusts
	1995	Industry Commission	Charitable Organisations in Australia: Report No 45, AGPS, Canberra, 1995
	2000	Treasury	Report of the Inquiry into the Definition of Charities and Related Organisations
	2001	Charities Definition Inquiry	Inquiry into the Definition of Charities and Related Organisations
	2002	Treasury	Government response to charities definition inquiry
	2003	Board of Taxation	Consultation on the Definition of a Charity – A report to the Treasurer
	2008	Senate Economics Committee Report	Inquiry into the Disclosure regimes for charities and not-for-profit organisations
	2009	Productivity Commission	Contribution of the Not-for- Profit Sector: Research Report
	2010	Senate Economics Legislation Committee	Tax Laws Amendment (Public Benefit Test) Bill 2010
	2011	Commonwealth Treasury	A definition of charity: Consultation paper

Country	Date	Department	Report
Canada	1996	Ontario Law Reform Commission	Report on the law of charities
	1999	Panel on Accountability and Governance in the Voluntary Sector	Broadbent Report
	2001	Inland Revenue Department, Policy Advice Division	Tax and charities: a government discussion
			document on taxation issues relating to charities and non-profit bodies
	2002	Voluntary Sector Initiative	Regulation of Advocacy in the Voluntary Sector: Current Challenges and Some Responses
	2003	Joint Regulatory Table	Strengthening Canada's charitable sector: Regulatory reform.

Appendix Three continued:

Country	Date	Department	Report
England and Wales	1920	The United Kingdom, Royal Commission on the Income Tax	Colwyn Commission
	1936	Income Tax Codification Committee	Macmillan Committee
	1952	Report of the Committee on the Law and Practice relating to charitable trusts	Nathan Committee
	1955	The United Kingdom, Royal Commission on the Taxation of Profits and Income, <i>Final Report</i>	Radcliffe Report
	1974	English Charity Law Reform Commission, Charity Law	Report: Only a New Start Will Do
	1975	House of Commons Expenditure Committee	Charity Commissioners and their Accountability
	1976	Committee of Inquiry into the Effect of Charity Law and Practice on Voluntary Organisations	Goodman Report
	1984	Accounting Standards Committee	Accounting by charities: a discussion paper
	1989	The Home Department	Charities: A Framework for the Future
	1996	Deakin's Commission	Meeting the Challenge of Change: Voluntary Action in the 21st Century
	2001	National Council of Voluntary Organisations Charity Law Reform Group	For the Public Benefit? A Consultation Document on Charity Law Reform
	2002	Strategy Unit Report	Private Action, Public Benefit: A Review of Charities and the Wider Not-For-Profit Sector
	2002	Home Office	Charities and Not-for-Profits: A Modern Legal Framework, The Government's response to 'Private Action, Public Benefit.'
	2004	Charities Commission	RS8 – Transparency and Accountability
	2007	Advisory Group on Campaigning and the Voluntary Sector	Campaigning and the Voluntary Sector
	2012	National Audit Office (UK)	Regulating charities: a landscape review
	2012	Institutue for Voluntary Action Research: A report for the Charity Commission	The impact of the public benefit requirement in the Charities Act 2006: perceptions, knowledge and experience
	2012	Cabinet Office (UK)	Trusted and Independent: Giving charity back to charities – review of the Charities Act 2006
	2013	Public Administration Select Committee	3rd Report - The role of the Charity Commission and “public benefit”: Post-legislative scrutiny of the Charities Act 2006 - Volume II
	2013	National Audit Office (UK)	The regulatory effectiveness of the Charity Commission
	2014	National Audit Office (UK)	Follow-up on the Charity Commission

Appendix Four: RS8 (Charities Commission (UK), 2014, p. 43)

RS8: Required and best practice disclosures	
How good was the information provided in the Annual Report	
(a) Aims and Objects (required disclosures)	
Statement of statutory objects of the charity	
Explanation of aims and mission of the charity	
(b) Organisation (required disclosures)	
List of trustees at year end and who served during the year	
Details of how trustees were appointed	
Details of any body or person who can appoint trustees	
Description of organisational structure	
(c) Organisation (best practice disclosures)	
Details of committees, their composition and their areas of activity?	
(d) Relationships (required disclosures)	
Statement of relationship with related parties	
Details of relationships with other charities and bodies	
(e) Review of charity's and subsidiaries activities (required disclosures)	
Achievements for the year	
Plans for the future	
Narrative about the effectiveness of fundraising	
Narrative about the contribution of volunteers	
Information provided by subsidiary companies	
(f) Finance (best practice disclosures)	
Comment on major sources of income and expenditure	
Comment on financial health	
Comment on unusual items (e.e. large deficit on defined benefit pension scheme)	
Comment on accounting policies and any change to them	
(g) Performance (best practice disclosures)	
Does the annual report contain usual ratios?	
Is there an explanation of performance of key ratios?	
(h) Reserves (required disclosures)	
Explanation of charity's policy on reserves	
Comment on achievement of policy and action to be taken	
Explanation of funds in deficit	
(i) Investments (required disclosures)	
Summary of specific investment powers	
Explanation of charity's investment policy	
Comment on performance of investments	
(j) Grants (required disclosures)	
Explanation of grant making policies	
(k) Risk management (required disclosures)	
Statement concerning reviewing risks	
(l) Risk management (best practice disclosures)	
Explanation of major risks	
Explanation of how major risks monitored/controlled	
(m) Internal processes (best practice disclosures)	
Comment on staff and staffing levels?	
Comment on its property assets?	
Comments concerning the charity's IT and systems?	

Appendix Five: The Charity Sample

1	The Age Concern Foundation
2	The New Zealand General Service Board of Alcoholics Anonymous
3	Amnesty International Incorporated
4	Barnardos New Zealand Incorporated
5	Child Cancer Foundation Incorporated
6	ChildFund NZ Ltd
7	Cystic Fibrosis Association of NZ
8	Deaf Aotearoa NZ Incorporated
9	The Fred Hollows Foundation (NZ)
10	Royal New Zealand Foundation of the Blind
11	IHC New Zealand
12	Laura Fergusson Trust Board Incorporated
13	Lifeline Aotearoa Charitable Trust
14	The National Foundation for the Deaf Incorporated
15	National Heart Foundation of NZ
16	New Zealand Red Cross Incorporated
17	Orphans Aid International Charitable Trust
18	Oxfam New Zealand
19	Royal New Zealand Plunket Society Incorporated
20	The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated
21	The Salvation Army New Zealand
22	Save the Children New Zealand
23	The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem
24	Society of St Vincent de Paul in New Zealand
25	The Starship Foundation
26	The Evangelical Alliance Relief Fund
27	Unicef Childrens Foundation
28	World Vision of New Zealand Trust Board
29	Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated
30	Variety – the Children's Charity

Appendix Six: A review of the studies that use a disclosure index

Authors	Year	Country	No. of Items	Index Application	Basis for Item disclosure	Type of Index
Hyndman	1990	England & Wales	14	Mandatory and voluntary disclosure in annual reports	Literature and expert opinion	Weighted
Dixon, Coy and Tower	1991	New Zealand	52	Mandatory and voluntary disclosure in annual reports	Literature & expert opinions	Un-weighted
Jegers & Houtman	1993	Belgium	21	Annual reports	Legal compliance	Un-weighted
Coy et al.	1994	New Zealand	26	Annual reports of Universities	Literature and expert opinions	Weighted
Coy	1995	New Zealand	58	Mandatory and voluntary disclosure in annual reports	Literature and expert opinions	Weighted
Krishnan and Schauer	2000	United States	8	Annual reports	Literature	Un-weighted
Tooley and Guthrie	2001	New Zealand	20	Annual reports	Literature and expert opinions	Weighted
Hooks et al.	2002	New Zealand	67	Mandatory and voluntary disclosure in annual reports (Electricity Boards)	Literature & expert opinions	Weighted & un-weighted
Coy & Dixon	2004	New Zealand	58	Annual reports of Universities	Literature, stakeholder opinions	Weighted
Tooley & Guthrie	2007	New Zealand	24	Financial and non-financial information in annual reports	Coy et al.'s (1993a & 1993b) studies and Ryan et al.'s (2002) study	Unweighted and weighted
Van Staden & Hooks	2007	New Zealand	32	Environmental information in annual reports	United Nations Environment Program/Sustainability Index Literature	Unweighted and weighted
Ling Wei, Davey & Coy	2008	New Zealand & United Kingdom	18	Museum Annual Reports	Used the MPADI as the basis for the disclosure index	Un-weighted

Authors	Year	Country	No. of Items	Index Application	Basis for Item disclosure	Type of Index
Tooley, Hooks & Basan	2010	Malaysia	71	Annual reports of Local Authorities	Literature review, statutory regulations, expert opinions	Weighted
Fischer, Goldron & Kraut	2010	United States	75	Annual reports of universities	Literature and based on the study of Engstrom (1988)	Weighted
Gandia	2011	Spain	78	Websites of NGOs	Literature review specifically related to website analysis	Un-weighted
Zainon, Atan & Wah	2012	Malaysia	88	Local authorities	Literature review and expert opinions	Weighted
Zainon, Atan, Wah & Kamran	2012	Malaysia	88	Annual returns of non-profit organisations	Literature review and stakeholder opinions	Weighted
Zainon, Atan & Wah	2014	Malaysia	88	Annual reports of non-profit organisations	Literature review and stakeholder opinions	Weighted

Appendix Seven: New Zealand's Charity Annual Return



Form 6

Annual Return for a charitable entity

Section 41, Charities Act 2005

Balance date **BEFORE 31 March 2016**

Before you begin to fill out this form, please take a few moments to read the information below.

To complete your Annual Return you will need to:

- fill out an *Annual Return form*, online or on paper
- attach a copy of the financial statements for your last financial year (they don't have to be audited)
- refer to the information about your charity currently on the Register at **www.charities.govt.nz** in case anything has changed and needs to be updated.

All our forms are available at
www.charities.govt.nz

We encourage you to file your Annual Return online

File your Return online by logging into your account at **www.charities.govt.nz**

- Filing online costs less than filing on paper. (If a fee is payable).
- It's already partly completed using your details from the Charities Register.
- You can complete it in stages by logging in and out.

Annual Return fees

On paper - \$76.67

Online - \$51.11

If your charity's gross annual income is less than \$10,000 you don't have to pay a fee but you still have to file a Return.

Fees can be paid by **cheque** or **internet banking**.

Send this form to:
Internal Affairs -
Charities Services
PO Box 30112
Lower Hutt 5040

How will the information be used?

Information you provide is held and used by Internal Affairs and the Charities Registration Board to determine your ongoing eligibility for registration and to carry out its functions under the *Charities Act 2005*.

The *Charities Act 2005* authorises the supply of information or documents held on the Register to Inland Revenue.

The *Statistics Act 1975* allows for the information to be used for statistical purposes by Statistics New Zealand.

When should you send an Annual Return?

Send your Return no later than six months after your balance date (the end of your financial year).

Tip – When we confirmed registration, we told you when your first Annual Return was due. Your Annual Return due date is also shown on your charity's summary page on the Charities Register.

Who should sign your Annual Return form?

The person authorised to complete the Annual Return must sign to certify that they are authorised, the information is correct and they have given the effective dates of any changes.

What information will the public be able to see?

Your Annual Return information and financial statements will be publicly available on the Register.

The information you provide in this form gives the public a useful summary of your financial details. However, if they need more detail they can refer to the financial statements you provide.

In this form you may need to present your figures differently to the way they are shown in your financial statements. That's fine.

Can information be restricted from the public?

Yes, section 25 of the Charities Act allows Internal Affairs to restrict information from the public if it believes it is in the public interest to do so. See page 10 for more details.

For more information about the Charities Register or registration under the Charities Act, please browse www.charities.govt.nz

You can also call our free information line – **0508 242 748** or email info@charities.govt.nz

Contact details

Please use a blue or black pen to complete this form.

Have your contact details for administrative purposes changed?

It's important to tell us if your contact details have changed. If they haven't, leave this blank.

New contact details – these details will not be published on the Charities Register

First name	<input type="text"/>
Last name	<input type="text"/>
Daytime phone	<input type="text" value="(0)"/>
Email	<input type="text"/>

You may prefer to give us your charity's email address and phone number, as staff contact details often change.

Annual Return fee

If your charity's total gross income – see question 8, Part 1 – was less than \$10,000, you don't have to pay a fee.

Otherwise, the Annual Return fee can be paid by cheque or internet banking.

Please indicate as appropriate:

- ☐ no fee is payable as our total gross income was less than \$10,000
- ☐ a cheque for \$76.67 payable to the Internal Affairs - Charities is enclosed
- ☐ a payment of \$76.67 has been made by internet banking to:

Account Name:	Internal Affairs – Charities
Bank:	Westpac
Branch:	Government (Wellington)
Account number:	03-0049-0002007-06
Your reference:	Your charity's unique registration number, so it will appear on the Department's bank statement.

Guidelines for questions 1–7

Charity's details

1	Tell us your charity's current legal or most formal name. If it hasn't changed it will be the name on the Charities Register.	----->
2	Your registration number is on your charity's summary page on the Charities Register at www.charities.govt.nz	----->

Your people

3	If you pay for people to work for your charity, please tell us approximately how many hours of work you pay for in an average week. Count all paid hours including your own if you are a paid employee.	----->
4	If you pay for people to work for your charity, please tell us approximately how many people you pay to work for you in an average week on a full time basis (30 hours or more a week) or on a part time basis (less than 30 hours a week).	----->
5	If people work for your charity as volunteers (without pay), please tell us approximately how many volunteer hours are worked in an average week. Count all volunteer hours including your own if you are a volunteer.	----->
6	Your registration number is on your charity's summary page on the Charities Register.	----->

Financial information

7	<p>Cash - records transactions when money changes hands, either when it is received or paid out.</p> <p>Accrual - records transactions in the period to which they relate, either when income is earned or expenses are incurred, For example, a grant received in July 2012 covering a two year period until June 2015, is recorded as income - half in 2012-13 and half in 2013-14.</p> <p>Goods ordered and received in one period but not paid for until the next period are recorded as an expense in the period that they were received.</p>	----->
---	--	--------

1

[illegible]

2

C	C								
---	---	--	--	--	--	--	--	--	--

3

Paid part time

4

5

6

7

☐ Cash

☐ Accrual

Please attach a copy of your charity's financial statements. They don't have to be audited. If you do have audited financial statements available, attach those. If not, please attach what you do have.

Guidelines for question 8

8

You have been asked for this information, in addition to providing your financial statements, for statistical purposes.

Before you begin, check that you have a copy of your financial statements to work from for the correct period. You must also send a copy of your financial statements with this Annual Return.

Enter your amounts in **whole dollars** by dropping off any cents.

- For example, write \$295,000.32 like this:
- or write \$1,370.43 like this:

Don't enter dollar signs, commas or decimal points.

Do include the zeros to indicate thousands.

Please make sure you enter a number in *every* box. Enter '0' if applicable rather than leaving a box empty.

Our information sheet ***Help notes for completing the financial information in our Annual Return*** has more details about how to complete question 8.

Net surplus/deficit for the year (*Total gross income less total expenditure*)

Helpful tip - this figure should be the same as the surplus or deficit (profit or loss) in the financial statements you send with this Annual Return.

Helpful tip - *Total assets* must equal *Total liabilities plus total equity*

Complete the financial information below entering '0' if applicable. *Note: enter your amounts in whole dollars by dropping off any cents. Read the guidelines on the left hand page for more details.*

Part 1: Statement of financial performance for the year ended..... / /
Day Month Year

Gross income

Government grants/contracts .00

All other grants and sponsorship .00

Income from service provision/trading operations .00

Membership fees .00

Donations/koha .00

Bequests .00

New Zealand dividends .00

Other investment income .00

All other income .00

Total gross income .00

Expenditure

Grants/donations paid within New Zealand .00

Grants donations paid outside New Zealand .00

Salaries and wages .00

Depreciation .00

Interest paid .00

Cost of service provision (excluding salaries and wages) .00

Cost of trading operations (excluding salaries and wages) .00

All other expenditure .00

Total expenditure .00

Net surplus/deficit for the year .00
(Total gross income less total expenditure)

Part 2: Statement of financial position as at..... / /
Day Month Year

Current assets

Cash and bank balances .00

Inventory .00

All other short-term assets .00

All current assets .00

Non-current assets

Land .00

Buildings .00

Computers and office equipment .00

All other fixed assets .00

Investments .00

All non-current assets .00

Total assets .00
(Total of all current and non-current assets)

Liabilities

All current liabilities .00

All non-current liabilities .00

Total liabilities .00

Equity

Endowment funds .00

Restricted purpose funds .00

General accumulated funds .00

Total equity .00

Total liabilities plus total equity .00

Certification

To the person who has been authorised by your charity to fill out this form must sign the form to certify that:

- they are authorised
- the information is correct.

-----▶

Certification

I certify that the information in this Annual Return is correct and that I am authorised to complete this Return.

Signature of person completing this Annual Return

Full name of person completing this Annual Return

Date

Checklist

You must include:

- ☐ a copy of your financial statements - see question 7
- ☐ completed question 8
- ☐ a tick on the Contact Details page of this Form to indicate how (if applicable) you intend to pay the Annual Return fee
- ☐ completed certification

Privacy and information use

The information that you have provided in this form is held and used by Internal Affairs and the Charities Registration Board to determine your ongoing eligibility for registration and to carry out its functions under the *Charities Act 2005*.

The Charities Act 2005 authorises the supply of information or documents held on the Register to the Inland Revenue Department to assist in the carrying out of powers and functions under any of the Inland Revenue Acts.

The Statistics Act 1975 allows for the information, once collected, to be used for statistical purposes by Statistics New Zealand. Information supplied to Statistics New Zealand is used for statistical purposes only and is arranged to prevent particulars published about any person from being identifiable (except by the person who supplied the information), unless the person has agreed or publication identifying the person is unavoidable.

The Privacy Act 1993 provides that you may access or correct personal information about you held by Internal Affairs.

If you wish to access or correct your personal information, please contact Internal Affairs - Charities Services, PO Box 30112, Lower Hutt 5040.

The Charities Act requires information on the Charities Register to be available to the public.

However, it also allows Internal Affairs to prevent the public from seeing information if it is in the “public interest” to do so.

See our information sheet *Restricting public access to your information on the Charities Register* for more details.

If you have a reason that you think is in the “public interest” to restrict any of the information in this form, please attach a letter that includes:

- details of the information you would like restricted
- why it is in the public interest to have it restricted and
- evidence to support your request.

Internal Affairs will consider your request and let you know its decision.

Please note: your request will be considered on a case-by-case basis, and even if restricted, this information will still be subject to requests under the *Official Information Act 1982*.

Appendix Eight: Qualtrics™ Survey sent to charity stakeholders

The Accountability of New Zealand's Charities

Welcome to the Accountability of Charities Survey

Directions Thank you for agreeing to take part in this very important research. Information disclosure is a crucial mechanism of accountability, and the purpose of this research is to identify information disclosures that charity stakeholders want to see provided by charities. In this survey, we will be asking for your thoughts and opinions in order to identify those information disclosures that will improve the accountability of New Zealand's charities. At the beginning of the survey, you will be asked to provide some personal information about yourself (demographic information). This is followed by a series of questions about the different disclosures a charity can make. This survey will take approximately half an hour to complete, depending on how much feedback you would like to offer. The information you provide will be subject to the University's ethical requirements and kept in strictest confidence.

The following section covers personal information (demographic information)

Q1: What is your gender?

- ☐ Male (1)
- ☐ Female (2)
- ☐ Unassigned (3)

Q2: What is your age range?

- ☐ 18-24 years old (1)
- ☐ 25-34 years old (2)
- ☐ 35-44 years old (3)
- ☐ 45-54 years old (4)
- ☐ 55-64 years old (5)
- ☐ 65-74 years old (6)
- ☐ 75 years or older (7)

Q3: What is your education level?

- ☐ Less than High School (1)
- ☐ Completed High School (2)
- ☐ Some tertiary education, no degree (3)
- ☐ Bachelor's degree (4)
- ☐ Master's degree (5)
- ☐ Doctorate (6)
- ☐ Other (7) _____

Q4: Which country do you live in?

- ☐ New Zealand (1)
- ☐ Australia (2)
- ☐ United Kingdom (3)
- ☐ Canada (4)
- ☐ Other (5) _____

Q5: To which racial or ethnic group do you most identify? Mark the space or spaces, which apply to you

- ☐ New Zealand European (1)
- ☐ Maori (2)
- ☐ Samoan (3)
- ☐ Cook Island Maori (4)
- ☐ Tongan (5)
- ☐ Chinese (6)
- ☐ Indian (7)
- ☐ Prefer not to say (8)
- ☐ Other (9) _____

Q6: Which of the following categories best describes your involvement with charities (regardless of your current position)? Mark the space or spaces that apply to you

- ☐ Charity Management (1)
- ☐ Charity Regulator (2)
- ☐ Charity Watchdog (3)
- ☐ Charity Partner (4)
- ☐ Charity Fundraiser (5)
- ☐ Charity Lawyer (6)
- ☐ Charity Accountant (7)
- ☐ Donor to Charity (8)
- ☐ Academic charity researcher (9)
- ☐ Other (10) _____

Disclosure of a charity's name: In New Zealand, charities can have a working name as well as a formal registered name. For example, "St Johns" (working name) is listed as the "Order of the Hospital of St John of Jerusalem" (formal registered name).

Q7: How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
A charity's formal registered name (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A charity's working name (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A link on the Charity Service's search engine between a charity's formal registered name and its working name. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Disclosure of a charity's contact details: To ensure that the general public can contact a charity, it is important that a charity makes its contact details readily available.

Q8: How important is it to know the following contact information of a charity:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
The charity's physical address (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A working daytime telephone number (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Email address (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Website address (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity has multiple websites (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mailing address (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q9: Is there anything you wish to add is not adequately captured by the questions above?

Q10: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Disclosure of a charity's deed: A charity deed is a document that sets out the rules for how the Charity Board operates and how the charity's property is to be administered.

Q11: How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
Stakeholders can get access to a charity's deed (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity board has made significant changes to the charity deed in the last 12 months (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q12: Is there anything you wish to add not adequately captured by the questions above?

Q13: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Disclosure of a charity's objectives: A charity's objectives set out the core values of a charity by communicating a charity's purpose and what it was set up to achieve.

Q14: How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
The objectives of a charity (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The beneficiaries a charity expects to assist (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The sector that the charity operates in (for example, the health sector or the religious sector) (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The location where the charity operates (this includes national regions as well as international locations) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q15: Is there anything you wish to add not adequately captured by the questions above?

Q16: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Disclosure of a charity's legal and organisational structure: A charity can choose from several legal structures when setting up its operations. For example, some of the legal structures available to a charity include an incorporated society, a limited liability company, and a charitable trust. A charity can also be part of an operating group, an affiliated group of charities or a partnership (or operate as all three). In addition, a charity can also have a commercial subsidiary(s). As a result, a charity can be registered on other public registers (such as the Company's register for example) as well as the Charities Service register.

Q17: How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
The charity's legal structure (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity's registration number (Charities Services Register) is made available to stakeholders (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity is listed on other public registers (like the Company's register for example) (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Charity discloses other registration numbers if it is registered elsewhere (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity has local chapters, branches or affiliates (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity lists any commercial operations/subsidiaries (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q18: Is there anything that you wish to add that is not adequately captured in by the questions above?

19: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Disclosures about a charity's board and its members: The charity board is the core group of people who have overall control of a charity and make sure the charity is doing what it was set up to do. The charity board guides, directs and runs the charity; will decide where the charity's resources should go, develops strategic plans

for the charity's future and ensures that the charity's operations work in accordance with the charity's objectives. However, the charity board may not necessarily conduct the fund-raising activities or make day-to-day decisions.

Q20: When thinking about the charity board, how important is it for you to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
The number of charity board members required by the charity deed (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The name of each charity board member (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The duration of appointment of each charity board member (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If there are material differences among the voting rights of the charity board members (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity board has delegated authority to an executive committee or similar body (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If any of the decisions by the charity board are subject to approval by a person(s) not on the charity board (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If any of the charity board members serve on any other charity boards/entities (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q21: Is there anything you would like to add that you think is not adequately captured in the questions above?

Q22: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q23 When thinking about an individual charity board member, how important is it for you to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
The full name of each charity board member (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The date of birth of each charity board member (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A contact address for each charity board member (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A telephone contact for each charity board member (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A contact email address for each charity board member (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The qualifications/special expertise that each charity board member has (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q24: Is there anything you would like to add you think is not adequately captured in the questions above?

Q25: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q26: This question asks you to consider the compensation/benefits paid to each charity board member

How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
The compensation/benefits provided to each charity board member (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How compensation/benefits for each board member is approved (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How compensation/benefits for each board member is reviewed (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The compensation/benefits provided to each charity board member from other related organisations (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If there are any arm's length procedures established for the charity board members (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q27: Is there anything you would like to add you think is not adequately captured in the questions above?

Q28: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q29: This question asks you to consider a charity's recruitment policies for its board members.

How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
How a charity recruits a board member (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How a charity appoints a board member (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How a charity removes a board member (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity conducts a search for banned or disqualified persons before an appointment is made (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If there are recruitment provisions in the charity's founding deed (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q30: Is there anything you would like to add that you think is not adequately captured in the questions above?

Q31: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Charity Board and Governance: In some countries, charity boards are required to annually publish a charity board report to stakeholders reporting on the charity's condition. This report usually includes a summary of the charity's activities, any initiatives motivated by the board, the charity's performance and the strategic plan the board has for the charity. Furthermore, the chairman of the board publishes a statement

in the charity board report that presents a personal perspective of the charity's activities and the charity's future.

This next question asks you to consider a charity board report.

Q32: How important is it:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
For a charity to publish an annual charity board report (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For the chairman of the charity to publish an annual statement (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For the charity to publish its strategic plans for the next 12 months (and future) (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For a charity to publish any deviations/changes made to the strategic plans in the last 12 months (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q33: Is there anything you would like to add you think is not adequately captured in the questions above?

Q34: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q35: This question asks you to consider a charity's business transactions that may involve a charity board member or an associated party.

How important is it to know if a charity was involved in a business transaction that included:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
A current or former charity board member (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A family member of a current or former charity board member (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An entity of which a current or former charity board member (or a family member) was an officer or indirect owner of that entity (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q36: Is there anything you would like to add you think is not adequately captured in the question above?

Q37: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q38: When thinking about the charity board, how important is it to know if the charity provided a grant, benefit or other assistance:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
To an individual charity board member or related party (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To a family member of a charity board member (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q39: Is there anything you would like to add you think is not adequately captured in the questions above?

Q40: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Relationship Disclosures: Charities are able to form relationships with other charities, related parties or other entities. This question asks you to consider the disclosures about these relationships

Q41 How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
If a charity has a relationship with another charity(s) (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If a charity has a relationship with another related party or entity (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q42: Is there anything you would like to add you think is not adequately captured in the questions above?

Q43: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Disclosures about a charity's staff: In some countries, charities are required to disclose the details of their total staff costs on an annual basis and list the (10) highest paid staff members (these are NOT the charity board members). This question asks you to consider the staff employed by a charity.

Q44: How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
The number of full-time paid staff employed by a charity (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The number of part-time paid staff employed by a charity (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The number of volunteers engaged by a charity (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The disclosure of the (10) highest paid staff salaries (this includes small charities) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The number of contractors employed by the charity (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity employs staff/agents outside of New Zealand (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q45: Is there anything you would like to add you think is not adequately captured in the questions above?

Q46: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q47: How important is it to know if a charity is a party to a business transaction with one of the following:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
A current or former staff member (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A family member of a current or former staff member (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An entity of which a current or former charity employee (or a family member) was an officer or indirect owner of that entity (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q48: Is there anything you would like to add you think is not adequately captured in the questions above?

Q49: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q50: How important is it to know if a charity provided a grant, benefit or assistance to one of the following:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
A current or former employee (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An entity controlled by a current or former employee or related party (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A family member of a current or former employee (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q51: Is there anything you would like to add you think is not adequately captured in the questions above?

Q52: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Disclosures about a charity's programs: Each charity is set up to carry out programs unique to it. This section considers information disclosures about a charity's program(s).

Q53: This question asks you to consider a charity's policies for deciding its programs. How important is it:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
For the charity to disclose its policies in selecting its programs (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For the charity to disclose any future/forward looking information about future programs (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q54: How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
Each program the charity has conducted in the last 12 months (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A narrative description was provided for each program conducted in the last 12 months (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity disclosed the revenues and expenditures for each program conducted in the last 12 months (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A comparative between the planned budget against the actual costs is disclosed for each program (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity discloses the number of beneficiaries helped by each program (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The public benefit of each program is published by the charity (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q55: Is there anything you would like to add you think is not adequately captured in the questions above?

Q56: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Charities in New Zealand are able to work with other charities or entities to deliver a program. This question asks you to consider information disclosures about these shared programs.

How important is it to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
If a charity worked with another charity(s) to deliver a program (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If a charity worked with a government agency (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If a charity worked with another entity to deliver a program (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
That if a charity does work with another charity/government agency/entity, it reveals the nature of the work it does in the partnership (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q57: Is there anything you would like to add you think is not adequately captured in the questions above?

Q58: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

In some countries, a charity has to disclose to its stakeholders if it has been **involved in a serious incident**. This is not the case in New Zealand. This question asks you to consider information disclosures in relation to a serious incident.

Q59: How important is it for you to know if a charity was:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
A victim of fraud (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Involved in fraud (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Involved in a criminal investigation (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Involved in an accident of some kind (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Involved in any other material matter (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q60: Is there anything you would like to add you think is not adequately captured in the questions above?

Q61: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Disclosures found in the financial reports: Financial reporting is important to charities for a number of reasons. Firstly charities are able to monitor their performance to see whether they are working effectively and efficiently, and secondly, financial reports provide information to their stakeholders about how a charity used their financial resources and what obligations they have incurred. These next questions ask you to consider the financial disclosures found in a charity's financial reports.

Q62: How important is it:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
To have access to a charity's current financial reports (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To have access to a charity's financial reports from prior years (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To know if the charity is part of a group (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To have access to consolidated accounts if the charity is part of a group (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To have access to the financial reports of any investment subsidiary(s) the charity may have (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q63: Is there anything you would like to add you think is not adequately captured in the questions above?

Q64: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q65: When considering a charity's financial reports, how important is it:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
To have access to the financial reports on the Charities Services website (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To have access to the financial reports on the charity's website (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q66: Is there anything you would like to add you think is not adequately captured in the questions above?

Q67: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

This section asks you to consider the **disclosure of a charity's financial policies**.

Q68: How important is it for you to know:

	Extremely important (5)	Very important (2)	Moderately important (3)	Slightly important (2)	Not at all important (1)
A charity provides a full set of financial reports with associated notes of explanation (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity explicitly states its accounting policies (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity discloses if it has made any material changes to its accounting policies in the last 12 months (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity discloses any material explanations in their financial notes (like a contingent liability or a law suit for example) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity discloses its policies for investing (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q69: Is there anything you would like to add you think is not adequately captured in the question above?

Q70: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

The following questions ask you to consider the information **disclosures that are found in an Income Statement** (also known as the Statement of Performance or the Profit & Loss Statement).

Q71: When considering the list of income items, how important is it to record the following items separately:

	Extremely important (5)	Very important (3)	Moderately important (3)	Slightly important (2)	Not at all important (1)
Grants (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bequests (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Government contracts (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Donations (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Details of any income received from another charity (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Details of any income received from an overseas entity (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q72: Is there anything you would like to add you think is not adequately captured in the question above?

Q73: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q74: When considering the list of expenditure items, how important is it to record the following items separately:

	Extremely important (5)	Very important (4)	Moderately important (3)	Slightly important (2)	Not at all important (1)
The charity's administration costs (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The costs of each program the charity conducts (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The costs of fund- raising (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The details of any expenditure spent overseas (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q75: Is there anything you would like to add you think is not adequately captured in the question above?

Q76: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q77: When considering the Income Statement, how important is it to know:

	Extremely important (5)	Very important (4)	Moderately important (3)	Slightly important (2)	Not at all important (1)
If the charity paid any tax (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If the charity made a profit/loss (surplus/deficit) (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The following questions ask you to consider the information **disclosures that are found in a Balance Sheet** (also known as the Statement of Position).

Q78: When considering the list of non-current asset items, how important is it to record the following items separately:

	Extremely important (5)	Very important (4)	Moderately important (3)	Slightly important (2)	Not at all important (1)
Buildings (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Land (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-term investments (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-term reserves (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Number of motor vehicles (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Computer and IT assets (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Collections of works of art, historical treasures or similar assets (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q79: Is there anything you would like to add you think is not adequately captured in the question above?

Q80: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q81: When considering the list of current assets items, how important is it to record the following items separately:

	Extremely important (5)	Very important (4)	Moderately important (3)	Slightly important (2)	Not at all important (1)
Cash at bank (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term investments (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accounts receivables (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Inventory (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prepaid expenses (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q82: Is there anything you would like to add you think is not adequately captured in the question above?

Q83: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q84: When considering the list of non-current liability items, how important is it to record the following items separately:

	Extremely important (5)	Very important (4)	Moderately important (3)	Slightly important (2)	Not at all important (1)
Mortgages (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Loans (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-term leases (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q85: Is there anything you would like to add you think is not adequately captured in the question above?

Q86: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q87: When considering the list of current liability items, how important is it to record the following items separately:

	Extremely important (5)	Very important (4)	Moderately important (3)	Slightly important (2)	Not at all important (1)
Accounts payable (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Superannuation liabilities (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unearned revenue/revenue in advance (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q88: Is there anything you would like to add you think is not adequately captured in the question above?

Q89: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

The following questions ask you to consider the information **disclosures found in a Cash Flow Statement**.

Q90: How important is it for you to know:

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
The movement between cash balances at the beginning and the end of the year (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity's operating cash flows (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity's investing cash flows (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity's financing cash flows (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q91: Is there anything you would like to add you think is not adequately captured in the question above?

Q92: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Audited/Reviewed financial statements provide important information about financial accountability and accuracy. This next question asks you to consider audited/reviewed financial statements.

How important is it to know:

	Extremely important (5)	Very important (4)	Moderately important (3)	Slightly important (2)	Not at all important (1)
The charity's financial statements were audited/reviewed (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The charity's financial statements were audited/reviewed by an independent accountant (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q93: Is there anything you would like to add you think is not adequately captured in the question above?

Q94: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

This next section asks you to consider the **timeliness of charity information disclosures**

Q95: How important is it to have timely disclosure of a charity's financial reports?

- ☐ Financial reports should be published within 3 months after Balance day (the end of the financial year) (1)
- ☐ Financial reports should be published 3-4 months after Balance day (the end of the financial year) (2)
- ☐ Financial reports should be published 4-5 months after Balance Day (the end of the financial year) (3)
- ☐ Financial reports should be published 5-6 months after Balance Day (the end of the financial year) (4)
- ☐ Financial reports should be published more than 6 months after Balance Day (the end of the financial year) (5)

Q96: How important is it to you:

	Extremely important (5)	Very important (4)	Moderately important (3)	Slightly important (2)	Not at all important (1)
To have access to the latest charity financial statements (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To have access to a charity's annual report (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Q97: Is there anything you would like to add you think is not adequately captured in the question above?

Q98: Please feel free to explain briefly your above choices if you feel it might add clarification to your response to this question.

Q99: At the end of this research, we are inviting participants to review the findings. Would you like to participate?

☐ Yes (1)

☐ No (2)

☐

If No Is Selected, Then Skip To End of Survey

Please enter the following information so that we can arrange a follow-up interview

Name (1)

Email (2)

THE END OF THE SURVEY

Appendix Nine: Invitation Email

Dear [Email Invitee's Name],

My name is Dara Dimitrov, and I would like to invite you to take part in my PhD study on information disclosures made by New Zealand charities. Before you decide whether or not you would like to take part, it is important for you to consider why the research is being done and what it will involve. I am providing the following information to help you in this.

What is the purpose of the study?

Information disclosure is linked to the accountability of charities. However, there is limited empirical evidence from stakeholders as to what disclosures a charity should make to satisfy its stakeholders. The purpose of this survey is to identify information disclosures a charity's stakeholders would like to see, in the New Zealand environment

Why have I been invited to take part?

As an established expert in this field, I am keen to gain your views on what information disclosures should be made by a charity.

What will I be asked to do if I take part?

This would involve answering a questionnaire related to charity information disclosures. It is envisioned that this will take around half-an-hour to complete.

Who is organizing the research?

This research is part of my PhD study. The study will be conducted by myself, and supervised by Prof. Howard Davey at the Department of Accounting, University of Waikato.

Confidentiality

Survey responses will be collated anonymously. All responses received in the study will be strictly confidential, and your identity will not be divulged. Direct quotes to free-text answers may be used as part of the study report, but these will not be traceable back to you.

Data protection

Survey responses will be collected online using a quality-assured web-based survey company, QualtricsTM. The URL (web address) can be found at the end of this email – your identity will automatically be encrypted once you commence the survey.

Results will be downloaded to an encrypted University of Waikato computer to allow analysis, using a participant identifying number known only to myself. Data will be stored for the duration of the research project and then deleted. You have the right to access your submitted information according to New Zealand data protection laws.

Research ethics

This investigation meets the ethical requirements of the University of Waikato, aiming to assure 'rigour, respect and responsibility' in the conduct of the research project. A copy of the University of Waikato ethics committee application and decision letter is available on request.

What do I do now?

Thank you for reading this information and for considering taking part in this research. If you wish to participate, a link to the survey has been provided to you below.

I would appreciate it if you would share this information with any other charity experts who might be interested in participating in this research. I am happy for my email to be passed on. If you have any questions or concerns, please contact me.

Follow this link to the Survey:

[Take the Survey](#)

Or copy and paste the URL below into your internet browser:

http://waikatomngt.az1.qualtrics.com/SE?SID=SV_74ArEYrvk8ZXe73&Q_CHL=preview&Preview=Survey

Follow the link to opt out of future emails:

[Click here to unsubscribe](#)

Again thank you for taking the time to read my email and assist in my research

Dara Dimitrov

Appendix Ten: Item-by-item analysis of the charity stakeholder exercise

The item-by-item analysis reflects the two recruiting methods used in this investigation; Email invitees (those invited to participate by email) and those who were recruited via Facebook.

Information Items 1-3: Disclosure of a charity's name

The charity stakeholders were asked to rank three information items; a charity's formal name, working name and the link between the two on the Charities services website.

The Email Invitees considered a charity's working name to be *extremely important*. The link between the two names on the charity register ranked slightly lower at *very important*. In comparison, the FB respondents ranked a charity's working name *very important* as well as its formal registered name.

For the Email Invitees, the means of all three information items tended towards *very important* or *extremely important*, and the standard deviations of the information items in the first category of were all below 1.0, indicating that there was a consensus by the charity stakeholders in their opinions.

For the FB respondents, the means for these three items were slightly less than the Email Invitee group with a tendency to rank the items as *moderately important* to *very important*. However, the standard deviation of the information items in the first category was still either just below or just over 1.0. This indicates that there was a consensus among the charity stakeholders.

When the descriptive statistics of both stakeholder groups are combined the weighting of the information items changes very slightly (See Table 1 for the combined stakeholder group¹). It is evident from the descriptive statistics that the charity stakeholders ranked the charity's formal registered name, its working name and a link between the two names as *moderately to very important*.

¹ Please note: the minimum and maximum reflects the stakeholders preference (i.e. if no stakeholder opted for Not at important at all (1), but instead opted by slightly important (2) – then the minimum will be recorded as (2). This holds true for the maximum field.

Therefore, all three items in this category are retained without changes as the items were considered *moderately important*, *very important* or *extremely important* by the stakeholders.

Information items 4-9: Disclosure of a charity's contact details

These information items related to the charity's contact details and the stakeholders were asked to rank (6) information items. The Email invitees ranked (5) information items in the charity contact category as *very important* or *extremely important*. One information item (the charity's physical address) was ranked as *moderately important*. Similarly, the FB respondents also ranked these items as *very important* or *extremely important*.

When the descriptive results of both stakeholder groups were combined, all (6) information items were considered to be *moderately important* to *very important*. The standard deviation for the combined stakeholder group is below 1.0 or just slightly over, indicating that there was the consensus of the combined stakeholder groups. A charity's contact details were considered by one FB stakeholder as critical because '*if they don't have [contact] details as above, then they might not be legitimate.*' While another FB stakeholder thought that charities should provide '*free calling numbers for people to check the [charity's] credibility*'.

Overall a charity's email address was considered (and weighted) the most important information item in this category and one stakeholder stated '*I'm much more likely to look for the charity on line and correspond via email.*' However, charity stakeholders also considered the website address and multiple websites as equally important. One FB stakeholder said '*many non-profits [charities] operate across multiple sites, in different cities, in different countries – so physical address can be misleading.*' While Email Invitee stakeholder stated that '*it would be important (and potentially) misleading) if one charity had multiple websites. The physical address is important for stakeholders who consider that charities need a presence in their town. When you look at many websites, their physical address is in Australia when the charity is registered in New Zealand*'.

One Email Invitee stakeholder felt that knowing a charity contact details '*provided trust and confidence in the charity*' while another Email Invitee stated '*...I have made donations expecting that my donation would be retained by the Hamilton/Waikato*

organisation, but instead, the mailing address turns out to be Auckland and thus I couldn't specifically direct my donation to the Waikato'. By the results from the stakeholders, all six information items are retained without changes for the disclosure index.

Several stakeholders commented on the use of social media by charities at the end of this block of information items as an important tool for communication with charity stakeholders. One FB stakeholder said

'Pages and accounts on social media like Facebook, Instagram and Twitter are extremely important for the people to learn about you and your work, also to show your work from photos where the charity is helping.'

While an Email Invitee said

'Social media is also being used by charities to communicate to their stakeholders. Many charities have Facebook and Twitter.'

It is acknowledged that the new registration form on the Charities Services website does provide an optional space for charities to place their Facebook and Twitter addresses. One FB stakeholder commented that *"Addresses to social media are also important, that is where registration analysts get most of the information about an entity's activities."*

Consequently, the social media information items were added to the disclosure index. These additional information items are found in Table 1.

Table 1: Social Media information items used by a charity

Item No.	Social Media Disclosures
139	Facebook
140	Twitter
141	Instagram
142	LinkedIn
143	YouTube

An Email invitee stakeholder commented '*all contact details of every charity should be readily accessible as support to interests of the communities and individuals.*' In conclusion, all the information items at the end of this block were retained, and a new group of information items was added to the disclosure index.

Information items 10-11: Disclosures of a charity's founding deed

These information items related to the charity's deed (founding document) and the ability for a charity stakeholder to get access to it. There were two information items. Access to a charity's deed was considered by the Email Invitee stakeholders as *very important or extremely important* (both ranked equally). Similarly, the FB respondents found access to a charity's deed as *very important*. The means for the Email Invitee group tended towards *extremely important*, with a standard deviation below 1.0 indicating that there was the consensus of this stakeholder group as to the importance of this information item.

In comparison, the FB respondents, the mean was slightly lower than the Email Invitee group, tending towards *very important* but again, the standard deviation was below 1.0 indicating that there was a consensus among this group of stakeholders. When combined, the standard deviation remained below 1.0, and there was a consensus among the charity stakeholders as to the importance of this information item.

The second information item addressed the issue of significant changes to a charity's deed – it was considered *extremely important* by both the Email Invitees and the FB respondents. The mean tended towards *extremely important* for the Email Invitees while it tended to toward very important for the FB respondents. Again the standard deviation for both groups remained below 1.0 indicating that there was the consensus from the combined charity stakeholders. When combined the mean tended towards *very important* however the standard deviation remained below 1.0.

The stakeholders' comments largely focused any significant changes to a charity's deed. One FB respondent said;

'Legally, they [the charity] must update their rules with the Charities Services within three months – this is very important, especially if the rules have changed the purposes of the organisation, and may indicate the entity no longer qualifies for registration. It may also have significant bearing for donors or funders, who

rely on the stated purposes in the deed to confirm the entity qualifies for the existing grants/donations etc.'

Another FB respondent commented that *'I know it's not too hard to get the deed, but usually it is not very clear if it's the most up to date one. Also when there are updates to sections of the deed, it would be helpful if a fully updated deed was on the charities register'*. One stakeholder felt that *'the charity deed must comply with good legal practice and reviewed as part of the charitable status process by the appropriate regulators.'*

Accordingly, any significant changes to a charity deed were weighted more important because charity stakeholders wanted to have access to the most up-to-date version of the charity deed. One FB respondent stated that *'charities need to be transparent.'* In conclusion, both these information items were retained without changes.

Information items 12-15: Disclosure of a charity's objectives and sector

These information items addressed the charity's objectives and location of its operations. When asked to rank the importance of knowing a charity's objectives, both charity stakeholder groups ranked this information item as extremely important. Similarly, both charity stakeholder groups also ranked the beneficiaries the charity expects to assist as extremely important.

However, where the Email Invitees ranked the last two information items (the sector that a charity operates in and the location it operates) as very important, the FB respondents regarded both these information items as extremely important. When the stakeholder group result was combined, the means were very close to extremely important for all the information items in this block. The standard deviation remained below 1.0, indicating that there was a strong consensus among the stakeholder groups.

One FB respondent stated that *'the main concern for us (from a registration of charities perspective) is that the objectives of the charity are clearly defined.'* While an Email Invitee thought that *'a clear mission and purpose is important as is being able to tell the success stories and measuring that success.'* Overall the combined charity stakeholder group ranked (and weighted) the objectives and the beneficiaries of a charity as *extremely important*. This was reflected in a comment made by an FB respondent who felt that *'[these information items] very important – this is why I*

donate. I need to know the cause I am helping to make sure I want to part with my money’.

The other two information items in this category (the sector the charity operates in and its location) however still ranked (and weighted) *very important* by the combined stakeholder group. The standard deviation of all the information items was very low – well below 1.0 which indicates that strong consensus was achieved by all the charity stakeholders. In conclusion, all (4) information items in this group were retained without changes.

Information items 16-21: Disclosure of a charity’s legal and organisational structure

The next information items looked at the charity’s legal structure, where it was registered, and whether the charity had chapters, branches, or affiliates as well as any commercial operations/subsidiaries. There were (6) information items. The Email Invitees considered all the items, with one exception (if a charity has local chapters, branches or affiliates) *very important*; the results were very similar for the FB respondents. Both the Email Invitees and FB respondents considered the disclosure if a charity was registered on other public registers *very important* and ranked the disclosure of other registration numbers also as *very important*.

When the stakeholder groups’ results were combined, the means of the information items tended towards *very important* for all the information items. The standard deviation for all the information items again remained below 1.0, indicating that consensus was achieved by all the charity stakeholders.

There were few comments from the stakeholders for this block of information items, but there was a focus on the whether a charity disclosed if it had any commercial operations or subsidiaries. One FB respondent said “*When is a charity not a charity? When it has commercial operations and subsidiaries*”. One Email Invitee felt that

‘Something like Santarium being a charity causes an unfair business advantage with other food processes. Charities have different branches that are legally separate needs to be clearly stated. Charities have the tendency to want to look poor so have been known to start different branches so they can spread out their assets and surpluses. The recent NZ changes to the accounting standards and

the resulting consolidation requirements will change only some of this behaviour.'

While an Email Invitee was more concerned that *'if the failure of commercial operation could cause the charity to cease operations, then declaring that relationship is very important'*. This ethic was reiterated in the following comment by an Email Invitee who said *"Do something legal and don't hide anything you don't want to be found out from another! ..it is important for people to know that you are not hiding anything"*.

There was only one comment that related to the charity's legal structure – one Email Invitee felt that *'with limited information and historical context, stakeholders may not know why a specific legal structure was chosen'*. Accordingly, the combined stakeholder group weighted the disclosure of a charity's commercial operations and subsidiaries as the most important information item in this block of information items. However, overall, all the information items were weighted *very important*. In conclusion, all the information items in this block were retained without any changes (Classification 1).

Information items 22-28: Disclosures about a charity's board

The next information items were related to the charity board members. There (7) information items in this group that asked the stakeholders to rank the disclosure of information items to do with the makeup and operation of the charity board. The Email Invitee respondents ranked most of these information items as *very important or moderately important*. Similarly, FB respondents also thought that most of the information items in this block were *very important or moderately important*. Both stakeholder groups ranked the number of the charity board members required by the charity deed as *moderately important* – but the FB respondents weighted this higher (44.12%) than the Email Invitees (39.39%). The name of each charity board member was ranked as *very important* by both groups – with the Email Invitees weighting this item higher than all the other information items in this category. The FB respondents also ranked this information item *very important* however it was weighted evenly with

another the disclosure if a charity board member served on any other boards. Overall, the same information items were ranked *moderately important* or *very important* by each stakeholder group.

The means of all the information items in this category trended towards *moderately important*; the exception was the information item that related to the decisions of the charity board being subject to approval by a person not on the charity board. This information item tended towards *very important*.

However, the standard deviations of these information items remained close to (1.0), even though they were slightly above (1.0). Again this statistic establishes that consensus of the stakeholder groups was achieved. The lowest ranked information item in this group of information related to the duration of appointment for a charity board member – both charity stakeholder groups took a neutral position on this particular information item (Email Invitee 42.42%, FB respondents 38.24%). At the end of this block, there was only one comment made by an Email Invitee who said ‘*these practices must be covered off in the [charity] Deed or Constitution. However, it is not needed on the website and if a stakeholder wants to review they can*’. In contrast, an FB respondent felt that the ‘*disclosure of other board member’s interests is very important as these outside activities might impact on the ways funds are used.*’ So while this category of information items trended from the neutral position, all these information items have been retained without any changes.

Information items 29-34: Disclosures about a charity board member’s details

The next information items related to the disclosures about individual charity board members. The first group of information item looked at the contact details for a charity board member along with the qualifications the charity board member held. While the full name of each charity board member was ranked and weighted the *very important* by both the Email Invitees and the FB respondents – the date of birth of a charity board member was ranked *not important at all*. Similarly, both stakeholder groups ranked a contact address and an email contact as *not important at all*. The FB respondents felt that having a telephone contact for each charity board member *very important*, while the Email Invitees felt that a telephone contact was *not important at all*.

The findings reflected the overall feelings of the Email Invitee stakeholder group, and there were some comments at the end of the block. An Email Invitee stated that ‘*the*

contact information of the [charity board] trustees should be through the charity itself. No need for personal information etc. While another Email Invitee felt *‘I think some level of confidentiality needs to be maintained otherwise people won’t volunteer. You can’t get Directors’ phone numbers from the companies’ office site, so I don’t think you should be able to get phone numbers from the Charities Register.* Another Email Invitee brought up the suggestion that *‘personal contact details can expose Board members to abuse from stakeholders.* However, possibly the Chairs email address could be useful.

In contrast, one FB respondent felt that *‘A unique identifier per officer that perhaps would correspond with the companies office directors list would be good so that you can see what other boards a member is on. The identifier would make searches easier for common names like “John Smith”’.* So while the two stakeholder groups agreed that a contact address and email contact might not be that important – there was a disparity between the groups when it came to identifying if a charity board held other charity/director positions.

When it came to the information item that related to the qualifications or expertise of the charity board member, the Email Invitee stakeholder group ranked this as *very important* as did the FB respondents. An Email Invitee stated that *‘the qualities that each board member brings is essential to determine if the board has the necessary skills to conduct their business effectively.’* Accordingly, this information item was weighted the most important by the combined stakeholder group.

The mean for most of these information items trended towards *slightly important*. The two items that did not follow this trend was the full name of the charity board (*very important*) and the qualifications and expertise of the charity board member (*moderately important*). The means for these information items remained close to (1.0) which indicates that there was a consensus among the stakeholder groups. In conclusion, these information items were sitting in the neutral position (except the date of birth of a charity board member) and therefore information items were retained. The exception information item (the date of birth of a charity board member) trended towards *not important at all*. This information item was set to be reviewed at the end of the stakeholder process.

Information items 35-39: Disclosures about a charity board member's compensation

The next information items addressed the compensation/benefits paid to individual charity board members and whether the charity board member received compensation/benefits from another related entity was important. There were (5) information items. The Email Invitee stakeholders ranked these items *extremely important* with only one exception – the compensation/benefit provided to each charity board member was ranked *very important*. In contrast, the FB respondents ranked all these items to be *very important*. An Email Invitee stated that '*most of this is best disclosed in the financial statements*' while another Email Invitee stated that

'These practices must be covered off in the Deed or in the Board Manual which is referenced in the Deed or Constitution. However, it is not needed on the website and if a stakeholder wants to review it, they can.'

While another Email Invitee stated that '*affordability and market rates are factors.*' Both these comments reflect New Zealand charities do pay their charity board members. However, they are supposed to be restrained by market rates. An Email Invitee stated that '*Appropriate compensation/benefits are essential to ensure an appropriate pool of board members i.e. not just wealthy people who can afford not to be paid*'. However, another Email Invitee stated that '*However, there needs to be fairness in compensation, and ideally an independent body reviewing this would be more transparent.*'

In contrast, an FB respondent felt that '*I like to know my money is going to the cause I am donating to, not lining the pockets*'. This comment reflected the overall feeling from the FB respondents as this stakeholder group weighted the compensation/benefits provided to charity board members most important. In contrast, the Email Invitees ranked equally the review of an individual charity board members compensation/benefits as the most important of the information items along with the arm's length procedures for charity board members. An Email Invitee felt that '*all related party information provides important context to decision making etc.*'. While another Email Invitee stated,

'It's important to make sure that the purpose of the charity is not solely to provide remuneration to board members, and therefore you need to be able to

compare the level of fees paid to board members against the total amount of expenses/income.'

When the results of the two stakeholder groups were combined, the mean of each information item tended towards *very important*. The compensation/benefits provided to each charity board member was weighted the most important information item by the combined stakeholder group.

The standard deviations of the information items remained close to (1.0) but demonstrated a wider spread than all the other previous information items. Despite this, all the information items would be retained with no changes.

Information items 40-44: Disclosures about a charity board's recruitment

The next block of information items related to the recruitment, appointment, and removal of a charity board member. It also asked the charity stakeholders to consider if they thought a search for a banned or disqualified persons before the appointment was important, or if they thought there should be any recruitment provisions in the charity's deed. There were (5) information items. The Email Invitees took the neutral position with all the information items, ranking them as *moderately important*, with the recruitment of a charity board member weighted the most important piece of information. An Email Invitee stated that *'the answers to these [disclosures] would depend on whether I was considering joining a board.'* While another Email Invitee thought that these disclosures *'must be covered in the Deed or in the Board Manual which is referenced in the Deed or Constitution. However, it is not needed on the website and if a stakeholder wants to review it, they can.'* Moreover, another Email Invitee thought that *'In practice, stakeholders show little interest in this and assume that the charity has it inherent in its practices.'*

In contrast, the FB respondents considered all these information items to be *very important* and ranked equally the appointment, removal of a charity board member, and recruitment provisions in the charity deed. One FB respondent felt that *'it was important to see how active each board member has been in participating/attending board meetings/committees during the year'*. When the results of the two stakeholder groups were combined, all the information items trended towards *moderately important*.

The search for a banned or disqualified person before a board appointment was made was weighted the most important information item, while how a charity recruits a board member the least important. The standard deviations of these (5) information items remained close to (1.0), indicating that consensus was achieved by the charity stakeholder group. However, like the previous group of information items, there was a greater spread in this group. However, these information items will be retained without any changes.

Information items 45-48: Disclosures about a charity board report

The next information items related to the communications that come from a charity board, specifically an annual charity board report, the chairman's annual statement, and the strategic plans for the charity and if they had been any changes made to the strategic plans. The Email Invitee stakeholder group felt that the first information items were *extremely important* (the publication of an annual charity board report). This same group felt that all the other information items in this category (the publication of a chairman's statement, any strategic planning and any changes made to strategic plans) were *very important*. One Email invitee stated that '*if charities are seeking money from the public then they have a responsibility to keep the public informed of the same and to the same extent that limited liability companies.*' While another Email Invitee stakeholder said '*Although important – smaller charities rely on the annual return to the charities commission.*' Finally, one Email Invitee stated '*Also need the reason why there were changes/deviations to the strategic plan.*'

In contrast, the FB respondents felt all the information items in this were *very important*. One FB respondent felt that '*for example, the Grain Growers, refer extensively to a strategic plan and so they can be quite relevant in the consideration of whether an organisation is charitable.*' Another FB respondent said '*all these [information items] things are of primary importance and are needed to offer full disclosure of past and future activities etc.*'.

When the two stakeholder group results were combined, the means of the information items trended towards *very important*, the publication of an annual charity board report being weighted by the stakeholder group as the most important information item. The standard deviations of the information items remained below (1.0) indicating that there

was a strong consensus by the stakeholder group. Therefore, the information items were retained without changes.

Information items 49- 53: Disclosures about a charity board member

The next information items related to any charity business transactions that involved a charity board member (either directly or indirectly). The first category contained (3) information items related to business transactions. The Email Invitee stakeholder group felt that two of the information items (a business transaction that involved a current or former charity board member and a business transaction that involved an entity of which a former or current charity board member was an officer or indirect owner of that entity) *very important* while the third information item was considered *extremely important* (a business transaction that involved a family member of a current or former charity board member).

An Email invitee stated that *'most of these [information disclosures] will be best disclosed in the financial statements.'* While another Email Invitee stakeholder felt *'this is of utmost importance. Too many issues in the past with these non-disclosure related party transactions in charitable entities'*. Moreover, an Email Invitee felt that these information disclosures should be *'covered by policy, conflict of interest, etc. with governance and management and should be subjected to audit'*. The Email Invitee group weighted the information item where a transaction involved a current or former charity board member as the most important.

The FB respondents similarly ranked all three information items as *very important*. One FB respondent stated that *'This may involve private benefit that would be outside the scope of the charity or may involve trustees breaching their obligations, accordingly consideration of this [information disclosure] would be vital. These should be reported under the new reporting standards regime'*. This stakeholder group weighted the business transaction that involved an entity of which a current or former charity board member is an officer or indirect owner as the most important. However, it is noted that the other two information items were weighted very closely to the leading information item.

When the two stakeholder group results were combined, the means of the information items settled on *very important*. The standard deviations of this category of items

were all just below or just above (1.0) indicating strong consensus between the stakeholders. Therefore, these information items were retained without changes.

The next information items in this group related to grants, benefits or other assistance that the charity board to an individual charity board member or a family member of a charity board member. There were (2) information items in this category. Both the Email Invitee and the FB respondent stakeholder groups ranked these information disclosures as *extremely important*. One Email Invitee stakeholder believed '*related parties should be declared and the transactions should be at arm's length.*' However several of the stakeholders in the Email Invitee group believed that these information disclosures should be best disclosed in the financial statements. One Email Invitee said '*Annual financial report should cover all sources of funds and expenditures as per the appropriate financial reporting standards including related parties/subsidiaries etc.*'. Furthermore, one Email Invitee believed that '*one also needs to know the terms and value of the assistance or benefit given.*' An FB respondent stated that '*[these disclosures] are at the core of the need for transparency and integrity*' while another stated that '*... [these information disclosures] are important to communicate conflicts of interest*'.

When the stakeholder group results were combined the means of these information items were considered to be *very important*. The Email Invitee stakeholder group weighted both information items almost equally – while similarly the FB respondent groups did as well.

The standard deviations of the both information items were below 1.0 which indicates strong consensus of the stakeholders. Therefore both these information items are retained without changes.

Information items 54-55: Disclosures about a charity's relationships

The next information items dealt with a charity's relationship information disclosures. There are (2) information items in this group. The charity stakeholders were asked to consider the importance of a charity disclosure if it had a relationship with another charity or another related party or entity.

The Email Invitees considered both these disclosures as *very important* and weighted the relationships with another related party or entity more importantly than the other.

One Email Invitee stated *‘there needs to be transparency of connections and relationships’* while another considered that *‘[these relationships] will become more common as Government and other funders want to deal with fewer funding contracts and consider there are too many charities.’*

The FB respondent stakeholders similarly ranked both these information items as *very important*, and they were weighted equally as well. The combined results of the two stakeholder groups ranked both these items as trending towards *very important*. The standard deviations of both information items sat just below (1.0.) Therefore there was a consensus between the stakeholders. Therefore both these information items were retained without changes.

Information items 56-67: Disclosures about a charity’s staff

The next information items relate to charity staff disclosures. There are (12) information items arranged into (3) groups. The first group had (5) information items that were related to the disclosures about who a charity hired. The Email Invitees considered these information items as *moderately important*, except the disclosure of the (10) highest paid staff salaries which they considered *very important*. An Email Invitee stated *‘most of these disclosures are covered by the requirements of the Charities Services website.’* While another Email Invitee felt that *‘if you want to require disclosure of contractors, the definition has to be clear – if you include all the contractors it would include the person who comes occasionally to clean the windows.’*

In contrast, another Email Invitee stakeholder believed *‘asking for the 10 highest paid salaries is a bit much – in small charities, it would mean everyone’s salaries would in the public domain. I suggest a requirement to disclose total salary bill, staff numbers and salaries over a given threshold (in the UK we require salaries over GBP60K to be disclosed in 10K bands which seem to work well’*. In keeping with this ethic, another Email Invitee stakeholder felt *‘the non-profits ability to achieve impact (aligned to its objectives and purposes) is critical, how it achieves this through employing FTEs, PTEs, contractors and how these are remunerated is not relevant2.’*

In contrast, the FB respondent stakeholder group felt that all the items were *very important* with the one exception – the disclosure of the (10) highest paid staff salaries

² FTEs – Full-time employees, PTEs – Part-time employees

which they considered to be *extremely important*. One FB respondent felt that '*Key is whether the charity is achieving its mission and changing the lives of their beneficiaries. A volunteer workforce is maybe cheaper but not as efficient and effective as full-time employees*'. Another FB respondent felt they '*would appreciate knowing the total number of FTEs and the total salary/wage bill.*'

The combined stakeholder group results ranked the information items in this group as *moderately important*, with one exception, the disclosure of the number of contractors hired by the charity which was ranked *slightly important*. The number of full-time staff employed by the charity was weighted the most important in this group. The means for these information items confirmed this finding. The standard deviations of the information items in this category were all greater than (1.0) but still closer to (1.0) which indicated that the stakeholder groups were in consensus. Therefore all these information items were retained without any changes.

The next group of information items in this block related to business transactions that involved a current or former charity staff members and contained (3) information items. The Email Invitee group considered two of the information items *extremely important*, while the business transaction that involved a current or former charity staff member who was an officer or indirect owner of that entity was *very important*. One Email Invitee considered that these disclosures '*were important only for senior management – not all staff*'. While another Email Invitee felt '*I am sure that there are certain charities where these topics have been 'abused' by individuals. They need to be considered, and Auditors usually consider these situations as part of the audit. If the charity is not being audited, then it needs to be audited so that it can maintain its contracts/funding raising initiatives and its charitable status*'.

In contrast, the FB respondents felt all three information items were *very important*. One FB respondent stakeholder considered that '*as a donor, it is not extremely important to know the details of the day-to-day finances of a charity listed [as] listed in this section providing some audit or responsible organisation monitoring the charity's operation.*' Another FB respondent felt that '*[these disclosures] should be per policy.*'

The combined stakeholder group results found that two information items were *very important* with the third information item trending towards *very important*. A business

transaction that directly or indirectly involved a current or former member of staff was weighted the most important information item in this category. The standard deviations of the information items were below 1.0, indicating strong consensus of the stakeholders. Therefore, these three information items were retained without any changes.

The final group in this block related to any grants, benefits or assistance provided to current or former charity staff members. The Email Invitees considered that providing a grant, benefit or assistance to a current or former employee as *extremely important*, but they also ranked the other two information items as *very important*. Similarly, the FB respondent ranked the same information items in the same way. One FB respondent felt that '*[failure to disclose] is a conflict of interest.*'

The combined stakeholder group results found that the means of the information items were all closely aligned with *very important*. The first two information items in the table were weighted equally. The standard deviations of the information items were just over 1.0 or just below, indicating that there was a consensus among the stakeholders. Therefore these three information items were retained without changes.

Information items 68-79: Disclosures about a charity's programs

The next information items related to a charity's disclosures about its programs. There were (3) groups in this block with (12) information items. In the first category, the stakeholders were asked to consider the disclosure of a charity's policies for selecting its programs; there were (2) information items. The Email Invitees found these (2) items *moderately important* while the FB respondents found them to be *very important*. The Email Invitees weighted the disclosure about future/forward-looking information more importantly than the policies a charity had to select its programs; the FB respondent weighted the same information items in the opposite way.

When the stakeholder results were combined, the two information items were both found to be *moderately important*. The policies in selecting its programs were weighted most important in this category. The standard deviations of both these information items were well below (1.0) which indicates strong consensus between the stakeholders. Therefore both these information items were retained without changes.

The next group in this block asked the charity stakeholders to consider information items related to a charity's programs. There were (5) information items in this category. The Email Invitees ranked these information items as *very important*, except one, a narrative description of the each program – this was ranked *moderately important*. Similarly, FB respondents ranked the same information items in the same way. One Email Invitee said '*The cost of doing budgets and reporting against them is an internal management choice. Some organisations do not have the resources to budget and then compare them with Actuals. Similarly, the ability to actual record beneficiaries helped by the programs maybe contractual or funder driven. Reporting against the public benefits or community benefits/outcomes versus individual benefits is fraught with methodology issues and not a trivial problem*'. In contrast, another Email Invitee felt that '*funders want and need to see this from assurance and investment.*'

Another Email Invitee stated that '*I don't think charities should be forced to disclose data for individual programs – in any case, it is almost impossible to define what is meant by a program. It may be worth encouraging larger charities to consider this but definitely don't make it mandatory*'. This was reiterated by another Email Invitee stakeholder who felt '*Transparency is noble, but measurement and compliance (in order to be transparent) can be distracting from the impact.*'

The combined stakeholder results found all (5) information items were considered to *moderately important*, with most trending towards *very important*. The means of the information items confirm these results. The standard deviations of these information items were all below 1.0 with one exception which was just over 1.0 (a comparative between the planned budget and actual costs disclosed for each program). The public benefit of a charity's programs was weighted the most important while a narrative description of each program was weighted the least important.

Therefore all five information disclosures were retained without changes.

The final group in this block asked the stakeholders to consider disclosures about when a charity worked with another entity(s) to deliver its programs. There were (4) information items in this category. The Email Invitees found all (4) information items were *moderately important* and if a charity worked with another entity(s) to deliver a program was weighted the most important information item in this category. One

Email Invitee stated '*funding contracts with government or funding organisations will have specific reporting requirements and these are often not disclosed to anyone else.*' In contrast, another Email Invitee said '*funding sources should be disclosed, but it is excessive to require disclosure of every instance of joint working.*' In keeping with this ethic, another Email Invitee thought '*the key to achieving their mission and do this in an efficient and effective manner.*'

The FB respondents found all (4) information items were *very important* and if a charity worked with another charity(s) to deliver a program was weighted the most important information item in this category. The combined results of the two stakeholder groups established that found all four information items were *moderately important*.

The information item that weighted most important was if a charity worked with another charity/government agency/entity, it reveals the nature of the work it does in the partnership. This was reiterated by an Email Invitee who felt that '*joint ventures and outcomes are important to disclose.*' The standard deviations of these information items remained below (1.0) indicating that consensus was reached among the stakeholders. Therefore all these information items were retained without any changes.

Information items 80-84: Disclosures about serious incidents

The next group of information items asked the charity stakeholders to consider if a charity was involved in any criminal matters or serious incidences. There were (5) information items in this category. The Email Invitees found the information items that related to criminal activity as *very important* or *extremely important*. However, for the two information items that related to other serious matters, the Email Invitees found these last (2) information items to be *moderately important* or *very important*. In contrast, the FB respondents found all (5) information items to be *extremely important*.

One of the Email Invitee stated that '*criminal prosecutions of individuals or charities are extremely important but privacy and name suppression in case the allegations are false and prosecutions are inconclusive need to be safeguarded*'. Another believed '*it all depends on the severity. Also, there are some issues which should be disclosed to the Charity Regulator but not made public*'.

In contrast, one FB respondent said that *'funders want to know if there has been misappropriation in a charity they have funded. The control environment is crucial for detecting and deterring fraud and the fact that fraud has been detected important too'*. Another FB respondent simply stated that *'charity implies trust so any fraudulent behaviour by a charity must be reported.'*

When the results from the two stakeholder groups were combined – where a charity was involved in a fraud was weighted as the most important information item in this category. The means of the three information items that related to criminal activity trended towards *extremely important* while the means of the other two information items trended towards *very important*.

The standard deviation for the (4) of the information items was below (1.0) while the information item which was related to an accident of some kind was slightly over (1.0). The standard deviations indicate that strong consensus was reached among the stakeholders. Therefore all these information items were retained without any changes.

Information items 85-89: Disclosures in charity's financial reports – general information

The next group of information items was related to current and prior year financial reports, group reporting, and subsidiaries. There were (5) information items in this category. The Email Invitees found that all (5) items were either *very important* or *extremely important*. In contrast, the FB respondents found all (5) information items *very important*.

Most of the comments in this category related solely to the consolidation of charity accounts. One Email Invitee felt that *'don't make group accounting mandatory except for larger groups, but even for the largest groups, the group accounts are not always useful as the separate accounts of the parents and the subsidiaries.'* Another Email Invitee stated *'if investment entity is in group – then they obviously don't need separate accounts'* while another said *'many investment subsidiaries are used to hide how rich a charity is.'* One FB respondent felt *'not sure I would understand them anyway, probably prefer to know that an independent and trusted body was monitory.'*

About the information items that referred to current and prior year financial reports, an Email invitee felt '*the current year's financial report has last year's comparatives. Prior to that is not too relevant*'. The mean for (4) of the information items tended towards *very important* while the first information item trended towards *extremely important*.

Having access to the current year's financial reports was weighted as the most important information item in this category. The standard deviations for (3) of the information items were just over (1.0), while the other (2) information items were below (1.0), indicating that consensus was achieved by the charity stakeholders. Therefore all these information items were retained without any changes.

Information items 90-91: Disclosures in charity's financial reports – general information

The next group of information items related to getting access to a charity's financial reports on the Charities Services website and on its website. There were (2) information items. While Email Invitees felt that it was *extremely important* to get access to the Charities Services website, they also felt that it was *very important* to get access to a charity's website.

The FB respondents felt that both information items were *very important*. One Email Invitee felt that the charity's financial reports '*should be included in the annual report*' while an FB respondent stakeholder there should be '*a performance report*.' The mean of these two information items both trended towards *very important*, and the standard deviations were below (1.0) or just slightly over 1.0.

Having access to a charity's financial reports on the Charities Service's website was weighted as the most important information item in this category. The consensus was reached by the charity stakeholders on both these information items, and they were retained without any changes.

Information items 92-96: Disclosures about a charity's accounting policies

The next information items related to a charity's financial policies and any material changes it had made to its financial policies. There were (6) information items. The Email Invitees considered that a charity should provide a full set of financial reports

with associated notes of explanation as *extremely important* while the other (4) information items were considered *very important*. One Email Invitee stated that *this is good governance*. In contrast, the FB respondents felt that all (6) information items were *very important*.

This was reiterated in the combined results which found apart from the first information item (which was found to be *extremely important*), the other (4) information items were considered to be *very important*. The information item that was weighted the most important in this category by the charity stakeholder groups was the disclosure by a charity if it had made material changes to its accounting policies in the last (12) months.

The means of the information items trended towards *very important*, with (4) of the standard deviations being slightly over (1.0), and one information item just below (1.0). Therefore consensus was reached by the charity stakeholders for these (5) information items, and they were retained without any changes.

Information items 97-109: Disclosures from a charity's incomes statement

The next block contained three groups of information items related to a charity's income statement. The first category asked the stakeholders to consider the information items related to a charity's revenue streams. There were (6) information items in this category. The Email invitees felt that all (6) information items were *very important* while the FB respondents felt all (6) information items were *extremely important*. One Email Invitee felt that '*if [a charity] does not meet the standards, then their charitable status should be revoked.*' While another Email Invitee stated that '*bequests [can] be very confidential and sensitive.*' The combined results found that all (6) information items were considered to be *extremely important*.

Government contracts were weighted the most important information item in this group. However, it is noted that the means were all very close for these information items. The means of the information items all trended towards *extremely important*, and the standard deviations were all below (1.0), indicating that there was a strong consensus between the charity stakeholders. Therefore all (6) information items were retained without any changes.

The next group in this block had information items that were related to a charity's expenditures. There were (5) information items in this group. The Email Invitees found all (5) information items *very important* whereas the FB respondents found the same items to be *extremely important*. One Email Invitee stated '*defining 'admin costs' is near impossible – see 20 years of debate in the UK. I certainly do not think you can require disclosure of every material transfer of resources to another entity or you would be requiring every purchase to be disclosed over a certain level. But grants should be disclosed*'. While another Email Invitee stated '*all charities need efficiently run administration office to service their programs. Highlighting administration cost can be misleading especially as some of the costs overlap with program costs e.g. receptionist that provide information to beneficiaries assist the charity achieving its mission but may be looked on as an administration cost*'.

The information item weighted most important in this category was any details of any material transfers from the charity to another. The means of these information items all trended towards *extremely important*, and the standard deviations were all below (1.0), with only one exception (the details of any expenditure spent overseas). The combined results indicate consensus was achieved among the charity stakeholders. Therefore, all (5) information items were retained without changes.

The final group of information items in this block related to if a charity had paid tax or made a profit/loss. There were (2) information items in this block. The Email Invitees considered both these information items to be *very important* while the FB respondents found both items to be *extremely important*.

When the results of the stakeholder groups were combined, if a charity paid a profit/loss was weighted as the most important information item in this category. The means of the information items both trended towards *extremely important* while the standard deviation was below (1.0) for one information item (if the charity made a profit/loss) while the other was just above (1.0) (if a charity had paid tax). The results indicate that there was a consensus among the charity stakeholders, therefore, both these information items were retained without changes.

Information items 110-127: Disclosures from a charity's balance statement

The next block contained four groups that related to the Statement of Position (Balance Sheet). The first group contained (7) items and was related to non-current

assets held by the charity. The Email Invitees considered all these items to be *very important*, with only one exception (the long-term reserves of a charity) which they considered to be *extremely important*. This was reflected in a comment made by one of the Email Invitees who stated that *reserves assist in indicating how economically prudent the charity is*. In contrast, the FB respondents considered all the information items in this category as *extremely important*, with one exception (Computer and IT assets).

When the results were combined – the information items were all considered to be *very important*, with one exception – the long-term reserves were considered to be *extremely important*. The information item weighted most important was the long-term reserves held by the charity.

The means of the information items confirmed this finding. The standard deviations of these information items were more widely spread, with the number of motor vehicles being the widest spread (1.27), closely followed by computer and IT assets (1.22). However, the rest of the information items in this category were just below 1.0 or just over (1.0). The results indicated that there was a consensus among the charity stakeholders. Therefore these information items were retained without changes.

The next group of information items related to a charity's current assets. This category contained (5) information items. The Email Invitees considered that all these information items were *very important*. One of the Email Invitees stated *inventory such as 'op shops' can be very hard to value and should be disclosed in notes rather than in the Balance sheet.* In contrast, the FB respondent stakeholders considered all the information items in this category as *extremely important*.

When the results were combined the information items, the means trended towards *extremely important*, and the standard deviations were either just slightly below or above (1.0). Cash at bank was weighted the most important information item in this category. The results indicate that there was a consensus among the charity stakeholders, therefore, both these items were retained without changes.

The next group of information items in this block related to a charity's non-current liabilities. There were (3) information items in this category. The Email Invitees considered all three information items to be *very important*. One Email Invitee said

that *'liabilities but mortgages and loans may be seen as the same'* while another said *'transparency is key.'* In contrast, the FB respondents found the same three items to be *extremely important*.

When the results were combined, the three information items the means trended towards *very important*, and the standard deviations were all well below (1.0). Mortgages were weighted the most important information item in this category. The standard deviations indicate that there was a strong consensus among the charity stakeholders. Therefore these three information items were retained without changes.

The final group of information items in this block related to a charity's current liabilities. There were (3) information items in this category. The Email Invitees found all (3) information items to be *very important*. One Email Invitee stated *'shows how solvent charity is'* while another said *'while we have nothing to conceal, financial statements do not allow for full storytelling [as] to what is happening behind the numbers.'* Similarly, the FB respondent stakeholders found that all (3) information items were *very important*.

When the results were combined, the means of the information items trended towards *very important*. The standard deviations were also well below (1.0). Accounts payable was weighted the most important information item in this category. The standard deviations indicate that there was a strong consensus among the charity stakeholders. Therefore these three information items were retained without changes.

Information items 128-131: Disclosures from a charity's cash flow statement

The next block contained one group and related to a charity's cash flows. The category contained (4) information items. The Email Invitees considered these (4) information items to be *moderately important*. One Email Invitee felt *'I don't think a cash flow statement is much use for charities (at least not as a statement for the past financial year).'* Another said *'Tier 3 entities do not need to disclose investing and financing separately but can combine'*. In contrast, the FB respondent stakeholders felt that the (4) information items were all *very important*. One FB respondent stakeholder felt that *'cash flow is vital to a charity'* while another said *'cash flow is important to show if the charity is solvent, and how they are funded. Large sums in investments indicate charity could be building assets at the cost of delivering services to their beneficiaries'*.

When the results were combined, the found information items trended towards *extremely important*. However the standard deviations consistently had a wider spread with them all being over (1.0) – they ranged from (1.16) – (1.23).

Information items 132-133: Disclosures about a charity's audit/review of financial reports

The final block of information items related to the auditing, availability of annual report and the timeliness of a charity's reporting. There were three groups with (9) information items.

The first group related to the audit of a charity's financial statements and contained (2) information items. The Email Invitees considered that both information items in this category to be *extremely important*. One Email Invitee felt '*I understand that audited/reviewed statements are a requirement of some contracts/funding organisations and I agree with that.*' Similarly, the FB respondent stakeholders felt the same – and the both information items were regarded as *extremely important*. One FB respondent stakeholder said that '*simply proof of an audit would, I think, be evident enough. However, in the case of an independent accountant, there should be adequate information supplied*'.

When the results were combined, the means of both items trended towards *extremely important*, and the stand deviations were both below (1.0). This indicates that there was a strong consensus between the charity stakeholders. Therefore both these information items are retained without changes.

Items 134-136: Timeliness of a charity's reporting

The next group in this block contained (5) information items and related to the timely disclosure of a charity's financial statements. The Email Invitees felt that a charity should publish their financial reports (3) months after balance day; similarly, FB respondents felt the same.

The standard deviation was (1.39) for this group with the mean falling towards (3) months. In this case, all (5) information items will be retained without change – so as to indicate when the charities are publishing their results Moreover, the results show a strong consensus among the charity stakeholders.

The final group in this block asked the stakeholders to consider access to a charity's latest financial statements and annual report. There were (2) information items in this category. The Email Invitees considered access to both documents as *extremely important*. Similarly, FB respondent stakeholders felt the same. One Email Invitee stated '*gives confidence in the financial sustainability and achievement of outcomes*' while another said *publishing financial reports by a set date could be very hard for charities that are staffed entirely by volunteers*. One FB respondent felt that charity report should '*mirror the report of for profit entities*.'

The combined results found that the means of these (2) information items trended towards *extremely important* and the standard deviations were well below (1.0). To have access to a charity's annual report was weighted as the most important information item in this category. The standard deviations indicate that there was a strong consensus between the charity stakeholders. Therefore both these information items are retained without changes.

Summary of the findings of the charity stakeholder validation of the information items.

At the conclusion of the charity stakeholder validation exercise, all the information items in the draft disclosure index were retained. The level of importance for each information item was determined by each charity stakeholder – and the as a result of this process the means and the standard deviations was calculated for each information item. The returned results from both stakeholder groups found that every information item (except the *date of birth of a charity board member*) was ranked from *moderately important*, *very important* or *extremely important*. There were no significant differences in the ranking of the information items, despite the differing objectives between the stakeholder groups.

Appendix Eleven: Twenty-five charities used for determining the qualitative criteria

1	Problem Gambling Foundation
2	St Johns
3	NZ Riding for the Disabled Assoc.
4	Hospice NZ
5	Variety Club
6	Salvation Army
7	Age Concern
8	Heart Foundation NZ
9	Shine
10	Red Cross
11	Unicef NZ
12	Child Fund NZ
13	World Vision NZ
14	Tear Fund Christian Action
15	Child Cancer Foundation NZ
16	Amnesty International
17	Cancer Society NZ
18	NZ Breast Cancer Foundation
19	Royal NZ Foundation of the Blind
20	Alzheimer's NZ
21	Bernardo's NZ
22	Canteen NZ
23	Starship Foundation NZ
24	Fred Hollows Foundation NZ
25	Society of St Vincent's de Pauls

Appendix Twelve: Qualitative criteria for the information items

Item No.	Disclosure of a charity's name	Score Description	
1	A charity's legal name	0	1
2	If a charity is known by another name(s)	0	1
3	A link on the charity register is made between a charity's legal name and the other name(s) it is known by	0	1

Item No.	Disclosure of a charity's contact details	Score Description	
4	The charity's physical address		
5	A working daytime telephone number	0	1
6	Email address	0	1
7	Website address	0	1
8	Charity has multiple websites	0	1
9	Mailing address	0	1

Item No.	Disclosure of a charity's founding deed	Score Description		
10	Access to a charity's founding deed	0	1	
11	If a charity has made any changes to its founding deed	0	1	The charity provided the amendment without the complete charity deed
			2	The charity provided the amendment with the complete charity deed
			3	The charity provided the amendment with the charity deed and with charity board signatures

Appendix Twelve continued:

Item No.	Disclosure of a charity's objectives			Score Description
12	The charity's objectives	0	1	The charity does not disclose a statement of its objectives but infers its objectives by the activities it will undertake
			2	The charity discloses a statement of its objectives and discloses an overview of the activities it will undertake
			3	The charity discloses a statement of its objectives and discloses in detail the activities it will undertake
13	Names the beneficiaries the charity is set up to assist	0	1	The charity discloses an overview of the beneficiaries its expects to assist locally
			2	The charity discloses in detail of the beneficiaries it expects to assist locally and nationally in New Zealand
			3	The charity discloses in detail the beneficiaries it expects to assist nationally and internationally
14	The charitable sector the charity works in	0	1	The charity does not specifically discloses the sector but infers the sector by its activities
			2	The charity generally discloses the sector, supported by its activities
			3	The charity explicitly discloses its sector
15	The region and/or countries a charity operates in	0	1	The charity does not specifically disclose its locations in which it operates but infers the locations by its activities
			2	The charity discloses in general terms in which it operates but provides no details
			3	The charity discloses all the locations where it operates and provides details

Appendix Twelve continued:

Item No.	Disclosure of a charity's legal and organisational structure	Score Description	
16	The charity's legal structure (limited liability company for example)	0	1
17	Access to a charity's registration number (charity registration)	0	1
18	If a charity is listed on another public register elsewhere	0	1
19	The charity's registration number if it is listed another public register	0	1

Item No.	Disclosure of about a charity's board	Score Description		
20	If the charity has local chapters, branches or affiliates	0	1	The charity discloses a general statement about its local chapters, branches or affiliates but provides no detail
			2	The charity discloses a general statement about its local chapters, branches or affiliates and provides some detail
			3	The charity discloses detailed information about its local chapters, branches or affiliates
21	If the charity has commercial operations	0	1	The charity discloses a general statement about its commercial operations or subsidiaries but provides no detail
			2	The charity discloses a general statement about its commercial operations or subsidiaries and provides little detail
			3	The charity discloses detailed information about its commercial operations or subsidiaries

Appendix Twelve continued:

Item No.	Disclosure of about a charity's board	Score Description	
22	The number of charity board members required by the charity deed	0	1
23	The name of each charity board member	0	1

Item No.	Disclosure of about a charity's board	Score Description	
24	The duration of appointment for each charity board member	0	1
25	If there are material voting rights among the charity board members	0	1
26	If the charity board has delegated authority to an executive committee or a similar body	0	1
27	If any of the decisions of the charity board are subject to the approval by person(s) other than the charity board	0	1

Item No.	Disclosure of about a charity's board	Score Description		
28	If any of the charity board members serve on any other charity boards/entities	0	1	There is a general statement that the charity board member works on another charity board(s), but there are no details provided.
			2	There is a general statement that the charity board member works on another charity board(s) and the other charity is identified
			3	The details of the position the charity board member holds on the other charity board(s) are disclosed

Item No.	Disclosure of about charity board member's details	Score Description	
29	Full name	0	1
30	Date of birth	0	1
31	Address	0	1
32	Telephone	0	1
33	Email	0	1

Appendix Twelve continued:

Item No.	Disclosure of about charity board member's details	Score Description		
34	The qualifications/special expertise that each charity board member has	0	1	A general description of the charity board member is disclosed but there are no details of the qualifications or expertise
			2	A general description of the charity board member is disclosed, along with an overview of their area of expertise
			3	A general description of the charity board member is disclosed, along with an overview of their area of expertise and their qualifications

Item No.	Disclosure of about charity board member's compensation	Score Description		
35	Compensation/benefits provided to each charity board member	0	1	The charity discloses a global figure of the compensation provided to the charity board members, with no details
			2	The charity discloses a global figure of the compensation provided to the charity board members with some detail
			3	The charity discloses detailed information about the compensation provided to the charity board members

Appendix Twelve continued:

Item No.	Disclosure of about charity board member's compensation			Score Description
36	Compensation for each charity board member is approved	0	1	A general statement is disclosed but there are no details about how the compensation/benefits are approved for each charity board member
			2	A general statement is disclosed and an overview about how the compensation/benefits are approved for each charity board member
			3	The details of how compensation/benefits are approved for each charity board member
37	Compensation for each charity board member is reviewed	0	1	A general statement is disclosed but there are no details about how the review of compensation/benefits for each charity board member
			2	A general statement is disclosed and an overview of the review of the compensation/benefits for each charity board member
			3	The details of the review of the compensation/benefits for each charity board member
38	Compensation/benefits provided to each charity board member from other related organisations	0	1	A general statement is disclosed but there are no details about the compensation/benefits a charity board member received from other related organisations
			2	A general statement is disclosed and an overview of the compensation/benefits a charity board member received from other related organisations
			3	The details of the compensation/benefits received by the charity board member from other related organisations is disclosed by the charity
39	If there are any arm's length procedures for charity board members	0	1	The charity declares it uses an arm's length procedure but does not disclose the details of it
			2	The charity declares it uses an arm's length procedure and provides some generic details
			3	The charity declares it uses an arm's length procedure and details any transactions that have occurred in that period

Appendix Twelve continued:

Item No.	Disclosure about charity board recruitment			Score Description
40	Access to how a charity recruits its charity board members	0	1	The charity has a nominating/governance committee that recommends new charity board members
			2	The charity advertises vacancies for potential charity board members
			3	The existing charity board votes on eligible applicants for new charity board members
41	Access to how a charity appoints its charity board members	0	1	The existing charity board declares when a new person is appointed by provides no details
			2	The existing charity board can appoint/vote an eligible new charity board member and provides some details of the process
			3	The members of the charity appoint/vote on eligible applicants for new charity board members and provides the details of the process and applicants
42	Access to how a charity removes its charity board members	0	1	The existing charity board declares when a charity board member is removed but provides no details
			2	The existing charity board relies on the charity deed to provide the justifications of the removal of a charity board member
			3	The existing charity board relies on the charity deed to provide the justifications of the removal of a charity board member and quotes s16(2) of the Charities Act as well

Appendix Twelve continued:

43	Access to how a charity carried out search for banned or disqualified person(s) before an appointment to the board is made	0	1	The charity undertakes a police vetting process
			2	The charity undertakes a police vetting process and/or does a disqualified director/prohibited company manager search
			3	The charity undertakes a police vetting process and/or does a disqualified director/prohibited company manager search but also quotes s16(2) of the Charities Act

Item No.	Disclosure of about charity board member's compensation	Score Description	
44	If there are recruitment provisions in the charity's founding deed	0	1

Item No.	Disclosures about a charity board report	Score Description	
45	Access to a charity board report	0	1

Appendix Twelve continued:

Item No.	Disclosures of a charity board report	Score Description		
46	Access to Chairman of the charity board's statement	0	1	It disclosed briefly what the charity achieved during the year
			2	It disclosed an overview of what the charity achieved and the challenges it faced during the year.
			3	It disclosed an overview of what the charity achieved, the challenges it faced during the year and included the goals and strategy for the future
47	The charity board's strategic plan for the charity	0	1	A general statement about future goals but few details and no timeline
			2	A general statement about future goals with an overview of a timeline
			3	A detailed plan with future goals and a timeline
48	If the charity board has made any changes/deviations from the strategic plan in the last (12) months	0	1	A general statement about the deviations/changes to the strategic plan, with few details
			2	A general statement about the deviations/changes to the strategic plan, with an overview of the changes
			3	A detailed statement about the deviations/changes to the strategic plan and an explanation of the changes

Appendix Twelve continued:

Item No.	Disclosures about charity board members	Score Description		
49	If the charity was party to a business transaction with a current or former charity board member	0	1	The charity board member was identified but the nature of the transaction was not disclosed
			2	The charity board member was identified and an overview of transaction was disclosed
			3	The charity board member was identified and the details of the transaction was provided
50	If the charity was party to a business transaction with a family member of a current or former charity board member	0	1	The party was identified but the nature of the benefit or assistance was not disclosed
			2	The party was identified and an overview of the transaction was disclosed
			3	The party was identified and the details of the transaction was provided
51	If the charity was party to a business transaction with an entity of which a current or former charity board member was an officer or indirect owner of that entity	0	1	The party was identified but the nature of the benefit or assistance was not disclosed
			2	The party was identified and an overview of the transaction was disclosed
			3	The party was identified and the details of the transaction was provided

Appendix Twelve continued:

Item No.	Disclosures about charity board members	Score Description		
52	If the charity provided a grant or other assistance to a charity board member or related party	0	1	The party was identified but the nature of the benefit or assistance was not disclosed
			2	The party was identified and an overview of the transaction was disclosed
			3	The party was identified and the details of the transaction was provided
53	If the charity provided a grant or other assistance to a family member of charity board member	0	1	The party was identified but the nature of the benefit or assistance was not disclosed
			2	The party was identified and an overview of the transaction was disclosed
			3	The party was identified and the details of the transaction was provided

Item No.	Disclosures about charity board members	Score Description		
54	Disclose details of relationships with another charity (s)	0	1	The relationship party(s) are disclosed but the nature of the relationship is not disclosed
			2	The relationship party(s) are disclosed and an overview of the relationship is disclosed
			3	The relationship party(s) are disclosed and the details of the relationship are disclosed

Appendix Twelve continued:

Item No.	Disclosures about charity board members	Score Description		
55	Disclose details of relationships with related party or entity	0	1	The relationship party(s) are disclosed but the nature of the relationship is not disclosed
			2	The relationship party(s) are disclosed and an overview of the relationship is disclosed
			3	The relationship party(s) are disclosed and the details of the relationship are disclosed

Item No.	Disclosures about a charity's staff	Score Description		
56	The number of full-time staff employed by the charity	0	1	The charity discloses an overview of those employed full-time but provides no detailed figures
			2	The charity discloses a general figure of those employed full-time but provides no details
			3	The charity discloses the number of staff who are employed full-time and employment details
57	The number of part-time staff employed by the charity	0	1	The charity discloses an overview of those employed part-time but provides no detailed figures
			2	The charity discloses a general figure of those employed part-time but provides no details
			3	The charity discloses the number of staff who are employed part-time and employment details

Appendix Twelve continued:

Item No.	Disclosures about a charity's staff	Score Description		
58	The number of volunteers employed by the charity	0	1	The charity discloses an overview of those who volunteer but provides no detailed figures
			2	The charity discloses a general figure of those who volunteer but provides no details
			3	The charity discloses the number of staff who volunteer and employment details
59	Discloses the details of the (10) highest paid employee costs	0	1	The charity discloses a global figure of the (10) highest paid positions but provides no details
			2	The charity provides an overview of the (10) highest paid positions, but little detail about the wage/salary paid
			3	The charity provides a detailed list of the (10) highest paid staff members, along with their wage/salary figure
60	Discloses the number of contractors employed by the contractor	0	1	The charity discloses a general figure of those contracted to the charity but provides no details
			2	The charity discloses an overview of the contractors it employs but provides some details about the contractor(s)
			3	The charity discloses in detail the contractor(s) it employs
61	Discloses if the charity maintains staff or agents outside of New Zealand	0	1	The charity provides a general statement but no details about the staff/agents employed outside of NZ
			2	The charity provides a general statement about the staff/agents employed outside of NZ and an overview of their roles
			3	The charity provides a detailed list of the staff/agents employed outside of NZ and the roles they undertake for the charity

Appendix Twelve continued:

Item No.	Disclosures about a charity's staff	Score Description		
62	If the charity is a party to a business transaction with a current or former charity staff member	0	1	The party(s) to the business transaction were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the business transaction were disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the business transaction were disclosed, and the details of the business transaction was disclosed
63	If the charity is a party to a business transaction with a family member of a current or former charity staff employee	0	1	The party(s) to the business transaction were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the business transaction were disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the business transaction were disclosed, and the details of the business transaction was disclosed
64	If the charity is a party to a business transaction with an entity of which a current or former charity employee (or a family member) was an officer or indirect owner of that entity	0	1	The party(s) to the business transaction were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the business transaction were disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the business transaction were disclosed, and the details of the business transaction was disclosed

Appendix Twelve continued:

Item No.	Disclosures about a charity's staff	Score Description		
65	If the charity provided a grant or other assistance to an employee	0	1	The party(s) to the grant, assistance or benefit were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the grant, assistance or benefit was disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the grant, assistance or benefit was disclosed, and the details of the business transaction was disclosed
66	If the charity provided a grant or other assistance to an entity controlled by an employee or related party	0	1	The party(s) to the grant, assistance or benefit were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the grant, assistance or benefit was disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the grant, assistance or benefit was disclosed, and the details of the business transaction was disclosed
67	If the charity provided a grant or other assistance to a family member of a current or former employee	0	1	The party(s) to the grant, assistance or benefit were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the grant, assistance or benefit was disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the grant, assistance or benefit was disclosed, and the details of the business transaction was disclosed

Appendix Twelve continued:

Item No.	Disclosures about a charity's programs	Score Description		
68	Discloses forward/future looking information about its programs	0	1	The charity disclosed a general statement about its future programs/services but provided no detail
			2	The charity disclosed a general statement about its future programs/services and provided an overview of its future programs/services
			3	The charity provided detailed information about its future programs/services
69	Discloses the charity's policies for deciding its programs	0	1	The charity disclosed a general statement about its policies for selecting the charity's programs/services but provided no details
			2	The charity disclosed a general statement about its policies for selecting the charity's programs/services and provided an overview of the policies
			3	The charity provided detailed information about its policies for selecting its programs/services

Item No.	Disclosures about a charity's programs	Score Description		
70	Provides a list of the charity's programs for the last (12) months	0	1	The charity disclosed a general list of its programs/services it conducted in the last 12 months but provided no details
			2	The charity disclosed a general list of its programs/services it conducted in the last 12 months and an overview of the programs/services it conducted
			3	The charity provided detailed information about the programs/services it conducted in the last 12 months

Appendix Twelve continued:

Item No.	Disclosures about a charity's programs	Score Description		
71	Provides a narrative of the charity's programs for the last (12) months	0	1	The charity disclosed a general narrative of each program/service it conducted in the last 12 months but provided no details
			2	The charity disclosed a general narrative of each program/service it conducted in the last 12 months and provided an overview of the program/service
			3	The charity disclosed a detailed narrative of each program/service it conducted in the last 12 months
72	The charity discloses the revenues and expenditures for each charity program, including any grants or transfers made to another person or entity	0	1	The charity disclosed global figures of the revenue and expenditure of each program/service it conducted in the last 12 months
			2	The charity disclosed some detail about the revenues and the expenditures of each program/service it conducted in the last 12 months
			3	The charity disclosed in detail the revenues and expenditures of each program/service it conducted in the last 12 months
73	A comparative between the planned budget against the actual costs is disclosed for each program	0	1	The charity disclosed global comparative figures between the planned budget and the actual cost of each program/service it conducted in the last 12 months with very little detail
			2	The charity disclosed some detail in the comparative figures between the planned budget and the actual cost of each program/service it conducted in the last 12 months
			3	The charity disclosed in detail the comparative between the planned budget and the actual costs of each program/service it conducted in the last 12 months.

Appendix Twelve continued:

Item No.	Disclosures about a charity's programs	Score Description		
74	Discloses the number of beneficiaries the charity helped	0	1	The charity disclosed a global figure of the beneficiaries it helped by each program/service it conducted in the last 12 months but provided no details
			2	The charity provided some details about the number of the beneficiaries it helped by each program/service it conducted in the last 12 months
			3	The charity disclosed in detail the number of beneficiaries it helped by each program/service it conducted in the last 12 months.
75	Discloses the public benefit provided to the community by the charity's programs	0	1	The public benefit of each program/service was disclosed, but few details were disclosed
			2	The public benefit of each program/service was disclosed with an overview
			3	The public benefit of each program/service was disclosed with details

Item No.	Disclosures about a charity's programs	Score Description		
76	Discloses if it worked with another charity(s)	0	1	The party(s) to the program/service delivery were disclosed, but the nature of the relationship was not disclosed
			2	The party(s) to the program/service delivery were disclosed, and an overview of the relationship was disclosed
			3	The party(s) to the program/service delivery were disclosed, and the details of the relationship were disclosed

Appendix Twelve continued:

Item No.	Disclosures about a charity's programs	Score Description		
77	Discloses if it worked with a government agency(s)	0	1	The party(s) to the program/service delivery were disclosed, but the nature of the relationship was not disclosed
			2	The party(s) to the program/service delivery were disclosed, and an overview of the relationship was disclosed
			3	The party(s) to the program/service delivery were disclosed, and the details of the relationship were disclosed
78	If the charity worked another entity to deliver a program	0	1	The party(s) to the program/service delivery were disclosed, but the nature of the relationship was not disclosed
			2	The party(s) to the program/service delivery were disclosed, and an overview of the relationship was disclosed
			3	The party(s) to the program/service delivery were disclosed, and the details of the relationship were disclosed
79	If the charity worked with a charity/government agency/entity– it discloses the nature of the work it does with that charity	0	1	The party(s) to the program/service delivery were disclosed, but the nature of the relationship was not disclosed
			2	The party(s) to the program/service delivery were disclosed, and an overview of the relationship was disclosed
			3	The party(s) to the program/service delivery were disclosed, and the details of the relationship were disclosed

Appendix Twelve continued:

Item No.	Disclosure about serious incidents	Score Description		
80	The charity discloses if it was a victim of fraud	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details
81	The charity discloses if it was involved in fraud	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details
82	The charity discloses if it was involved in a criminal investigation	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details
83	The charity discloses if it was involved in an accident	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details
84	The charity discloses if it was involved in any other material matter	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details

Appendix Twelve continued:

Item No.	Disclosures in a charity's financial reports – general information	Score Description	
85	Access to a charity's current financial reports	0	1
86	Access to a charity's prior years financial reports	0	1
87	To disclose if the charity is part of a group	0	1

Item No.	Disclosures in a charity's financial reports – general information	Score Description		
88	If the charity is part of a group – access to the consolidated accounts of the group	0	1	The charity does not provide an explanation of the subsidiary parties to the consolidation and provides global figures in the financial statements with no financial notes or accounting policies
			2	The charity discloses the subsidiary parties to the consolidation and provides global figures in the financial statements with little or no financial notes or accounting policies
			3	The charity discloses the subsidiary parties, along with a full set of financial statements, financial notes and accounting policies
89	If the charity has investment subsidiary(s) – to have access to the financial reports of the subsidiary(s)	0	1	The charity discloses it has subsidiary but does not disclose any of the subsidiary's activities
			2	The charity discloses it has a subsidiary and provides an overview of the subsidiary's activities
			3	The charity discloses it has a subsidiary and provides a detail explanation of the subsidiaries activities

Appendix Twelve continued:

Item No.	Disclosures in a charity's financial reports – general information	Score Description	
90	To have access to the financial reports on the Charities Services website	0	1
91	To have access to the financial reports on the charity's website	0	1

Item No.	Disclosures of a charity's accounting policies	Score Description	
92	A charity provides a full set of financial reports with associated notes of explanation	0	1

Item No.	Disclosures of a charity's accounting policies	Score Description		
93	The charity explicitly states its accounting policies	0	1	The charity provides general notes about its accounting policies, with little explanation
			2	The charity provides general notes about its accounting policies, with some detailed explanation
			3	The charity follows the Generally Accepted Accounting Principles so provides the required detail for its accounting policies

Item No.	Disclosures of a charity's accounting policies	Score Description	
94	The charity discloses if it has made any material changes to its accounting policies in the last (12) months	0	1
95	The charity discloses any material explanations in its financial notes (like a contingent liability or a lawsuit for example)	0	1

Appendix Twelve continued:

Item No.	Disclosures of a charity's accounting policies	Score Description		
96	The charity discloses its policies for investing	0	1	The charity provides a general statement about its policies for investing but provides no detail
			2	The charity provides an overview of its policies for investing
			3	The charity provides a detail explanation of its policies for investing

Item No.	Disclosures in a charity's income statement	Score Description	
97	Discloses if it received any grants	0	1
98	Discloses if it received any bequests	0	1
99	Discloses if it received any government contract income	0	1
100	Discloses if it received any donations	0	1
101	Details of any income received from another charity	0	1
102	Details of any income received from an overseas entity	0	1
103	Details of a charity's administration expenses	0	1
104	Discloses the cost of each program the charity conducts	0	1
105	Discloses the cost of fundraising	0	1
106	The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets)	0	1
107	The details of any expenditure spent overseas	0	1
108	If the charity paid any tax	0	1
109	If the charity made a profit/loss (surplus/deficit)	0	1

Appendix Twelve continued:

Item No.	Disclosures in a charity's balance statement	Score Description	
110	Discloses if it has any buildings	0	1
111	Discloses if it has any land	0	1
112	Discloses if it has any long-term investments	0	1
113	Discloses if the charity has any long-term reserves	0	1
114	Discloses the number of motor vehicles	0	1
115	Discloses if it has any computer and IT assets	0	1
116	Discloses if the charity has any collections of works of art, historical treasures or similar assets	0	1
117	Discloses cash at bank	0	1
118	Discloses short-term investments	0	1
119	Discloses accounts receivable	0	1
120	Discloses if it has any inventory	0	1
121	Discloses if it has any prepaid expenses	0	1
122	Discloses if it has any mortgages	0	1
123	Discloses if it has any loans	0	1
124	Discloses if it has any long-term leases	0	1
125	Discloses if it has any accounts payable	0	1
126	Discloses if it has any superannuation liabilities	0	1
127	Discloses if it has unearned revenue/revenue in advance	0	1

Item No.	Disclosures from a charity's cash flow statement	Score Description	
128	The movement between cash balances at the beginning and the end of the financial accounting year	0	1
129	The charity's operating cash flows	0	1
130	The charity's investing cash flows	0	1
131	The charity's financing cash flows	0	1

Appendix Twelve continued:

Item No.	Disclosures about a charity's audit/review of the financial reports	Score Description	
132	The charity's financial reports were audited/review	0	1
133	The charity's financial reports were audited/reviewed by an independent accountant	0	1

Item No.	Timeliness of a charity's reporting	Score Description		
134	Financial reports should be published (3) months after Balance date	0	1	(7) months or more after balance date
			2	Within 5-6 months of balance date
			3	Within 4-5 months of balance date
			4	Within 3-4 months of balance date
			5	Within (3) months of balance date

Item No.	Timeliness of a charity's reporting	Score Description	
135	To have access to the charity's latest financial reports	0	1
136	To have access to a charity's annual report	0	1

Item No.	Social Media	Score Description	
137	Facebook	0	1
138	Twitter	0	1
139	Instagram	0	1
140	LinkedIn	0	1
141	YouTube	0	1

Appendix Thirteen: Corrupt charity deed from Charities Services website

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n t o d e n e f r o e a c t h a C i l e r s n r p m a j y f t

[Handwritten signatures and initials]

Appendix Fourteen: Pilot test results (A1= Researcher; A2 = Master's Student)

Information Item No.	Charity One			Charity Two	
	A1	A2		A1	A2
Disclosures of a charity's name					
1	4.1	4.1		12.3	12.3
2	0	0		0	0
3	3.5	3.5		7	7
Disclosures of a charity's contact details					
4	7.04	7.04		10.56	10.56
5	8.22	8.22		12.33	12.33
6	8.64	8.64		12.96	12.96
7	8.6	8.6		12.9	12.9
8	3.77	3.77		0	0
9	7.32	7.32		10.98	10.98
Disclosures of a charity's founding deed					
10	3.99	3.99		7.98	7.98
11	0	0		0	0
	0	0		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
	A1	A2		A1	A2
Disclosures of a charity's objectives					
12	0	0		0	0
	0	0		9.12	9.12
	27.36	27.36		27.36	27.36
13	0	0		0	0
	18.24	18.24		9.12	9.12
	0	0		27.36	27.36
14	0	0		0	0
	0	0		8.16	8.16
	24.48	24.48		24.48	24.48
15	0	0		4.13	4.13
	8.26	8.26		8.26	16.52
	12.39	12.39		12.39	0

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Disclosure of a charity's legal and organisational structure	A1	A2		A1	A2
16	0	0		7.52	7.52
17	3.8	3.8		11.4	11.4
18	0	0		0	0
19	0	0		0	0
20	0	0		0	0
	0	0		7.14	7.14
	10.71	10.71		10.71	10.71
21	0	0		0	0
	0	0		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
General charity board disclosures	A1	A2		A1	A2
22	0	0		3.15	6.3
23	7.14	7.14		10.71	10.71
24	3.03	3.03		3.03	3.03
25	0	0		0	0
26	0	0		0	0
27	0	0		0	0
28	0	0		3.31	3.31
	0	0		6.62	6.62
	9.93	9.93		0	0

Information Item No.	Charity One			Charity Two	
Charity board and governance information disclosures	A1	A2		A1	A2
29	0	0		0	0
	0	0		13.08	13.08
	9.81	9.81		0	0
30	0	0		0	0
31	0	0		0	0
32	0	0		0	0
33	0	0		0	0
34	7	7		10.5	10.5

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Charity board and governance information disclosures	A1	A2		A1	A2
35	0	0		0	0
	0	0		0	0
	0	0		11.4	22.8
36	0	0		0	0
	0	0		0	0
	0	0		22.68	22.68
37	0	0		0	0
	0	0		0	0
	0	0		0	0
38	0	0		0	0
	0	0		0	0
	0	0		0	0
39	0	0		0	0
	0	0		7.62	7.62
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Disclosure of a charity board recruitment	A1	A2		A1	A2
40	0	0		3.31	3.31
	0	0		0	0
	0	0		0	0
41	0	0		0	0
	0	0		0	0
	0	0		10.74	10.74
42	0	0		0	0
	0	0		6.98	6.98
	0	0		0	0
43	0	0		0	0
	0	0		0	0
	0	0		0	0
44	0	0		3.39	3.39

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Disclosures about a charity board report	A1	A2		A1	A2
45	0	0		0	0
46	0	0		0	0
	0	0		7.84	7.84
	0	0		0	0
47	0	0		0	0
	0	0		0	0
	0	0		0	0
48	0	0		0	0
	0	0		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Charity board and business transaction disclosures	A1	A2		A1	A2
49	0	0		0	0
	0	0		0	0
	0	0		0	0
50	0	0		0	0
	0	0		0	0
	0	0		0	0
51	0	0		0	0
	0	0		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Disclosure about charity board member	A1	A2		A1	A2
52	0	0		0	0
	0	0		0	0
	0	0		0	0
53	0	0		0	0
	0	0		0	0
	0	0		0	0

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Disclosures about a charity's relationships	A1	A2		A1	A2
54	7.26	7.26		3.63	3.63
	0	0		7.26	7.26
	0	0		0	0
55	3.72	3.72		0	0
	7.44	7.44		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Disclosures about a charity's staff	A1	A2		A1	A2
56	3.43	3.43		3.43	3.43
	0	0		6.86	6.86
	0	0		0	0
57	3.41	3.41		0	0
	0	0		6.82	6.82
	0	0		0	0
58	3.38	3.38		0	0
	0	0		6.76	6.76
	0	0		0	0
59	0	0		0	0
	0	0		0	0
	0	0		0	0
60	0	0		0	0
	0	0		0	0
	0	0		0	0
61	0	0		0	0
	0	0		0	0
	0	0		0	0

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Disclosures about a charity's staff	A1	A2		A1	A2
62	0	0		0	0
	0	0		0	0
	0	0		0	0
63	0	0		0	0
	0	0		0	0
	0	0		0	0
64	0	0		0	0
	0	0		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Disclosures about a charity's staff	A1	A2		A1	A2
65	0	0		0	0
	0	0		0	0
	0	0		0	0
66	0	0		0	0
	0	0		0	0
	0	0		0	0
67	0	0		0	0
	0	0		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Disclosures about a charity's programs	A1	A2		A1	A2
68	0	0		0	0
	0	0		0	0
	0	0		0	0
69	0	0		0	0
	0	0		0	0
	0	0		0	0

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Disclosures about a charity's programs	A1	A2		A1	A2
70	3.56	3.56		7.12	3.56
	0	0		0	0
	0	0		10.68	21.36
71	3.36	3.36		0	0
	0	0		6.72	6.72
	0	0		10.08	10.08
72	0	0		0	0
	0	0		0	0
	0	0		0	0
73	0	0		0	0
	0	0		0	0
	0	0		0	0
74	0	0		0	0
	0	0		7.4	7.4
	0	0		0	0
75	3.72	3.72		0	0
	7.44	7.44		14.88	14.88
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Disclosures about a charity's programs	A1	A2		A1	A2
76	0	0		0	0
	0	0		0	0
	0	0		0	0
77	0	0		0	0
	0	0		0	0
	0	0		0	0
78	0	0		0	0
	0	0		0	0
	0	0		0	0
79	3.39	3.39		0	0
	0	0		0	0
	0	0		0	0

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Disclosures about serious incidents	A1	A2		A1	A2
80	0	0		0	0
	0	0		0	0
	0	0		0	0
81	0	0		0	0
	0	0		0	0
	0	0		0	0
82	0	0		0	0
	0	0		0	0
	0	0		0	0
83	0	0		0	0
	0	0		0	0
	0	0		0	0
84	0	0		0	0
	0	0		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Disclosures in a charity's financial reports - general information	A1	A2		A1	A2
85	4.21	4.21		12.63	12.63
86	3.92	3.92		3.92	3.92
87	0	0		0	0
88	0	0		0	0
	0	0		0	0
	0	0		0	0
89	0	0		0	0
	0	0		0	0
	0	0		0	0
90	0	0		0	0
91	0	0		0	0

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Disclosures of a charity's accounting policies	A1	A2		A1	A2
92	3.07	3.07		9.21	9.21
93	0	0		0	0
	0	0		0	0
	8.37	8.37		16.74	16.74
94	0	0		2.82	2.82
95	0	0		2.87	2.87
96	0	0		0	0
	0	0		0	0
	0	0		0	0

Information Item No.	Charity One			Charity Two	
Disclosures from a charity's income statement	A1	A2		A1	A2
97	0	0		0	0
98	0	0		0	0
99	0	0		0	0
100	0	0		7.58	7.58
101	0	0		0	0
102	0	0		0	0
103	0	0		8.2	8.2
104	0	0		0	0
105	0	0		7.8	7.8
106	0	0		0	0
107	0	0		3.98	3.98
108	0	0		3.88	3.88
109	0	0		0	0

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Disclosures from a charity's balance statement	A1	A2		A1	A2
110	0	0		0	0
111	0	0		0	0
112	0	0		0	0
113	0	0		0	0
114	0	0		3.33	3.33
115	0	0		3.22	3.22
116	0	0		0	0
117	0	0		4.17	4.17
118	0	0		0	0
119	0	0		4.05	4.05
120	0	0		0	0
121	0	0		3.78	3.78
122	0	0		0	0
123	0	0		4.22	4.22
124	0	0		4.15	4.15
125	0	0		4.05	4.05
126	0	0		0	0
127	0	0		0	0

Information Item No.	Charity One			Charity Two	
Cash flow disclosures	A1	A2		A1	A2
128	0	0		0	0
129	0	0		0	0
130	0	0		0	0
131	0	0		0	0

Information Item No.	Charity One			Charity Two	
Auditing/Review disclosures	A1	A2		A1	A2
132	0	0		4.4	4.4
133	0	0		4.37	4.37

Appendix Fourteen Continued:

Information Item No.	Charity One			Charity Two	
Timeliness of charity reporting	A1	A2		A1	A2
134	0	0		0	0
	0	0		4.18	8.36
	0	0		0	0
	0	0		0	0
	10.45	10.45		10.45	10.45
135	0	0		0	0
136	0	0		0	0
137	0	0		0	0

Information Item No.	Charity One			Charity Two	
Social Media Use	A1	A2		A1	A2
138	3.7	3.7		7.4	7.4
138	3.7	3.7		7.4	7.4
138	3.7	3.7		7.4	3.7
138	0	0		0	0
138	3.7	3.7		7.4	7.4

Appendix Fifteen: Final Disclosure Index with Qualitative Criteria

Item No.	Disclosure of a charity's name	Score Description	
1	A charity's legal name	0	1
2	If a charity is known by another name(s)	0	1
3	A link on the charity register is made between a charity's legal name and the other name(s) it is known by	0	1

Item No.	Disclosure of a charity's contact details	Score Description	
4	The charity's physical address		
5	A working daytime telephone number	0	1
6	Email address	0	1
7	Website address	0	1
8	Charity has multiple websites	0	1
9	Mailing address	0	1

Item No.	Disclosure of a charity's founding deed	Score Description		
10	Access to a charity's founding deed	0	1	
11	If a charity has made any changes to its founding deed	0	1	The charity provided the amendment without the complete charity deed
			2	The charity provided the amendment with the complete charity deed
			3	The charity provided the amendment with the charity deed and with charity board signatures

Appendix Fifteen continued:

Item No.	Disclosure of a charity's objectives			Score Description
12	The charity's objectives	0	1	The charity does not disclose a statement of its objectives but infers its objectives by the activities it will undertake
			2	The charity discloses a statement of its objectives and discloses an overview of the activities it will undertake
			3	The charity discloses a statement of its objectives and discloses in detail the activities it will undertake
13	Names the beneficiaries the charity is set up to assist	0	1	The charity discloses an overview of the beneficiaries it expects to assist locally
			2	The charity discloses in detail of the beneficiaries it expects to assist locally and nationally in New Zealand
			3	The charity discloses in detail the beneficiaries it expects to assist nationally and internationally
14	The charitable sector the charity works in	0	1	The charity does not specifically disclose the sector but infers the sector by its activities
			2	The charity generally discloses the sector, supported by its activities
			3	The charity explicitly discloses its sector
15	The region and/or countries a charity operates in	0	1	The charity does not specifically disclose its locations in which it operates but infers the locations by its activities
			2	The charity discloses in general terms in which it operates but provides no details
			3	The charity discloses all the locations where it operates and provides details

Appendix Fifteen continued:

Item No.	Disclosure of a charity's legal and organisational structure	Score Description	
16	The charity's legal structure (limited liability company for example)	0	1
17	Access to a charity's registration number (charity registration)	0	1
18	If a charity is listed on another public register elsewhere	0	1
19	The charity's registration number if it is listed another public register	0	1

Item No.	Disclosure about a charity's board	Score Description		
20	If the charity has local chapters, branches or affiliates	0	1	The charity discloses a general statement about its local chapters, branches or affiliates but provides no detail
			2	The charity discloses a general statement about its local chapters, branches or affiliates and provides some detail
			3	The charity discloses detailed information about its local chapters, branches or affiliates
21	If the charity has commercial operations	0	1	The charity discloses a general statement about its commercial operations or subsidiaries but provides no detail
			2	The charity discloses a general statement about its commercial operations or subsidiaries and provides little detail
			3	The charity discloses detailed information about its commercial operations or subsidiaries

Appendix Fifteen continued:

Item No.	Disclosure about a charity's board	Score Description	
22	The number of charity board members required by the charity deed	0	1
23	The name of each charity board member	0	1

Item No.	Disclosure about a charity's board	Score Description	
24	The duration of appointment for each charity board member	0	1
25	If there are material voting rights among the charity board members	0	1
26	If the charity board has delegated authority to an executive committee or a similar body	0	1
27	If any of the decisions of the charity board are subject to the approval by person(s) other than the charity board	0	1

Item No.	Disclosure about a charity's board	Score Description		
28	If any of the charity board members serve on any other charity boards/entities	0	1	There is a general statement that the charity board member works on another charity board(s), but there are no details provided.
			2	There is a general statement that the charity board member works on another charity board(s) and the other charity is identified
			3	The details of the position the charity board member holds on the other charity board(s) are disclosed

Item No.	Disclosure about charity board member's details	Score Description	
29	Full name	0	1
30	Date of birth	0	1
31	Address	0	1
32	Telephone	0	1
33	Email	0	1

Appendix Fifteen continued:

Item No.	Disclosure about charity board member's details	Score Description		
34	The qualifications/special expertise that each charity board member has	0	1	A general description of the charity board member is disclosed but there are no details of the qualifications or expertise
			2	A general description of the charity board member is disclosed, along with an overview of their area of expertise
			3	A general description of the charity board member is disclosed, along with an overview of their area of expertise and their qualifications

Item No.	Disclosure about charity board member's compensation	Score Description		
35	Compensation/benefits provided to each charity board member	0	1	The charity discloses a global figure of the compensation provided to the charity board members, with no details
			2	The charity discloses a global figure of the compensation provided to the charity board members with some detail
			3	The charity discloses detailed information about the compensation provided to the charity board members

Appendix Fifteen continued:

Item No.	Disclosure about charity board member's compensation			Score Description
36	Compensation for each charity board member is approved	0	1	A general statement is disclosed but there are no details about how the compensation/benefits are approved for each charity board member
			2	A general statement is disclosed and an overview about how the compensation/benefits are approved for each charity board member
			3	The details of how compensation/benefits are approved for each charity board member
37	Compensation for each charity board member is reviewed	0	1	A general statement is disclosed but there are no details about how the review of compensation/benefits for each charity board member
			2	A general statement is disclosed and an overview of the review of the compensation/benefits for each charity board member
			3	The details of the review of the compensation/benefits for each charity board member
38	Compensation/benefits provided to each charity board member from other related organisations	0	1	A general statement is disclosed but there are no details about the compensation/benefits a charity board member received from other related organisations
			2	A general statement is disclosed and an overview of the compensation/benefits a charity board member received from other related organisations
			3	The details of the compensation/benefits received by the charity board member from other related organisations is disclosed by the charity
39	If there are any arm's length procedures for charity board members	0	1	The charity declares it uses an arm's length procedure but does not disclose the details of it
			2	The charity declares it uses an arm's length procedure and provides some generic details
			3	The charity declares it uses an arm's length procedure and details any transactions that have occurred in that period

Appendix Fifteen continued:

Item No.	Disclosure about charity board recruitment	Score Description		
40	Access to how a charity recruits its charity board members	0	1	The charity has a nominating/governance committee that recommends new charity board members
			2	The charity advertises vacancies for potential charity board members
			3	The existing charity board votes on eligible applicants for new charity board members
41	Access to how a charity appoints its charity board members	0	1	The existing charity board declares when a new person is appointed by provides no details
			2	The existing charity board can appoint/vote an eligible new charity board member and provides some details of the process
			3	The members of the charity appoint/vote on eligible applicants for new charity board members and provides the details of the process and applicants
42	Access to how a charity removes its charity board members	0	1	The existing charity board declares when a charity board member is removed but provides no details
			2	The existing charity board relies on the charity deed to provide the justifications of the removal of a charity board member
			3	The existing charity board relies on the charity deed to provide the justifications of the removal of a charity board member and quotes s16(2) of the Charities Act as well
43	Access to how a charity carried out search for banned or disqualified person(s) before an appointment to the board is made	0	1	The charity undertakes a police vetting process
			2	The charity undertakes a police vetting process and/or does a disqualified director/prohibited company manager search
			3	The charity undertakes a police vetting process and/or does a disqualified director/prohibited company manager search but also quotes s16(2) of the Charities Act

Appendix Fifteen continued:

Item No.	Disclosure about charity board recruitment	Score Description	
44	If there are recruitment provisions in the charity's founding deed	0	1

Item No.	Disclosures about a charity board report	Score Description	
45	Access to a charity board report	0	1

Item No.	Disclosures of a charity board report	Score Description		
46	Access to Chairman of the charity board's statement	0	1	It disclosed briefly what the charity achieved during the year
			2	It disclosed an overview of what the charity achieved and the challenges it faced during the year.
			3	It disclosed an overview of what the charity achieved, the challenges it faced during the year and included the goals and strategy for the future
47	The charity board's strategic plan for the charity	0	1	A general statement about future goals but few details and no timeline
			2	A general statement about future goals with an overview of a timeline
			3	A detailed plan with future goals and a timeline
48	If the charity board has made any changes/deviations from the strategic plan in the last (12) months	0	1	A general statement about the deviations/changes to the strategic plan, with few details
			2	A general statement about the deviations/changes to the strategic plan, with an overview of the changes
			3	A detailed statement about the deviations/changes to the strategic plan and an explanation of the changes

Appendix Fifteen continued:

Item No.	Disclosures about charity board members	Score Description		
49	If the charity was party to a business transaction with a current or former charity board member	0	1	The charity board member was identified but the nature of the transaction was not disclosed
			2	The charity board member was identified and an overview of transaction was disclosed
			3	The charity board member was identified and the details of the transaction was provided
50	If the charity was party to a business transaction with a family member of a current or former charity board member	0	1	The party was identified but the nature of the benefit or assistance was not disclosed
			2	The party was identified and an overview of the transaction was disclosed
			3	The party was identified and the details of the transaction was provided
51	If the charity was party to a business transaction with an entity of which a current or former charity board member was an officer or indirect owner of that entity	0	1	The party was identified but the nature of the benefit or assistance was not disclosed
			2	The party was identified and an overview of the transaction was disclosed
			3	The party was identified and the details of the transaction was provided

Appendix Fifteen continued:

Item No.	Disclosures about charity board members	Score Description		
52	If the charity provided a grant or other assistance to a charity board member or related party	0	1	The party was identified but the nature of the benefit or assistance was not disclosed
			2	The party was identified and an overview of the transaction was disclosed
			3	The party was identified and the details of the transaction was provided
53	If the charity provided a grant or other assistance to a family member of charity board member	0	1	The party was identified but the nature of the benefit or assistance was not disclosed
			2	The party was identified and an overview of the transaction was disclosed
			3	The party was identified and the details of the transaction was provided

Item No.	Disclosures about charity's relationships	Score Description		
54	Disclose details of relationships with another charity (s)	0	1	The relationship party(s) are disclosed but the nature of the relationship is not disclosed
			2	The relationship party(s) are disclosed and an overview of the relationship is disclosed
			3	The relationship party(s) are disclosed and the details of the relationship are disclosed

Appendix Fifteen continued:

Item No.	Disclosures about charity's relationships	Score Description		
55	Disclose details of relationships with related party or entity	0	1	The relationship party(s) are disclosed but the nature of the relationship is not disclosed
			2	The relationship party(s) are disclosed and an overview of the relationship is disclosed
			3	The relationship party(s) are disclosed and the details of the relationship are disclosed

Item No.	Disclosures about a charity's staff	Score Description		
56	The number of full-time staff employed by the charity	0	1	The charity discloses an overview of those employed full-time but provides no detailed figures
			2	The charity discloses a general figure of those employed full-time but provides no details
			3	The charity discloses the number of staff who are employed full-time and employment details
57	The number of part-time staff employed by the charity	0	1	The charity discloses an overview of those employed part-time but provides no detailed figures
			2	The charity discloses a general figure of those employed part-time but provides no details
			3	The charity discloses the number of staff who are employed part-time and employment details

Appendix Fifteen continued:

Item No.	Disclosures about a charity's staff	Score			Description
58	The number of volunteers employed by the charity	0	1		The charity discloses an overview of those who volunteer but provides no detailed figures
			2		The charity discloses a general figure of those who volunteer but provides no details
			3		The charity discloses the number of staff who volunteer and employment details
59	Discloses the details of the (10) highest paid employee costs	0	1		The charity discloses a global figure of the 10 highest paid positions but provides no details
			2		The charity provides an overview of the 10 highest paid positions, but little detail about the wage/salary paid
			3		The charity provides a detailed list of the 10 highest paid staff members, along with their wage/salary figure
60	Discloses the number of contractors employed by the contractor	0	1		The charity discloses a general figure of those contracted to the charity but provides no details
			2		The charity discloses an overview of the contractors it employs but provides some details about the contractor(s)
			3		The charity discloses in detail the contractor(s) it employs
61	Discloses if the charity maintains staff or agents outside of New Zealand	0	1		The charity provides a general statement but no details about the staff/agents employed outside of NZ
			2		The charity provides a general statement about the staff/agents employed outside of NZ and an overview of their roles
			3		The charity provides a detailed list of the staff/agents employed outside of NZ and the roles they undertake for the charity

Appendix Fifteen continued:

Item No.	Disclosures about a charity's staff	Score Description		
62	If the charity is a party to a business transaction with a current or former charity staff member	0	1	The party(s) to the business transaction were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the business transaction were disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the business transaction were disclosed, and the details of the business transaction was disclosed
63	If the charity is a party to a business transaction with a family member of a current or former charity staff employee	0	1	The party(s) to the business transaction were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the business transaction were disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the business transaction were disclosed, and the details of the business transaction was disclosed
64	If the charity is a party to a business transaction with an entity of which a current or former charity employee (or a family member) was an officer or indirect owner of that entity	0	1	The party(s) to the business transaction were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the business transaction were disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the business transaction were disclosed, and the details of the business transaction was disclosed

Appendix Fifteen continued:

Item No.	Disclosures about a charity's staff	Score Description		
65	If the charity provided a grant or other assistance to an employee	0	1	The party(s) to the grant, assistance or benefit were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the grant, assistance or benefit was disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the grant, assistance or benefit was disclosed, and the details of the business transaction was disclosed
66	If the charity provided a grant or other assistance to an entity controlled by an employee or related party	0	1	The party(s) to the grant, assistance or benefit were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the grant, assistance or benefit was disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the grant, assistance or benefit was disclosed, and the details of the business transaction was disclosed
67	If the charity provided a grant or other assistance to a family member of a current or former employee	0	1	The party(s) to the grant, assistance or benefit were disclosed, but the nature of the business transaction was not disclosed
			2	The party(s) to the grant, assistance or benefit was disclosed, and an overview of the business transaction was disclosed
			3	The party(s) to the grant, assistance or benefit was disclosed, and the details of the business transaction was disclosed

Appendix Fifteen continued:

Item No.	Disclosures about a charity's programs	Score Description		
68	Discloses forward/future looking information about its programs	0	1	The charity disclosed a general statement about its future programs/services but provided no detail
			2	The charity disclosed a general statement about its future programs/services and provided an overview of its future programs/services
			3	The charity provided detailed information about its future programs/services
69	Discloses the charity's policies for deciding its programs	0	1	The charity disclosed a general statement about its policies for selecting the charity's programs/services but provided no details
			2	The charity disclosed a general statement about its policies for selecting the charity's programs/services and provided an overview of the policies
			3	The charity provided detailed information about its policies for selecting its programs/services

Item No.	Disclosures about a charity's programs	Score Description		
70	Provides a list of the charity's programs for the last (12) months	0	1	The charity disclosed a general list of its programs/services it conducted in the last 12 months but provided no details
			2	The charity disclosed a general list of its programs/services it conducted in the last 12 months and an overview of the programs/services it conducted
			3	The charity provided detailed information about the programs/services it conducted in the last 12 months

Appendix Fifteen continued:

Item No.	Disclosures about a charity's programs	Score Description		
71	Provides a narrative of the charity's programs for the last (12) months	0	1	The charity disclosed a general narrative of each program/service it conducted in the last 12 months but provided no details
			2	The charity disclosed a general narrative of each program/service it conducted in the last 12 months and provided an overview of the program/service
			3	The charity disclosed a detailed narrative of each program/service it conducted in the last 12 months
72	The charity discloses the revenues and expenditures for each charity program, including any grants or transfers made to another person or entity	0	1	The charity disclosed global figures of the revenue and expenditure of each program/service it conducted in the last 12 months
			2	The charity disclosed some detail about the revenues and the expenditures of each program/service it conducted in the last 12 months
			3	The charity disclosed in detail the revenues and expenditures of each program/service it conducted in the last 12 months
73	A comparative between the planned budget against the actual costs is disclosed for each program	0	1	The charity disclosed global comparative figures between the planned budget and the actual cost of each program/service it conducted in the last 12 months with very little detail
			2	The charity disclosed some detail in the comparative figures between the planned budget and the actual cost of each program/service it conducted in the last 12 months
			3	The charity disclosed in detail the comparative between the planned budget and the actual costs of each program/service it conducted in the last 12 months.

Appendix Fifteen continued:

Item No.	Disclosures about a charity's programs	Score Description		
74	Discloses the number of beneficiaries the charity helped	0	1	The charity disclosed a global figure of the beneficiaries it helped by each program/service it conducted in the last 12 months but provided no details
			2	The charity provided some details about the number of the beneficiaries it helped by each program/service it conducted in the last 12 months
			3	The charity disclosed in detail the number of beneficiaries it helped by each program/service it conducted in the last 12 months.
75	Discloses the public benefit provided to the community by the charity's programs	0	1	The public benefit of each program/service was disclosed, but few details were disclosed
			2	The public benefit of each program/service was disclosed with an overview
			3	The public benefit of each program/service was disclosed with details

Item No.	Disclosures about a charity's programs	Score Description		
76	Discloses if it worked with another charity(s)	0	1	The party(s) to the program/service delivery were disclosed, but the nature of the relationship was not disclosed
			2	The party(s) to the program/service delivery were disclosed, and an overview of the relationship was disclosed
			3	The party(s) to the program/service delivery were disclosed, and the details of the relationship were disclosed

Appendix Fifteen continued:

Item No.	Disclosures about a charity's programs	Score Description		
77	Discloses if it worked with a government agency(s)	0	1	The party(s) to the program/service delivery were disclosed, but the nature of the relationship was not disclosed
			2	The party(s) to the program/service delivery were disclosed, and an overview of the relationship was disclosed
			3	The party(s) to the program/service delivery were disclosed, and the details of the relationship were disclosed
78	If the charity worked another entity to deliver a program	0	1	The party(s) to the program/service delivery were disclosed, but the nature of the relationship was not disclosed
			2	The party(s) to the program/service delivery were disclosed, and an overview of the relationship was disclosed
			3	The party(s) to the program/service delivery were disclosed, and the details of the relationship were disclosed
79	If the charity worked with a charity/government agency/entity– it discloses the nature of the work it does with that charity	0	1	The party(s) to the program/service delivery were disclosed, but the nature of the relationship was not disclosed
			2	The party(s) to the program/service delivery were disclosed, and an overview of the relationship was disclosed
			3	The party(s) to the program/service delivery were disclosed, and the details of the relationship were disclosed

Appendix Fifteen continued:

Item No.	Disclosure about serious incidents	Score Description		
80	The charity discloses if it was a victim of fraud	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details
81	The charity discloses if it was involved in fraud	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details
82	The charity discloses if it was involved in a criminal investigation	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details
83	The charity discloses if it was involved in an accident	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details
84	The charity discloses if it was involved in any other material matter	0	1	The incident was disclosed but no details were disclosed
			2	The incident was disclosed, with an overview
			3	The incident was disclosed, along with the details

Appendix Fifteen continued:

Item No.	Disclosures in a charity's financial reports – general information	Score Description	
85	Access to a charity's current financial reports	0	1
86	Access to a charity's prior years financial reports	0	1
87	To disclose if the charity is part of a group	0	1

Item No.	Disclosures in a charity's financial reports – general information	Score Description		
88	If the charity is part of a group – access to the consolidated accounts of the group	0	1	The charity does not provide an explanation of the subsidiary parties to the consolidation and provides global figures in the financial statements with no financial notes or accounting policies
			2	The charity discloses the subsidiary parties to the consolidation and provides global figures in the financial statements with little or no financial notes or accounting policies
			3	The charity discloses the subsidiary parties, along with a full set of financial statements, financial notes and accounting policies
89	If the charity has investment subsidiary(s) – to have access to the financial reports of the subsidiary(s)	0	1	The charity discloses it has subsidiary but does not disclose any of the subsidiary's activities
			2	The charity discloses it has a subsidiary and provides an overview of the subsidiary's activities
			3	The charity discloses it has a subsidiary and provides a detail explanation of the subsidiaries activities

Item No.	Disclosures in a charity's financial reports – general information	Score Description	
90	To have access to the financial reports on the Charities Services website	0	1
91	To have access to the financial reports on the charity's website	0	1

Appendix Fifteen continued:

Item No.	Disclosures of a charity's accounting policies	Score Description	
92	A charity provides a full set of financial reports with associated notes of explanation	0	1

Item No.	Disclosures of a charity's accounting policies	Score Description		
93	The charity explicitly states its accounting policies	0	1	The charity provides general notes about its accounting policies, with little explanation
			2	The charity provides general notes about its accounting policies, with some detailed explanation
			3	The charity follows the Generally Accepted Accounting Principles so provides the required detail for its accounting policies

Item No.	Disclosures of a charity's accounting policies	Score Description	
94	The charity discloses if it has made any material changes to its accounting policies in the last (12) months	0	1
95	The charity discloses any material explanations in its financial notes (like a contingent liability or a lawsuit for example)	0	1

Item No.	Disclosures of a charity's accounting policies	Score Description		
96	The charity discloses its policies for investing	0	1	The charity provides a general statement about its policies for investing but provides no detail
			2	The charity provides an overview of its policies for investing
			3	The charity provides a detail explanation of its policies for investing

Appendix Fifteen continued:

Item No.	Disclosures in a charity's income statement	Score Description	
97	Discloses if it received any grants	0	1
98	Discloses if it received any bequests	0	1
99	Discloses if it received any government contract income	0	1
100	Discloses if it received any donations	0	1
101	Details of any income received from another charity	0	1
102	Details of any income received from an overseas entity	0	1
103	Details of a charity's administration expenses	0	1
104	Discloses the cost of each program the charity conducts	0	1
105	Discloses the cost of fundraising	0	1
106	The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets)	0	1
107	The details of any expenditure spent overseas	0	1
108	If the charity paid any tax	0	1
109	If the charity made a profit/loss (surplus/deficit)	0	1

Appendix Fifteen continued:

Item No.	Disclosures in a charity's balance statement	Score Description	
110	Discloses if it has any buildings	0	1
111	Discloses if it has any land	0	1
112	Discloses if it has any long-term investments	0	1
113	Discloses if the charity has any long-term reserves	0	1
114	Discloses the number of motor vehicles	0	1
115	Discloses if it has any computer and IT assets	0	1
116	Discloses if the charity has any collections of works of art, historical treasures or similar assets	0	1
117	Discloses cash at bank	0	1
118	Discloses short-term investments	0	1
119	Discloses accounts receivable	0	1
120	Discloses if it has any inventory	0	1
121	Discloses if it has any prepaid expenses	0	1
122	Discloses if it has any mortgages	0	1
123	Discloses if it has any loans	0	1
124	Discloses if it has any long-term leases	0	1
125	Discloses if it has any accounts payable	0	1
126	Discloses if it has any superannuation liabilities	0	1
127	Discloses if it has unearned revenue/revenue in advance	0	1

Item No.	Disclosures from a charity's cash flow statement	Score Description	
128	The movement between cash balances at the beginning and the end of the financial accounting year	0	1
129	The charity's operating cash flows	0	1
130	The charity's investing cash flows	0	1
131	The charity's financing cash flows	0	1

Appendix Fifteen continued³:

Item No.	Disclosures about a charity's audit/review of the financial reports	Score Description	
132	The charity's financial reports were audited/review	0	1
133	The charity's financial reports were audited/reviewed by an independent accountant	0	1

Item No.	Timeliness of a charity's reporting	Score Description		
134	Financial reports should be published 3 months after Balance date	0	1	7 months or more after balance date
			2	Within 5-6 months of balance date
			3	Within 4-5 months of balance date
			4	Within 3-4 months of balance date
			5	Within 3 months of balance date

Item No.	Timeliness of a charity's reporting	Score Description	
135	To have access to the charity's latest financial reports	0	1
136	To have access to a charity's annual report	0	1

Item No.	Social Media	Score Description	
137	Facebook	0	1
138	Twitter	0	1
139	Instagram	0	1
140	LinkedIn	0	1
141	YouTube	0	1

³ Items numbered 90, 91 and 135 were the modified information items – see Pilot testing section for further information

Appendix Sixteen: Item-by-item analysis of the application of the disclosure index to the charity publications

This appendix reports the extent and the quality of each information item by the sample charities, firstly on the charity register, then charity's website and finally in the charity's annual report. For the information items that had the dichotomous scale⁴ application, a count of each '0' and '1' result was carried out, and the results discussed. In the case of the information items that had a Likert-type scale (0-3) application, the average disclosure quality ranking (ADQR) is calculated for that information items in each of the publications used in this investigation⁶, and then a discussion then follows.

Item 1-3:

A charity's name: There were three items related to the charity's name. The first item related to a charity's formal name. As this is one of the requirements of charity registration, it is not surprising to find all (30) charities disclosed their formal name on the Charity register. Of the (30) charities, (29) of these also had a working name. However, of the (30) charities, only (13) of the charities disclosed their formal name on its website and (14) in its annual report/annual review.

Despite this, often the working name of the charity was closely related to its formal name, for example, Age Concern Incorporated (formal name) is more widely known as Age Concern. However this was not always the case, for example, *The Evangelical Alliance Relief Fund* (formal name) is only known in the public domain by its working name *TearFund NZ*. *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* is more widely known as *St John*. However, as long as the name complies with the Charities Act s(15)⁷ and the charity has followed the registration process correctly, there is no regulation that compels a charity to disclose its formal registered name to its stakeholders in any of its documents. Therefore (12) charities in the sample did not disclose its formal name.

⁴ Where '0' is no disclosure and '1' is disclosure

⁵ The ADQR is calculated using the following method – $ADQR = \frac{\text{Sum of (number of disclosures for the item * quality rating)}}{\text{total disclosures for the item}}$. The available maximum rating for any ADQR is 3, and the minimum rating is 0.

⁶ The three publications are the Charity register, the charity's website and the charity's annual report/review/other.

⁷ Section 15 of the Charities Act states that the name of a charity must comply with legal Act under which it is incorporated (i.e. Incorporated Societies Act 1908, Charitable Trusts Act 1957, Companies Act 1993 or an Act by which it is established or constituted).

It is noted that the Charities Services search engine uses a charity's formal name as its unique identifier. The researcher carried out a search for each charity using the Charities Services search engine with the more widely known working name of the charity. Of the (30) charities, the Charities Services search engine found (7) charities correctly. For the remaining (23) charities, (5) returned with a nil result, while the remaining (18) returned with (2) or more results (see Table 1 for the analysis of the results). Therefore without a formal name, a stakeholder will find it difficult to use the Charities Services search engine to locate a particular charity. However, there were further difficulties when the Charities Services search engine matched a charity name to a charity group.

Table 1: The results from using the Charities Services search engine using the commonly working name of a charity

Description	Results from using Charities Services Search Engine
Number of charities that returned no results	5
Number of charities that returned the corrected result	7
Number of charities with (2) or more results	18
Number of charities with (10) or more results	8

For example *IHC New Zealand*, the result returned the name of the group and the members of the group (in this example *IHC New Zealand* has (3) associated charities). However for others, such as *Royal New Zealand Plunket Society Incorporated*, the result returned (112) separate entities, or in the case of the *Society of St Vincent de Paul in New Zealand*, the result returned (304) separate entities. To further complicated matters, the results returned a mixture of registered and deregistered charities. Within the charity sample, a further (23) charities returned similar results. In the case of *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* – the first result returned 19 charities with *St John* in their name, however when the researcher clicked on the *St John* - this returned a further 160 separate entities with *St John* in their name.

If the charity used a working name that was not related to its formal name, the Charities Services search engine became redundant and useless. For example, if a charity stakeholder searched for the '*Tear Fund*' or '*TearFund*' – the search engine would return nil results because the charity's formal name is '*The Evangelical Alliance Relief Fund*'. Consequently, (5) charities returned a nil result.

Furthermore, the Charities Services' search engine optimisation was at times poor and the results often irrelevant because the syntax used⁸. This is demonstrated by the use of words such as '*The*' (or its omission in some cases) or '*New Zealand*' (or '*NZ*' in some cases). For example see the contrast between, '*The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated*' (nil result in the search engine – using RSPCA) and '*Royal New Zealand Plunket Society Incorporated*' (112 results in the search engine – using Plunket Society). Moreover, this issue was not limited to '*The*' or '*NZ*', it also included other idiosyncrasies, like adding a 's' to a name⁹ or using capital letters instead of lower case.

In conclusion, unless a charity stakeholder has a charity's formal name, it will be very difficult to locate a specific charity using a charity's working name via the Charities Services search engine¹⁰.

Items 4-9:

A charity's contact details: The next set of items relate to a charity's contact details; specifically a charity's physical address, a working daytime telephone number, an email address, website address, if a charity has multiple websites and finally a mailing address. As part of the registration process, a charity has to provide a physical address, a mailing address, a working daytime telephone number and email address. Therefore it was not unexpected to have all (30) charities provide this information on the Charity register.

Twenty-seven (27) of the charities provided a physical address on its website. However only (14) charities provided a physical address in its annual report. This

⁸ Without checking the deed of the charity – it is often difficult to know whether the charity's formal name has been abbreviated by either the Charity Board filling out the registration forms or the Charities Services Staff – or whether the registered formal name is the charity's actual name.

⁹ for example '*St John*' (the correct short version of '*The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*') or '*St Johns*' – the wrong version which would provide a nil result

¹⁰ A charity's registration number is discussed later.

result can be explained in several ways. Firstly, if the charity is a national body entity, then the stakeholders have to link into an affiliated charity¹¹ to get any information disclosure. Using the example of *Laura Fergusson Trust Board* – there is a generic website called *Laura Fergusson Rehabilitation*, and the stakeholder has access to a drop-down menu which allows the stakeholder to select an affiliated charity that meets their needs. Hence there is no physical address on this website. Secondly, (8) charities within the sample did not produce an annual report or annual review¹².

In the case of a working daytime, telephone number, (29) of the charities provided a daytime phone number on their website except for the *Laura Fergusson Trust Board*. However only (15) of the (22) charities that did produce an annual report/annual review, also disclosed their daytime working phone number in that publication. The phone number published in the annual report/annual review tended to be different from the phone number published on the Charity register. This result can be explained by one main factor. Namely, the daytime working phone number found in the annual report/annual review tended to be a (0800) number and is set up for stakeholders to make donations rather than as a contact number for the charity. An example of this would be the *National Heart Foundation of New Zealand*, where the phone number on the Charity register belongs to the Group (and is linked to the physical address in Auckland)¹³, while the number found in their Annual Impact Report is a (0800) number. In the case of *The Fred Hollows Foundation (NZ)*, it explicitly states in the annual report the (0800) number is a *Donation line*.

When looking at a charity's email address, (28) charities provided an email address on its websites, while (18) provided an email address in its annual report/annual review. The email address found on the Charity register was often not the same email address found on the website or in the annual report/annual review. The reason for this is two-fold. Firstly, the website and annual report/annual review tend to use a catch-all email address ('info@...'), which presents a generalised personality of the charity. Secondly, this allows the charity to filter its email to a specific person to deal with enquiries from the general public; the inference is that staff and charity board members will have

¹¹ Affiliated charities are separate legal entities – thus a stakeholder may go to an affiliated charity that is nearest to where they live.

¹² (22) Charities within the sample produced an annual report/annual review.

¹³ The number begins with an (09) area code – which is in Auckland and coincides with the charity's physical address which is also in Auckland.

specific email addresses. Alternatively, it means that a charity stakeholder is unable to email a charity staff member or charity board member unless they have the person's specific email address.

Twenty-eight (28) charities provided a website link, (2) did not. In the case of the *Laura Fergusson Trust Board Incorporated*, there is no website link provided on the Charity register. However, there is a generic website for this charity. When a Charities Services search is carried out, it returns (5) separate charities with *Laura Fergusson* found in its title. However, the relationship between the charities appears to be one of affiliation (i.e. the charities operate in different locations within New Zealand). However as there is nothing to define the relationship between the (5) entities, a charity stakeholder cannot be sure if there is a relationship at all. Furthermore, of the (5) charities, (2) have a link to another website, but not the same website and (1) charity appears to be an investment entity, but the researcher could not determine the exact relationship from the little information on the Charities Service's website.

In the case of *Unicef Childrens Foundation (CC27773)*, there is no website link provided on the Charity register, but there is a *Unicef* website. However, the website links to another *Unicef* entity (not included in the charity sample) called *NZ National Committee for Unicef Trust Board (CC35979)*. There is no apparent link between the two charities on the Charity register, and it is not clear what the relationship is between the two charities as they both have *Unicef NZ* as their working name and they both share the same physical and contact addresses.

However, this information item was not without issues. In the case of the *National Heart Foundation of NZ* the link on the Charity register did not work, and whether this is an error by Charities Services in the registration process or an error by the *National Heart Foundation of NZ* when applying for registration cannot be determined. In any event, the *National Heart Foundation of NZ* does have a website. However, this is not an isolated case.

In the case of *The Starship Foundation*, the link from the Charity register directs the stakeholder to the Auckland District Health Board link to Starship Hospital¹⁴. *The Starship Foundation* is the charitable fund-raising arm of the Starship Hospital.

¹⁴ Starship Hospital is the children's services arm of the Auckland City Hospital

However, it is difficult to locate the charity on the website as there is no clear link to the charity and it does not appear in the drop-down menu provided on the website. Moreover, there is no obvious distinction between Starship Hospital and *The Starship Foundation* – the website presents them as a single entity.

None of the charities had multiple websites recorded on the Charity register. However, (18) charities had links to other websites from its main website. In the case of some the charities, you could be a member of the charity, which provided you with a member login facility to a closed group website – an example of this would *The New Zealand General Service Board of Alcoholics Anonymous Incorporated*. In the case of *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*, there were (3) other websites¹⁵ that a stakeholder could be directed to. There was also links to a *Hub* for the employees of the charity to use and *Prime* for medical staff that provide support to the charity across the country.

Moreover, it was not always evident that the other websites were closed to the public or even if the link would work. In the case of *The New Zealand General Service Board of Alcoholics Anonymous Incorporated*¹⁶ – there were (2) other websites in addition to the main website. Of the (2) additional websites – *The National Convention of Alcoholics Anonymous* timed out before a result could be returned, and the other link was a member's link that required a stakeholder to register before advancing any further. None of the (18) charities provided web links or directed stakeholders to their other websites in their annual report/annual review.

Items 10-11:

The charity's deed (and amendments): The charity deed is the governing document is often referred to as its constitution, deed or rules and every registered charity must have a charity deed. It sets out the rules of the charity's operations (and may place restrictions on some activities so that it remains within its charitable objectives). The deed should also contain the rights and obligations of the charity's board, as well as the recruitment, appointment and removal of a charity board member.

¹⁵ Recruitment St John, St John Youth, St John Eye Hospital

¹⁶ This website was difficult to use as it timed out often and the links to the other websites were not obviously placed.

The Charities Services refers to the charity deed as the charity rules, and it can be found in the charity documents filed onto the Charity register.

All (30) charities had a charity deed filed onto the Charity register. However, (17) charities had illegible original charity deeds. Of the (17) charities, (12) charities later uploaded an amended legible charity deed (See Table 2 for a summary of the findings). However, the later legible deed was often uploaded many years after the original deed had been sitting on the charity register. For example, *Unicef Childrens Foundation's* first legible document was filed (8) years (2016)¹⁷ after the original illegible document was uploaded (2008). In the case of *Oxfam New Zealand*, the first legible charity deed was uploaded in (7) years (2015) after the first illegible charity deed was uploaded (2008). Nevertheless, (5) charities continue to have illegible deeds.

Table 2: A Summary of the findings for charity deeds

Results	No of Charities
Number of charities with illegible original charity deeds but later amended	12
Number of charities with no legible charity deed on the Charities Services website	5
Number of charities with legible original charity deeds	13
Total Number of charities	30

When the researcher looked at the Group charities, it was found that there were significant differences in how the Charities Services treated the documents. For example, for the *NZ Heart Foundation Group*, a Form 5 Group Application¹⁸ is filed in place of the charity deed. This was also the case for *The Salvation Army Group*. However, this was not the case for the *St John Group* - the charity deed is filed. Therefore this is no expectation of consistency from Charities Services when looking at a charity group.

Furthermore, the researcher found that in the case of *The Salvation Army NZ*, the *British Salvation Army Act (1980)* in its entirety was filed in place of a charity deed.

¹⁷ This is the amendments and not a full deed

¹⁸ A Form 5 Group Application applies only to charities that operate as a group of charities

The history of the *Salvation Army Act (1931)* and the subsequent repeals of the Act¹⁹ are beyond the scope of this investigation. However, it is sufficient to note that Act (and its subsequent repeals) deals with the authority to elect a succeeding general²⁰ onto the High Council and how long a High Council member can hold office for and the age for retirement. It does not provide the stakeholder with standard legally binding rules that are customarily used for a charity deed²¹.

Of the (30) charities, only (4) charities had no amended charity deed – the deed filed in 2007 or 2008 was the current deed²². In the case of *Amnesty International Incorporated*, the original document was illegible (2008), (4) years later an amended deed was uploaded (2012), however from 2012 to 2015, amended charity deeds were uploaded to the Charity register twice every year. It is not clear what the changes were (if any) were made to each set of documents as the researcher could detect no differences in the documents. In contrast, the *Royal NZ Plunket Society Incorporated* has filed a draft of its changed charity deed (Sept 2016), with the deleted sections and amendments still retained throughout the document. There is no fully amended deed found on the Charity register. This charity was not the only one to have done this.

In the case of *Unicef Children's Foundation*, the original deed is illegible (2008), and most recent deed filed on the Charity register contains only those sections from the deed where proposed changes will be made (2016). There is no complete deed. This is also the case for *ChildFund NZ Ltd* – there are only amendments and no completed deed. In the case of *The Evangelical Alliance Relief Fund*, all the amended documents appear to be nothing more than copies of the original deed (2008). Regardless, the original copy appears to be an incomplete document – as do all following deeds filed for this charity. The deed makes references to a 'Statement of Faith', i.e. "...Statement of Faith appearing in the schedule hereof" in (4) places in the deed – however, there is no schedule²³.

¹⁹ The Act was repealed in 1963, 1968 and the most recent is 1980.

²⁰ A general of the High Council of the Salvation Army is liken to a CEO.

²¹ See Charity register for an explanation of legally binding rules used for New Zealand charities <https://www.charities.govt.nz/apply-for-registration/rules-and-the-charities-act-2005/>

²² The charities were *The Starship Foundation*, *The Salvation Army New Zealand*, *The National Foundation for the Deaf Incorporated* and *Laura Fergusson Trust Board Incorporated*.

²³ The places that refer to the *Statement of Faith* are found in the following sections: Requirements of Membership (occurs (3) times here) and in the Alteration of Rules (occurs (1) time).

In the case, *The New Zealand General Service Board of Alcoholics Anonymous Incorporated*, the first filed deed (2009) appears to be a draft prepared for amendment as it has handwritten pieces in addition to the typed sections. Both the amended deeds that were filed later (Sept & Oct 2010) appear to be identical documents, as they contain the same topographical mistakes throughout the document, and the same two repeated pages appear in both documents²⁴.

Five (5) of the charities made their charity deeds available to their stakeholders on their website. The charity deed was made available via a hyperlink found on its governance page (the charity deed would be either a pdf or word document format)²⁵. It was noted *Royal New Zealand Foundation for the Blind* did not have a legible charity deed on the Charity register but had a legible deed filed on its website. One (1) charity also made reference to their charity deed in their annual report (*The Salvation Army New Zealand*) and directed the stakeholder back to the Charities Services²⁶. However, *the Salvation Army New Zealand* was not one of the charities that made their charity deed available on their website. No charity in the sample made their charity deed (or any amended charity deed) available in all three publications.

Items 12-15:

Charity Objectives, beneficiaries, sector and location disclosures: In this section, there are (4) information items;

- The objectives of the charity
- The beneficiaries a charity expects to assist
- The sector the charity operates in
- The location the charity operates in (national and international locations)

²⁴ In this case – the (2) front pages are repeated.

²⁵ The charities were *Amnesty International*, *Deaf Aotearoa NZ Incorporated*, *The National Foundation for the Deaf Incorporated*, *New Zealand Red Cross Incorporated* and *Royal New Zealand Foundation for the Blind*.

²⁶ *The Salvation Army New Zealand Annual Report 2015* p.28, last 2 paragraphs at the bottom of the page in the left column.

As these information items are ranked on a 0-3 Likert-type scale - the quality of these disclosures was evaluated, and an average disclosure quality rating²⁷ (ADQR) was determined for each publication and finally as an overall score is presented.

The objectives of the charity must be declared as part of the charity registration process. However, the Charities Services aligns itself with the Charities Act (2005) and refers to a charity's charitable purposes and activities the charity will undertake to achieve its charitable purpose, rather than list the objectives of the charity²⁸.

Therefore, all (30) charities had both a statement of its charitable purpose and a list of the activities it proposed to undertake on the Charity register. The ADQR, in this case, was the maximum score (3.0), see Table (3) for this result.

Table 3: The ADQR of a charity's objectives on the Charity register

0	1	2	3	ADQR
0	0	0	30	3.0
0%	0%	0%	100%	

When looking at the charity's website, there were (2) charities that inferred its charitable purpose. In the case of *Barnardos New Zealand Incorporated* the beneficiaries are inferred by the pictures and the activities that it undertakes, and this is also the case for *Child Cancer Foundation Incorporated* – these charities do not disclose a statement of its objectives. In the case of *The Age Concern Foundation* and *The New Zealand General Service Board of Alcoholics Anonymous Incorporated*, these charities do declare their charitable purpose but then provide a very broad overview of the activities that they will undertake by providing pictures and links to their services, with not much detail. In contrast, all the other charities (25) provided a statement of their charitable purposes along with the specific detail of their activities²⁹ (See Table (4) for the ADQR of a charity's objectives on the charity's website). The ADQR was almost to the maximum score (2.8) for (29) charities that did disclose.

²⁷ ADQR: the minimum score is '0' and the maximum is '3' for any information item that used a likert-like scale.

²⁸ Both charitable purpose and activities also demonstrate public benefit which is discussed later in this chapter

²⁹ There is no website nor an annual report provided for *Unicef Childrens Foundation* – the website and the annual report belongs to *NZ National Committee for the Unicef Trust Board*.

Table 4: The ADQR of the charity's objectives found on the charity's website.

0	1	2	3	ADQR
1	2	2	25	2.8
3%	7%	7%	83%	

When looking at the charity's annual report/annual review, (21) of the (22) charities that produced an annual report/annual review explicitly stated their charitable objectives and provided a detailed description of their activities. Only (1) charity, *IHC New Zealand* provided no details about its objectives in its annual report; this is related to the format that *IHC New Zealand* uses to present its (2014-2015) annual report. *IHC New Zealand* uses a web page as its annual report, which contains brief facts about what it has accomplished. See Table (5) for the ADQR of the charity's objectives found in the charity's annual report/review. The ADQR for this information item is the maximum (3.0) for the (21) charities that did disclose.

Table 5: The ADQR of the charity's objectives found in the charity's annual report/review

0	1	2	3	ADQR
9	0	0	21	3.0
30%	0%	0%	70%	

The overall ADQR of this information item was (2.9), which is close to maximum score. However, when all three ADQR scores are compared, it is evident that the highest possible score (3.0) reached occurred on the Charity register with all 30 charities disclosing their charity objectives. Twenty-nine (29) charities also disclosed their charitable purpose together with detail on the charity's website with (2.8). Even though there were (21) charities, the disclosures in the annual report/annual review are of good quality (See Table 6, overall ADQR of the charity objectives information item).

Table 6: The overall ADQR of the charity's objectives

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
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3.0	2.8	3.0	2.9
30 charities	29 charities	21 charities	

This result can be explained by several factors. Firstly, the charities are required to disclose their charitable purposes (objectives) on the Charity register. Therefore it is not surprising that the maximum score is achieved by all (30) charities. Secondly, the charity's objectives are the reason a charity exists, therefore, the charity wants its stakeholders to know its purpose. Therefore, the charities have used both their websites (29) and their annual report/annual review to disclose this information item.

Again the information item quality disclosed in the annual report/annual review had the maximum score achievable because often the charity's objectives were explicitly stated in its annual report/annual review – for example see Figure (1), the *National Heart Foundation of NZ*, the charity's objectives, where the disclosure is very detailed³⁰. These findings are in keeping with the same number of charities that had websites and produced annual reports/reviews.

³⁰ A screenshot taken from *The National Heart Foundation of NZ's annual report* (2015, p.4)

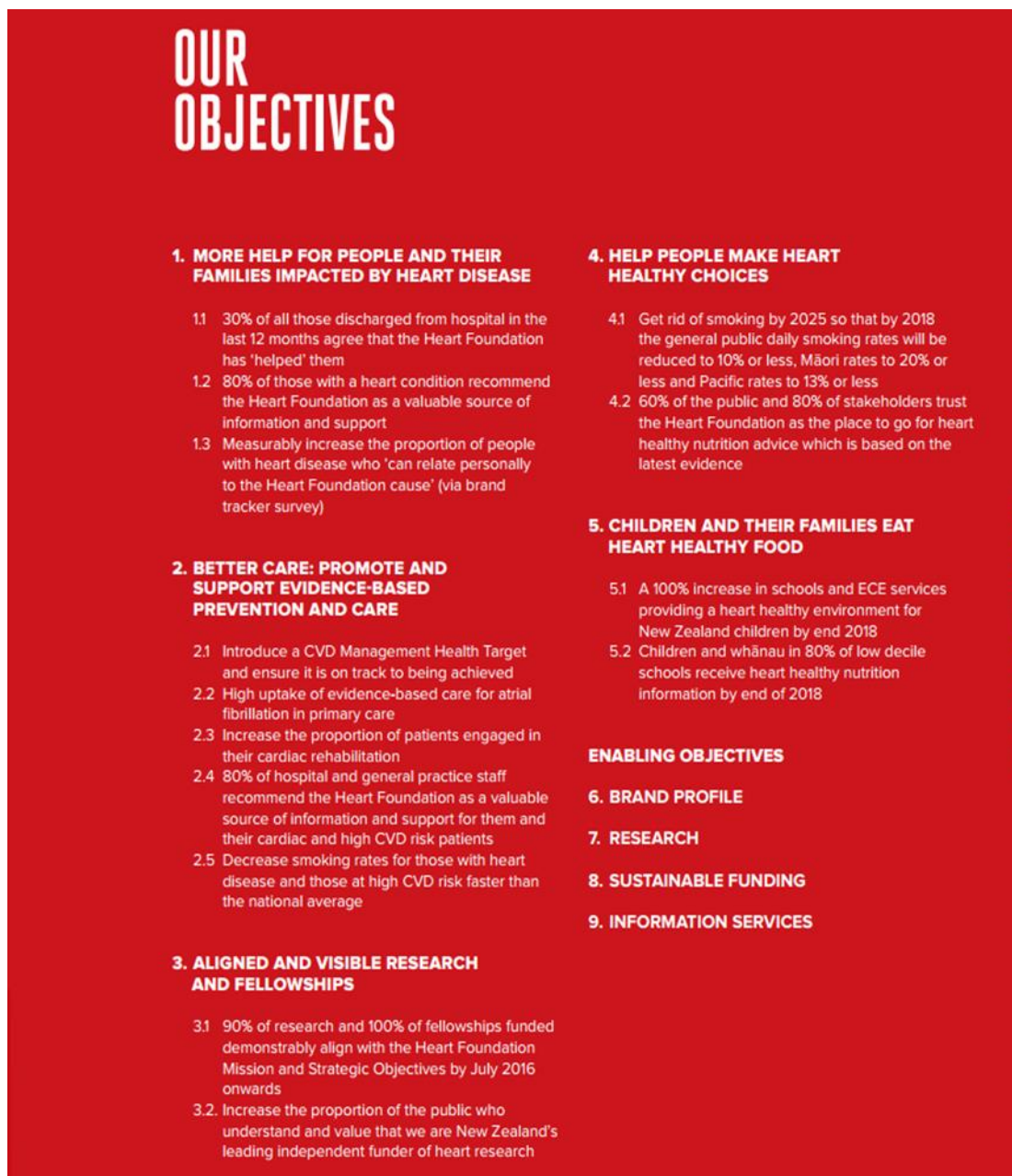


Figure 1: A screenshot taken from The National Heart Foundation of NZ's annual report

The next section looked at the beneficiaries that the charities are expecting to assist. In the same way that charity registration requires a charity to declare its objectives, a charity must also declare the beneficiaries it expects to assist to get charity registration. In this case, there was some variation as to how the beneficiaries were recorded by Charities Services (or by the charity itself – as the researcher is unable to determine whom). For instance, there was one charity that had a very broad list labelled *People with disabilities* and then included a list of *children, young people/older people,*

family/whanau - this was the *Royal New Zealand Foundation of the Blind* (see Figure (2) for a screenshot of the Charity register)³¹.



Figure 2: A screenshot of the beneficiaries of the Royal New Zealand Foundation of the Blind found on the Charity register

In contrast, the *Cystic Fibrosis Association of NZ* had the list reversed with the beneficiaries labelled, *Children/young people* – and then included a list of *people with disabilities, family/whanau* (See Figure 3 for a screenshot of the Charity register)³².



Figure 3: A screenshot of the beneficiaries of the Cystic Fibrosis Association of NZ found on the Charity register.

However, the description of beneficiaries used on the Charity register was not limited to these two titles; other charities had labels such as ‘**Other**’ with a general list following (the *New Zealand Red Cross Incorporated* is an example of this). Also, there are charities that assist other charities and therefore ‘*Other charities*’ are listed as beneficiaries (*Oxfam New Zealand* is an example of this). Thus, the beneficiaries named on the Charity register tended to be generic non-specific groupings – some charities had very long and detailed explanations of their beneficiaries while other charities had a brief short description.

Consequently, some charities had excellent disclosure while others had satisfactory. The ADQR for this information item is (2.6) (see Table 7).

³¹ A screenshot taken from *Royal New Zealand Foundation of the Blind* On the Charity register (22/12/2016)

³² A screenshot taken *Cystic Fibrosis Association of NZ* on the Charity register (22/12/2016)

Table 7: The ADQR for a charity’s beneficiaries from the Charity register

0	1	2	3	ADQR
0	0	12	18	2.6
0%	0%	40%	60%	

When looking at the charity’s website, (21) of the (29) charities achieved the best possible score for this information item. These charities explicitly state who they are going to help and provided the criteria as to how their beneficiaries are chosen. For example, *The Age Concern Foundation* explicitly states who the beneficiaries of its operations are;

“Age Concern is a charitable organisation dedicated solely to people over 65. We promote dignity, wellbeing, equity and respect and provide expert information and support services in response to older people's need.” ³³

The remaining (8) charities achieved satisfactory disclosure – these charities provided a general description of the beneficiaries they expected to assist. For example, *Barnardos New Zealand Incorporated* does not explicitly state that it will assist vulnerable children. Instead, it uses tag lines alongside its pictures as its beneficiaries (see Figure 4 for an example of this).

³³ This quote is taken from the Age Concern website (22/12/2016)
https://www.ageconcern.org.nz/ACNZPublic/About_Us/Vision_Mission_and_Values/ACNZ_Public/Vision_Mission_and_Values.aspx?hkey=7b8ae722-baad-4e43-bcaf-ee556bb5550e



Figure 4: An example of a picture of a beneficiary on Barnardos New Zealand Incorporated web page³⁴

The ADQR for this information item was still close to the maximum score possible (2.7) (see Table 8).

Table 8: The ADQR for a charity’s beneficiaries from the charity’s web page

0	1	2	3	ADQR
1	0	8	21	2.7
3%	0%	27%	70%	

When looking at the charity’s annual report/review, the results were more variable. Fifteen (15) of the charities achieved the highest score possible. For example *World Vision New Zealand Trust Board* state:

“World Vision is a Christian humanitarian organisation working to improve the lives of children and families in the developing world through sustainable, community based initiatives and emergency relief.”³⁵

The remaining (7) charities achieved satisfactory disclosure – as these charities provided a general description of the beneficiaries they expected to assist. For

³⁴ This picture is taken from the *Barnardos New Zealand Incorporated* website (22/12/2016) http://www.barnardos.org.nz/?gclid=CjwKEAiA7ejCBRDlp8uF6ezPnjoSJAAPED7M26aS7epbTBRpsGOc2-aMxKAGHpDAfdmUEVf9IBpazRoC6Czw_wcB

³⁵ This quote is taken from the *World Vision New Zealand Trust Board* Annual Report (2014/2015) (22/12/2016) https://www.worldvision.org.nz/getmedia/fa81f1d8-5cf7-4071-afa8-f2da514bcb27/WV_AnnualReport_15.pdf

example, *Royal New Zealand Plunket Society Incorporated* does not explicitly state that it assists newborns, children and young families. Instead, it uses blocked statements in its annual report (see Figure 5 for an example of this).

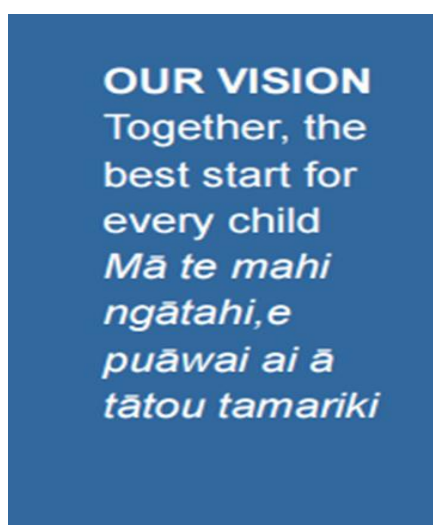


Figure 5: An example of a blocked statement taken from the Royal New Zealand Plunket Society Incorporated’s annual report³⁶.

The ADQR for this information item was (2.7) which was still relatively close to the maximum score possible (see Table 9).

Table 9: The ADQR for a charity’s beneficiaries from a charity’s annual report/review

0	1	2	3	ADQR
8	0	7	15	2.7
27%	0%	23%	50%	

The overall ADQR for this information item was (2.7) and again was relatively close to the maximum score possible. This result can be explained by several factors. Firstly, naming the charity’s beneficiaries are a requirement for charity registration; the charities have to declare who they are going to assist. However, it was surprising that the Charity register did not score as well as the charity’s website and annual report/annual review. This could be explained by the functionality of the Charity

³⁶ This picture is taken from the *Royal New Zealand Plunket Society Incorporated’s annual report*, p. 2 (22/12/2016)
<https://www.plunket.org.nz/assets/PDFs/CBD-research-project/Annual-Report-2016-web.pdf>

register – it does not appear to have the flexibility for the charities to add any further detail.

Moreover, it also appears that the Charities Services staff who upload the charity information are using a generic number of beneficiary descriptions which does not lend itself to any additional details. All (29) charities who had a website, disclosed better detail about their beneficiaries. Twenty-one (21) of the charities had excellent disclosure while the other (8) had satisfactory. All (22) charities that produced an annual report/annual review also disclosed this information item. However, in the case of the annual report/annual review, only (15) charities had excellent disclosure, while (7) had satisfactory disclosure.

This result can be explained by the way the annual reports were being presented – the charities used far more graphic images in the annual report with tag lines and block text than found on their websites. Overall the result was the disclosure of this information item was of good quality (see Table 10 for a summary of the overall ADQR for the disclosure of the beneficiaries a charity expects to assist).

Table 10: The overall ADQR for the disclosure of the beneficiaries a charity expects to assist

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.6	2.7	2.7	2.7
30 charities	29 charities	22 charities	

The next section looked at the sector where the charity operates. In the same way that charity registration requires a charity to declare its objectives and names its beneficiaries, a charity must also declare the sector it works in for charity registration. Therefore, it was not surprising that all (30) charities got excellent disclosure for this information item.

However, again, as with the charity's objectives and beneficiaries, there was some variation as to how the sectors were recorded by Charities Services (or by the charity itself). For instance, *The Priory in NZ of the Most Venerable Order of the Hospital of St John of Jerusalem*, the sector description found on the Charity register is very broad. In this case, the sector is described as

“Health

Education / training / research,

Emergency / disaster relief, Fund-raising,

People with disabilities, Promotion of volunteering.”³⁷

As all the charities in this sample are humanitarian charities, it was not surprising to find that most of them are categorised as being part of the health sector. However, while the description of the sector may seem simple enough, the labelling of the sector when used by the Charities Services, appears also to use 'sector' as another way of categorising the charity's activities.

In the case of the *World Vision of New Zealand Trust Board*, its sector is described as *International activities*. This information is in addition to the information found in the 'Activities' section of the webpage (see Figure 6 for an example of this).

Activities:	Other (please state) (Child Focussed Community Development), Makes grants to organisations (including schools or other charities), Sponsors / undertakes research, Provides services (e.g. care / counselling), Provides advice / information / advocacy, Provides human resources (e.g. staff / volunteers), Provides buildings / facilities / open space
Sectors:	International activities Education / training / research, Health, Environment / conservation, Community development, Emergency / disaster relief, Social services, Religious activities, Economic development, Fund-raising

Figure 6: The Charity register Purpose & Structure web page of World Vision of New Zealand Trust Board³⁸

However, this is not the only case where the sector is not straight forward. In the case of the *New Zealand Red Cross Incorporated*, the sector is described as 'Other'. However, despite the vagaries of the Charities Services application of 'sector' – the maximum score for disclosure was achieved by all 30 charities (see Table 11 for the ADQR of this information item).

³⁷ This quote is taken from the Charity register (22/12/2016)
<https://www.register.charities.govt.nz/CharitiesRegister/ViewCharity?accountId=a364ea65-860a-dd11-99cd-0015c5f3da29&searchId=f9a61fd9-161f-484a-adc4-8cbca641e428>

³⁸ Taken from the Charity register (22/12/2016)
<https://www.register.charities.govt.nz/CharitiesRegister/ViewCharity?accountId=9a085e80-c3e4-dc11-8026-0015c5f3da29&searchId=a5fecfd5-5cc8-476a-a70c-8222f26fe718>

Table 11: The ADQR for the disclosure of the charity's sector on the Charity register

0	1	2	3	ADQR
0	0	0	30	3.0
0%	0%	0%	100%	

When looking at the charities website, the (29) charities with a website achieved excellent disclosure of its sector. The charities tended to integrate graphics, media and block text to demonstrate the sector in which they worked. In the case of the *Child Cancer Foundation Incorporated*, it provided all three types of graphics on its home page (see Figure 7 for an example of this).

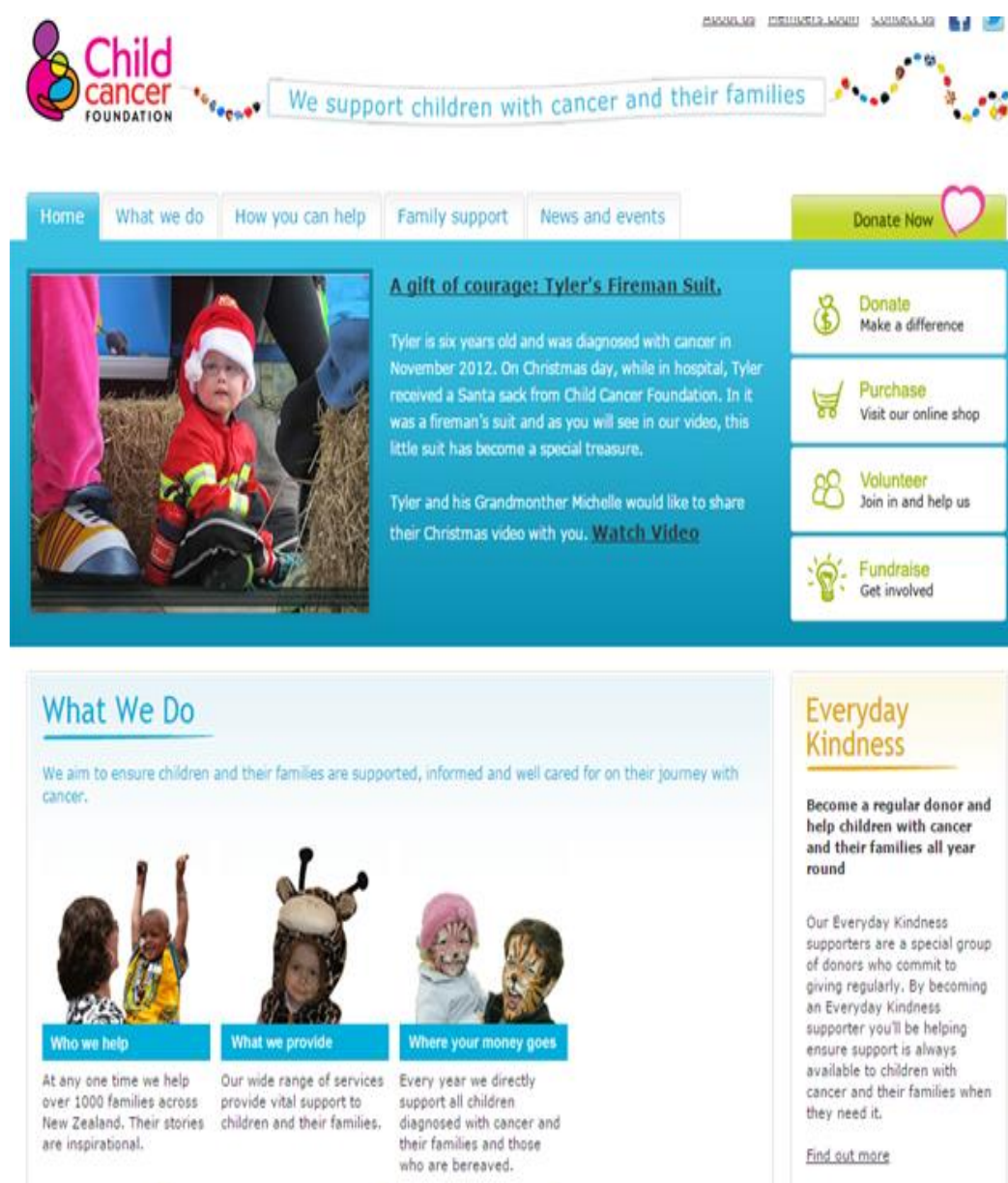


Figure 7: Child Cancer Foundation’s home page of its website³⁹

In this case, the name of the charity also indicates the sector in which it operates. In contrast, *Barnardos New Zealand Incorporated* used block text and graphics to achieve the same thing (see Figure 8 for an example of this). Regardless, all (29) achieved excellent disclosure for this information item.

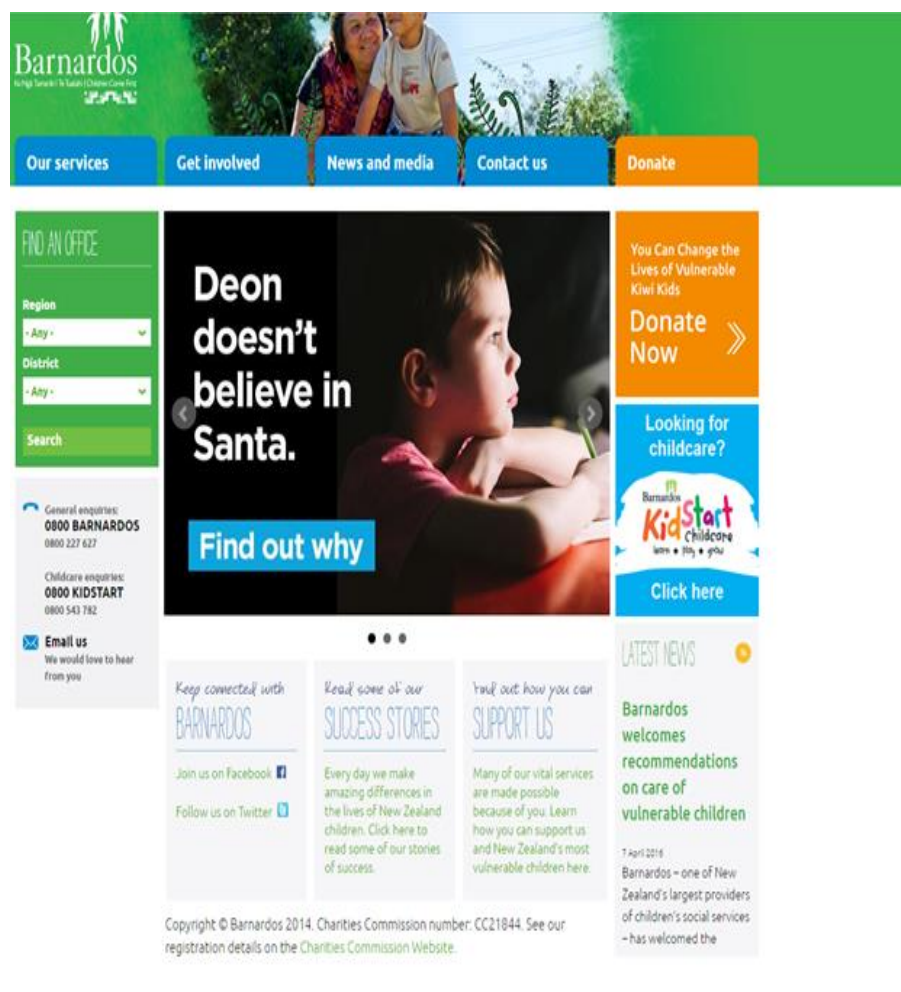


Figure 8: Barnardos New Zealand Incorporated’s homepage of its website⁴⁰

It was not surprising to find that the ADQR for this information on the charity’s website was the maximum that could be achieved (3.0), see Table 12 for this result.

³⁹ This screen shot is taken from the *Child Cancer Foundation*’s webpage (22/12/2016)
<http://www.childcancer.org.nz/>

⁴⁰ This screen shot is taken from the *Barnardos New Zealand Incorporated*’s website (22/12/2016)
http://www.barnardos.org.nz/?gclid=CjwKEAiA7ejCBRDlp8uF6ezPnjoSJAAPED7M26aS7epbTBRpsGOc2-aMxKAGHpdAfdmUEVf9IBpazRoC6Czw_wcB

Table 12: The ADQR for the charity's sector disclosed on the charity's website

0	1	2	3	ADQR
1	0	0	29	3.0
3%	0%	0%	97%	

When looking at the annual report, (21) of the (22) charities disclosed the sector in which they worked. In the case of *IHC New Zealand*, the annual report is an electronic web page found on the charity's website, and it is very brief. Thus, the sector is communicated by block text and graphic images. In the case of *Deaf Aotearoa NZ Incorporated's* annual report, it discloses its sectors but also infers sectors by its activities. The ADQR of this information item is again very close to the maximum score achievable (see Table 13 for these results).

Table 13: The ADQR for the charity's sector disclosed in the charity's annual report/annual review

0	1	2	3	ADQR
8	0	2	20	2.9
27%	0%	7%	67%	

The overall ADQR reflected the good quality disclosures found for all three publications (3.0) (see Table 14 for a summary of the ADQR for this information item).

Table 14: A summary of the ADQR for the disclosure of the sector in which the charity operates

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	3.0	2.9	3.0
30 charities	29 charities	22 charities	

The regulation requires the charities disclose its sector for charity registration, however, all the charities that had a website (29) and all the charities that produced an annual report/annual review (22) also used these publications to disclose their sectors.

The final information item in this section looked at the location of a charity’s operations; this included national and international destinations. In this case, the charities must declare where it operates to obtain registration and on the Charity register (*Charity Details*) there is a tag labelled *Areas of Operation*.

Therefore, in this case, all (30) charities declared their locations however unlike the previous information items⁴¹, this information item tended to be a general location rather than a specific location. For example, see the screenshot of *Society of St Vincent de Paul in New Zealand* in Figure 9.

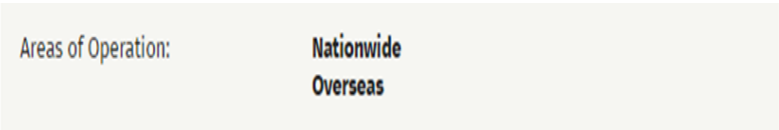


Figure 9: A screenshot of the Society of St Vincent de Paul in New Zealand on the Charity register – ‘Charity Details’ section

This was the case for all the charities within the sample – including charities such as *The Starship Foundation*, which is found at the Starship Hospital⁴² but is still listed as ‘nationwide’. In the case of those charities that worked nationally and internationally – the areas of location were also listed generally. For example, *ChildFund NZ Ltd* was listed as having operations in Auckland and then in Oceania, Africa, South America and Asia (see Figure 10 for a screenshot of *ChildFund NZ Ltd*).

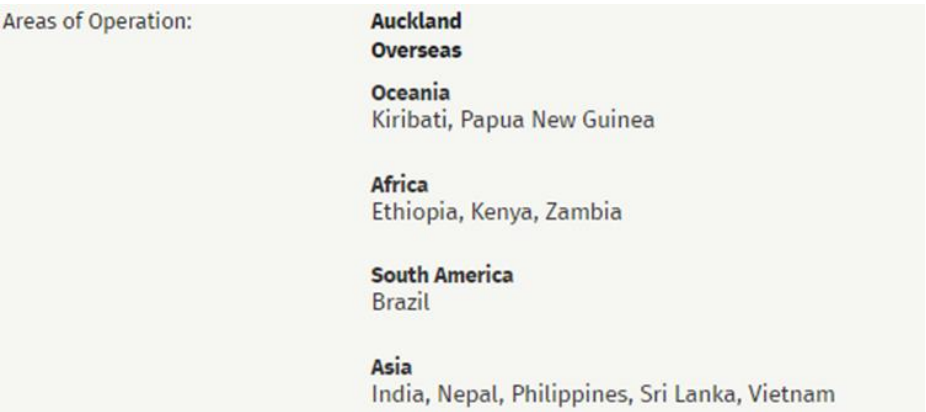


Figure 10: A screenshot of ChildFund NZ Ltd on the Charity register – ‘Charity Details’ section

⁴¹ charity objectives, beneficiaries and sector
⁴² Starship Hospital is a part of the Auckland City Hospital

So, while the information disclosure was not excellent for this item, it was still satisfactory because the charities were disclosing the location of their operations in general terms, but provided no details. The ADQR for this information item was (2.0) (see Table 15 for the ADQR for this information item).

Table 15: The ADQR for the charity's locations it operates on the Charity register

0	1	2	3	ADQR
0	0	30	0	2.0
0%	0%	100%	0%	

When looking at the charity's website, (29) of the (29) charities with websites disclosed the location of its operations. However, *Amnesty International* did not specify the locations of its operations, but rather inferred the locations by its activities. In the case of the charity, *Variety - the Children's Charity Incorporated*, also disclosed in general terms the areas of its locations but provided no specific details. In contrast, the other (27) charities disclosed the locations of their operations and provided details of these locations. The ADQR for this information item was (2.9) (see Table 16 for the ADQR of this information item).

Table 16: The ADQR for the charity's locations it operates on the charity's website

0	1	2	3	ADQR
1	1	1	27	2.9
3%	3%	3%	90%	

When looking at the annual report, (2) charities did not mention the locations of their operations. These (2) charities are the *National Heart Foundation of NZ*, (the annual report presented the results of their year) and *IHC New Zealand* (its annual report is a web page on their website, and also presents their annual results). Therefore (20) of the (22) charities that produced an annual report/annual review did disclose the locations of its operations. However, (8) of (20) charities – did not specifically disclosed the locations of their operations. Instead, they provided a general location

with no details⁴³. Despite this, (12) charities disclosed all the locations of their operations, along with the details. The ADQR for this information item was (2.6) (see Table 17 for the ADQR for this information item).

Table 17: The ADQR for the charity's locations it operates in the charity's annual report/annual review

0	1	2	3	ADQR
10	0	8	12	2.6
33%	0%	27%	40%	

The overall ADQR for this information item is (2.5) which indicates that the information disclosure for this item was generally of good quality. Again, regulation demands that the charities disclose the locations of their operations to the Charities Services for registration. Therefore all (30) charities complied, however, the quality of this disclosure was satisfactory rather than excellent. The researcher believed that the Charities Services are more likely than not, using general terms for the location(s) of a charity's operations as the terms in all (30) appeared to come from a bank of keywords. In the case of the website, all (29) charities disclosed the locations of where they operated, and the quality of this disclosure scored almost the maximum that could be achieved. In the case of the annual report/annual review, the disclosure was still of a very good quality, however, (2) of the (22) charities did not disclose the locations of their operations in their annual report/annual review (see Table 18 for the overall ADQR for this information item).

Table 18: The overall ADQR for the disclosure of a charity's locations of where it operates.

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.0	2.9	2.6	2.5
30 charities	29 charities	20 charities	

⁴³ It was noted that the *Nga Whare Whakaruruhau o Aotearoa National Women's Refuges Incorporated* is unique in that it does not reveal the whereabouts of each affiliated society or branch for safety reasons

Items 16-21:

A charity's legal and organisation structure: This next set of information items relates to the disclosure of the charity's legal structure and the charity's [Charities Services] registration number. This section also includes disclosures about whether a charity is registered on other public registers, and if yes, whether it discloses its other registration numbers. Finally, the last information item is about the disclosure of a charity's local chapters, branches or affiliates.

The first information item was the disclosure of the charity's legal structure (or legal form). Of the (30) charities, (21) disclosed their legal structure on the Charity register ((9) did not disclose their legal structure). Often the legal structure was disclosed as part of the notes to the Financial Reports submitted to the Charities Services (see Figure 11 for a screenshot of *The National Foundation for the Deaf Incorporated* for an example of this⁴⁴).

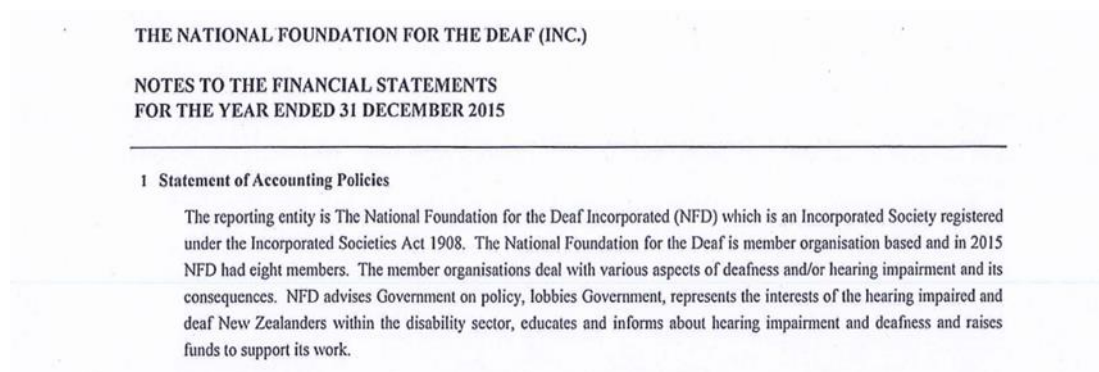


Figure 11: A screenshot of the note to the financial reports for The National Foundation for the Deaf Incorporated

As disclosing the legal structure is not a legal requirement of registration, this result is not surprising. Ten (10) charities disclosed their legal structures on its website, while only (9) disclosed this information item in its annual report/annual review.

⁴⁴ A screenshot taken of *The National Foundation for the Deaf's* financial statements submitted to the Charities Services.

Charities can use several different legal structures in New Zealand. There were (4) identifiable legal structures within the sample, however (2) charities used legal structures not usually found in New Zealand⁴⁵ (see Table 19).

Twenty-seven (27) charities of the (30) also indicated they are registered on another public register⁴⁶; these are mostly incorporated societies or charitable trusts. However only (3) charities also displayed this additional registration number. In the case of the *New Zealand Red Cross Incorporated*, the charity uploaded its Incorporated Society registration along with its charity deed – so the Incorporated Society registration number is made available to a stakeholder.

Table 19 Legal structures used by the charities in this sample

Results	No of Charities
Number of Incorporated Societies	14
Number of Charitable Trusts	13
Number of Limited Liability Companies	1
Number of Social-profit Organisations	1
Number of Body Corporates	1
Total Number of Charities	30

It means that a stakeholder should be able to go to these other registers as well as the Charity register for information disclosure from these charities. While the other registers are beyond the scope of this investigation, it was noted when the researcher went to the other registers; it was found that the charity information was out of date and thus information irrelevant⁴⁷.

All (30) charities disclosed its charity registration number. Once the charity is located by the Charities Service's search engine, the charity's registration number is displayed.

Nine (9) charities disclosed that it had either local chapters, branches or affiliates. Three (3) from those (9) charities disclosed a general statement about its local chapters, branches or affiliates – and this was usually found in the charity's deed (see Figure 12 screen shot of the charity deed excerpt from *Cystic Fibrosis Association of NZ*).

⁴⁵ The (2) legal structures not used in New Zealand are the body corporate and the social profit organisation.

⁴⁶ This was determined by the disclosure of charity's legal structure

⁴⁷ There was (2) charities within the sample that had current information on the other public registers

10. Branches of the Association.

10.1 Each ordinary member of the Association shall have a minimum financial membership of ten, including at least three CF families and shall fulfil all the branch responsibilities as listed below. Branches with fewer than ten financial members may be admitted at the discretion of the Board, under special circumstances

A branch must-

- a) Maintain membership records and provide financial member's names and addresses to the Association twenty-one days prior to the Associations Annual General meeting. CF families are to be identified.
- b) Hold an Annual General Meeting within two months of the end of the financial year (28 February) and not later than the Association's Annual General Meeting.
- c) Provide audited annual accounts to the Association not later than 1st April each year where income is of such a level that an audit is required OR where an audit is not required, shall provide full accounts with all applicable invoices/ receipts and proof of expenditure and income.
- d) Provide representation at the Associations Annual General Meeting and conferences.
- e) Act responsibly towards the purposes of the Association.

10.2 Branches of the Association shall abide by decisions on policy and operational matters, made by the National Board and their delegated authorities

Figure 12: A screenshot from an excerpt of the charity deed from the Cystic Fibrosis Association of NZ

Six (6) other charities provided more detail about its local chapters, branches or affiliates. In the case of the *Royal New Zealand Plunket Society Incorporated*, there is a reference to its affiliated members both in the charity's deed (p. 9 of the charity's deed found on the Charity register).

However, there is also a note found on the 'Purpose and Structure' web page of the Charity register that refers to the other area societies and branches⁴⁸. The ADQR of this information item was below satisfactory (1.7) (see Table 20 for the ADQR for this information item).

Table 20: The ADQR for the disclosure of a charity's local chapters, branches or affiliates on the Charity register

0	1	2	3	ADQR
21	3	6	0	1.7
70%	10%	20%	0%	

⁴⁸ During this investigation – *Royal New Zealand Plunket Society* underwent a governance review and is in the process of integrating all the different societies and branches to form one incorporated society. As of the end of 2016 – this had not happened.

In comparison, more charities disclosed whether they had local chapters, branches or affiliates on its website. Twenty-one (21) charities disclosed with detail its local chapters, branches and affiliates. This usually consisted of a drop-down menu linking the stakeholder directly to the branch closest to them (For example of this, see *IHC New Zealand* – where it has a link on its website that directs the stakeholder to its local branch) or a map of New Zealand is provided with a link to each region (see *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* for an example of this). Three (3) charities disclosed a general statement about its local chapters, branches or affiliates and provided some detail. In the case of the *World Vision of New Zealand Trust Board*, the charity’s website provides links to its projects in other countries, with some detail about its affiliates. For example, in the case of the Solomon Island Earthquake response, *World Vision of New Zealand Trust Board*, state

World Vision is providing relief and coordinating with the Solomon Islands Government to assess ongoing needs following the magnitude 7.8 earthquake.

Three (3) charities disclosed a general statement about its local chapters, branches or affiliates but provided no details. In the case of the charity *Variety – the Children’s Charity Incorporated*, it has affiliations with some different entities, such as the *Trillian Trust Inc.* but the details of these relationships are not disclosed. The ADQR of this information item was (2.7) (see Table 21 for the ADQR of this information item).

Table 21: The ADQR for the disclosure of a charity’s local chapters, branches or affiliates on the charity’s website

0	1	2	3	ADQR
3	3	3	21	2.7
10%	10%	10%	70%	

There were (2) charities (in addition to the one charity that did not have a website) that did not disclose any local chapters, branches or affiliations. Firstly, *The Fred Hollows Foundation (NZ)* did not disclose if it has local chapters, branches or affiliates; instead, it lists the diseases of eyes and provides links. This charity might well have no local chapters, branches or affiliations but the researcher could not ascertain this information. Secondly, *The Starship Foundation* website is a web page on the Starship

Hospital website; it does no more than provide information about how stakeholders can support the Starship Hospital via *The Starship Foundation*. Therefore, this charity might also have no local chapters, branches or affiliates.

When looking at the annual report/annual review, (14) charities of the 22 charities disclosed that it had local chapters, branches or affiliates. There were (8) charities that provided excellent disclosure by providing details. For example, the *Nga Whare Whakaruruhau O Aotearoa National Collective of Independent Women's Refuges Incorporated*⁴⁹ discloses the total number of affiliated refuges and number of sites (see Figure 13 for a screenshot of the statement).

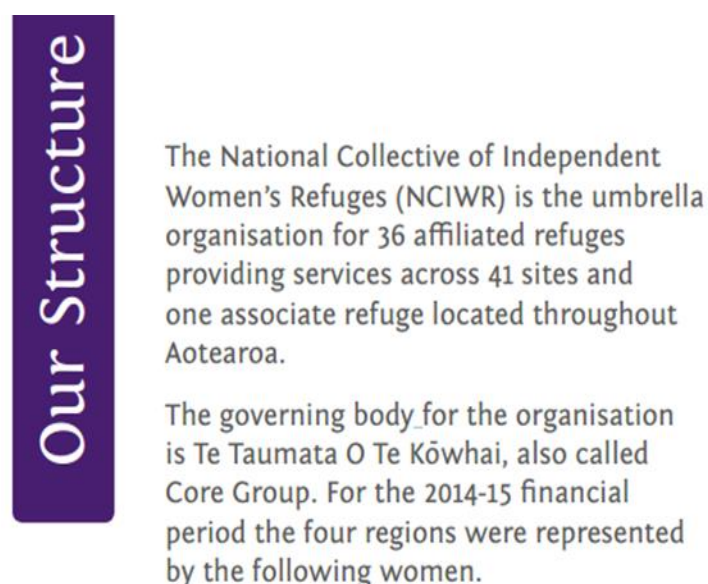


Figure 13: The screenshot from the Nga Whare Whakaruruhau O Aotearoa National Collective of Independent Women's Refuge Incorporated annual report (2014/2015, p. 12)

Five (5) charities disclosed a general statement with some detail. Using the case of the *World Vision of New Zealand Trust Board* again, the charity's annual report discloses some details – but not specific details about its affiliates (see Figure 14 for a screenshot of a statement taken from its annual report).

⁴⁹



Figure 14: The screenshot from the World Vision of New Zealand Trust Board annual report (2015, p.4)

There was (1) charity *The Evangelical Alliance Relief Fund*, which referred to affiliates in general terms throughout its annual report but provided no details (see Figure 15 for a screenshot of an example taken from its annual report)



Figure 15: The screenshot from The Evangelical Alliance Relief Fund Annual Report (2015, p.2).

Overall, the ADQR of this information item was (2.4). This is not a regulated information disclosure item, and thus, few disclosed this information item on the Charity register and those that did, did so indirectly in the charity's deed. In comparison, the information disclosure on the charity's website was almost the

maximum score possible, (27) of (29) charities disclosed this information. However, the number of charities that disclosed this information in their annual report/annual review fell to (14). Despite this, the quality of the information disclosures found in the annual report/annual review was of good quality (see Table 22 for the ADQR of this information item).

Table 22: The ADQR for the disclosure of a charity's local chapters, branches or affiliates.

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.7	2.9	2.6	2.4
30 charities	27 charities	14 charities	

The final information item in this section is the disclosure of a charity's commercial operations and/or subsidiaries. There were only (4) of the (30) charities that disclosed that they had a commercial operation and/or subsidiary on the Charity register. These (4) charities disclosed its commercial operations and/or subsidiaries in the annual financial reports submitted to the Charities Services. In the case of *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*, this charity explicitly stated its subsidiaries in the notes of its financial reports – as does *Deaf Aotearoa NZ Incorporated* and the *Royal New Zealand Foundation of the Blind*.

In the case of the *Society of St Vincent de Paul in New Zealand*, this charity discloses and lists the locations of all its charity shops throughout New Zealand in the notes of its financial reports⁵⁰. The ADQR of this information item was (3.0) (see Table 23 for the ADQR of this information item).

Table 23: The ADQR for the disclosure of a charity's commercial operations and/or subsidiaries on the Charity register

0	1	2	3	ADQR
26	0	0	4	3.0
87%	0%	0%	13%	

⁵⁰ Each charity shop is a part of a different branch of *St Vincent de Paul in New Zealand*

When looking at the charity's website, (5) charities disclosed that it had commercial operations and/or subsidiaries (See Table 24 for this result). However, of the charities that disclosed on the Charity register, only (1) charity also disclosed they had a commercial operation and/or subsidiaries on its website (*The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*). This charity published their full financial reports onto its website.

Table 24: The ADQR for the disclosure of a charity's commercial operations and/or subsidiaries on the Charity's website

0	1	2	3	ADQR
25	0	1	4	2.8
83%	0%	3%	13%	

However, a further (4) other charities did disclose it had commercial operations and/or subsidiaries in the charities annual report/annual review (see Table 25 for this result). In the case of charity stores, (3) charities disclosed this information on its website. In the case of *The Salvation Army New Zealand*, the website has a map of New Zealand with every Salvation Army charity store marked on it⁵¹; *Society of St Vincent de Paul in New Zealand* had a similar setup on its website, but the links did not work. In contrast, the *New Zealand Red Cross Incorporated* had all its charity shops listed by destination address instead of a map.

Table 25: The ADQR for the disclosure of a charity's commercial operations and/or subsidiaries in the charity's annual report/annual review

0	1	2	3	ADQR
23	1	2	4	2.4
77%	3%	7%	13%	

Commercial operations can be broadly defined as any activity which involves the buying or selling of goods or services⁵²; it is from this perspective that (13) charities also had online shops on its website, where a stakeholder could purchase goods from

⁵¹ *The Salvation Army New Zealand* webpage, (22/12/2016):

<http://www.salvationarmy.org.nz/centres/#!/family-store>

⁵² *taxable activity* defined in s6 of the GST Act (1985) s.6 broadly defines any activity carried on continuously or regularly where there is an intention that the activity is carried on for consideration

the charity. This included (3) of the prior (4) charities that declared their commercial operations⁵³. However, no (0) charity disclosed their online commercial activities separately – neither by general statement nor in their financial notes to their financial reports. The overall ADQR is found in Table 26.

Table 26: The overall ADQR for the disclosure of a charity’s commercial operations and/or subsidiaries

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	2.8	2.4	2.7
4 charities	5 charities	7 charities	

Items 22-28:

Charity board disclosures: The next set of information items were related to general charity board disclosures and included;

- The number of trustees required by the charity’s deed
- The name of each charity board member
- The duration of appointment for each board member
- If there are material voting rights among the charity board members
- If the decisions of the board are subject to approval by a person(s) not on the charity board
- If any of the charity board members serve on any other charity boards/entities

Of the (30) charities, (23) of the charity deeds found on the Charity register set out the number of trustees required for the charity board. The other (7) that did not disclose this information item were the same charities that had either illegible charity deeds or filed amendments in place of a deed. In the case of the charity board members, Charities Services calls these the ‘charity officers’ on Charity register, and the stakeholder must go to the web page link called “*Officer Details*’ to get further information.

⁵³ It did not include St Vincent de Paul – it had no online shop.

Five (5) of the charities made their charity deed available to their stakeholders on its website. Therefore a stakeholder can access this information (this is where the stakeholders can get access to *Royal New Zealand Foundation of the Blind’s charity deed*). However, in the case of the other (24) charities, it is impossible to check this information because there is no deed lodged on the website. When looking at the annual report/annual review, none of the (22) charities disclosed the number of charity board members required by their charity deed.

Twenty-nine (29) of the charities named their charity board members. In the case of *The New Zealand General Service Board of Alcoholics Anonymous Incorporated*, the charity board members are not named, because the information is “Restricted” – see Figure 16 for a screenshot of the Charity register for this charity.

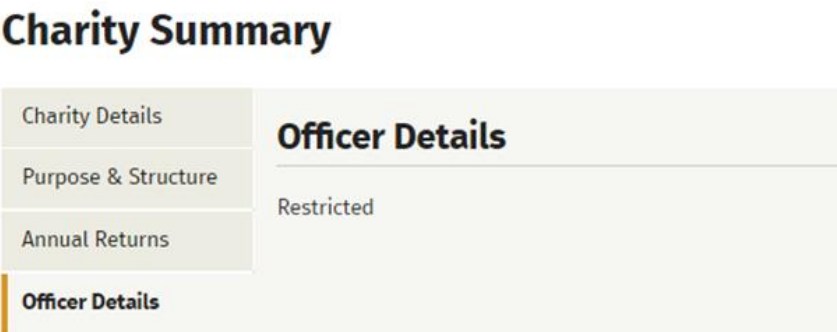


Figure 16: Screenshot of the New Zealand General Service Board of Alcoholics Anonymous Incorporated Officer Details

Charities Services can restrict a charity’s information (Charities Act (2005) s25 if it is in the public interest. There is a list of reasons found on the Charity register and it is considered that given the nature of this charity – the restriction probably protects the charity board members⁵⁴.

The name of each charity board member is found on the Charity register, and as this is information item is required for [continued] charity registration, therefore this finding is not surprising. However, this information item was not without issues. When looking at the charity’s website, (9) charities did not name its charity board members. In the *Unicef Children’s Foundation* – there is no website. However, this is not the case for the other (8) charities (see Table 27 for the list of these charities).

⁵⁴ Charities Services, (2017). Restricting information. <https://www.charities.govt.nz/im-a-registered-charity/restricting-information/>

Table 27: the list of charities that did not name the charity board members on its website

Charities that did not name their charity board members on its website
The New Zealand General Service Board of Alcoholics Anonymous Incorporated
Cystic Fibrosis Association of NZ
Laura Fergusson Trust Board Incorporated
New Zealand Red Cross Incorporated
The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated
Society of St Vincent de Paul in New Zealand
The Evangelical Alliance Relief Fund
Unicef Childrens Foundation
Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated

Nine (9) charities (of the (22) that produced an annual report/annual review) did not name their charity board members in their annual report/annual review (see Table 28 for a list of these charities). This finding is explained in two ways. Firstly, some of the charities are affiliated to international organisations, so much of the annual report/annual review is dedicated to reporting the international results (see *Amnesty International Incorporated* for an example of this).

Table 28: the list of charities that did not name the charity board members in its annual report/annual review

(this result excludes those charities that did not produce an annual report/annual review).

Charities that did not name their charity board members in its annual report/annual review
Amnesty International Incorporated
Barnardos New Zealand Incorporated
Deaf Aotearoa NZ Incorporated
IHC New Zealand
National Heart Foundation
Save the Children New Zealand
The Evangelical Alliance Relief Fund
World Vision of New Zealand Trust Board
Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated

Secondly, the charity is the national office, and while there are charity officers named on the Charity register because regulation requires it, these officers are not named

anywhere else (see *Laura Fergusson Trust Board* for an example of this). Thirdly, the organisation can also belong to a group of charities, and the annual report/annual review is a product of the group rather than the individual charities (see *IHC New Zealand* for an example of this).

When looking at the (3) publications of the charities - a few anomalies were noted. Firstly, (1) charity listed its charity board members by the description on the Charity register. *The National Foundation for the Deaf Incorporated* listed its charity board members as board deputy chairperson, board members, council members, council deputy chairperson, and chief executive. It was unclear if the role on the charity board was different for each type of board member (see Figure 17 for an example of this – please note that this is (1) of (3) pages listed on the Charity register). Moreover, descriptions of charity board members were not limited to this charity alone, other charities like *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* for example, also had a combination of trustees, priory chapter members, chancellor and deputy chancellor names as it charity board members with no explanation.

The degree of consistency, uniformity and quality of the information varies between the charities. It might be useful to make the distinction between the records that the charity keeps for the internal use by the charity, and those kept to comply with charity regulations.

Officer Details		
Officers		
Officer Name	Position	Effective Date
Philip Thomas Cammish	Board Deputy Chairperson	4/10/2016
Lynette Theresa Murray	Board Member	24/08/2016
Kathryn Whale	Council Member	23/08/2016
Brent Burcher	Council Member	19/03/2016
Leonie Wilson	Council Member	25/07/2015
Joanna Wallace	Council Member	20/06/2015
Kim Howell	Council Member	24/05/2014
Stephen John Smith	Board Member	4/03/2014
Robert John Gill	Board Member	17/12/2013
David Kent	Council Deputy Chairperson	15/06/2013
1	2	3 >

Figure 17. An excerpt of The National Foundation for the Deaf Incorporated charity board members found on the Charity register.

As the Charity register, does not provide a standardise option to record this information item, it appears to the researcher that the charities are using the charity's internal records (of the charity board management) in their annual returns and applications to comply with the legislation. This may explain the differences in the way in which this information item is recorded

Furthermore, this information item becomes very confusing for a stakeholder, when the charity has recorded the charity board members differently from what can be found on its website (see *Nag Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated* for an example of this).

In the case of (3) charities, the board members named on the Charity register were not the same board members that are named on the charity's website (these charities are *Lifeline Aotearoa Charitable Trust*, *ChildFund NZ Ltd* and *Save the Children New Zealand*). In the case of *Save the Children New Zealand*, an additional (2) board members are found on the charity's website. There also appears to be a spelling mistake – one of the charity board member's name is Mckinlay (Charity register) or McKinley (charity's website). While in the case of *ChildFund NZ Ltd*, there was

additional charity board member named on the Charity register and it was not clear that all the charity officers are resident in New Zealand because at least (1) of the charity board members appears to be living in Australia⁵⁵. This seems to be the same for *World Vision of New Zealand Trust Board* who appears to have (1) a charity board member living in London⁵⁶. There is nothing within the Charities Act (2005) or Charitable Trusts Act (1957) that limits a charity board member to being a New Zealand resident. Furthermore, there is nothing that compels a charity to disclose where its charity board members reside.

In the case of *The Salvation Army New Zealand* (2) trustees are listed on the Charity register, the annual report lists the charity *The Salvation Army New Zealand* as having (5) charity board members (of which (2) are also the same people listed as the Charity register) and the charity's website has (9) *governance board* members of which (3) are also named as the charity board members in the charity's annual report. As a result, it is not clear who the charity board members are, and the researcher is unable to determine if these additional charity governance members also had voting rights, lesser voting rights than the (2) charity board members named on the Charity register or whether they had any voting rights at all. This information could not be ascertained.

When looking at the duration of the appointment of charity officers, (29), charities disclosed the duration of the appointment of their charity officers on the Charity register (See Table 29 for a summary of the charities which had board members who have served for more than (10) years or more). Again, *The New Zealand General Service Board of Alcoholics Anonymous Incorporated* did not disclose this information item.

⁵⁵ Sean Tiner appears to be living in Australia

⁵⁶ Bonnie Wurzbacher is noted as living in London in the notes to the financial statements

Table 29: Summary of charities, which have had board members who have served more than (10) years or more.

Description	No of charities
Charities with board members that have served for 10 years or less	21
Charities with board members that have served for 10 years or more	8
Charities that did not disclose their board members	1
Total Number of charities	30

There were charities within the sample that had appointed some of their charity board members more than a decade ago. In the case of *The Age Concern Foundation*, it appointed the Guardian Trust in 1995, as a board member – this is an independent organisation which specialises in the providing expert trustee and supervision services⁵⁷. However, this was not the case for the other (7) charities. For example, *The Evangelical Alliance Relief Fund* had three board members that were appointed (1993), (2004) and (2006) respectively; *St Vincent de Paul in New Zealand* had a board trustee that was appointed in (2001). It was difficult to decide why some of these board members have been serving for so long as there was no information disclosure to indicate a reason for this.

When looking at the charity's website, (2) charities⁵⁸ disclosed the duration of each charity board member's appointment (see Figure 18 for an example of this). It is noted however other charities provided (1) or more charity board member's durations⁵⁹, but this seemed to be in an ad-hoc manner. In the case of *Royal New Zealand Plunket Society Incorporated*, (4) of the charity board members had descriptions, this included (2) with duration of the appointment. However, there were (5) other charity board members with no other information at all apart from their names.

⁵⁷ Guardian Trust services can be found on their website (22/12/2016):

<http://www.guardiantrust.co.nz/services/trustee-and-supervision-services/>

⁵⁸ *Royal New Zealand Foundation of the Blind and World Vision of New Zealand Trust Board*

⁵⁹ *The Age Concern Foundation, Amnesty International Incorporated, The Fred Hollows Foundation (NZ), National Heart Foundation of NZ, Oxfam New Zealand, Royal New Zealand Plunket Society Incorporated and Variety – the Children's Charity Incorporated*

Keith Appleton

Keith was first elected in November 2010. He is an East Auckland based Chartered Accountant in public practice and has a keen interest in education. Keith has held executive positions on two schools' Board of Trustees. He holds several company directorships. Keith also serves on the Advisory Board of the Counties Manukau Plunket branch and is Trustee/Treasurer of ME/CFS Support (Auckland). Keith's adult daughter has had low vision since birth. He is also a member of the Institute of Directors.

Figure 18: An example from the Royal New Zealand Blind Foundation of the Blind duration of appointment

When looking at the charity's annual report/annual review, (2) charities named the duration of appointment for its board members. In the case of the *Royal New Zealand Plunket Society Incorporated* – the duration was named alongside the board member's name (see Figure 19 for an example of this). This is also the case for *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated*.



Figure 19: An excerpt taken from the Royal New Zealand Plunket Society Incorporated's annual report (2015, p.27)

The next information item that was analysed looked at whether there were any material differences among the voting rights of the charity board members. One (1) charity appeared to have an independent oversight authority that had the ability to override any decisions made by the charity board. The charity *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* has a very complicated structure that is not easily understood. In the charity deed, there are definitions provided for the leaders of the charity. However, the definitions do not equate to the varied list found

on the Charity register. There are Priory Trust board members, the deputy chancellor and the chancellor and trustees. However, the researcher could not find out where these people fitted into the organisational structure. *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* does provide a video which explains its structure on its website – however, this does not explain the charity’s board composition.

Despite the complicated organisational structure, in s2.2 of the charity deed, the supreme authority of the organisation is vested in the Sovereign Head of the Order, and the Grand Prior, who does not sit on the charity’s board. Furthermore, the Priory Trust Board is governed by the Prior and the Priory Chapter, which has immediate control and supervision of the affairs and the work of the Order and the Order Members resident in New Zealand⁶⁰. It is not clear if all the Prior and the Priory chapter all sit on the charity board as this information is not disclosed by the charity. Furthermore, as there is a strong hierarchical chain of command, and the current board contains members from the upper management structures, it is not clear if some charity board members have more power to vote than others.

No (0) charity declared any if there were material differences in voting rights between its charity board members on its website, this finding included the (5) charities that made their charity deeds available via its website. This was also the case for the charity’s annual report/annual review. As this item relates to the governance structure of the charity, this finding is not surprising given that a stakeholder would find this information within a charity’s deed.

Moving to the next information item, if a charity has delegated authority to an executive committee or similar body. None of the charities (0) disclosed this information item in any of the publications that were scored. This information item relates to the governance structure of a charity, and while it is not surprising to find no disclosure of this item on a charity’s website or annual report/annual review, it is the sort of disclosure, a stakeholder would expect to see in a charity’s deed.

⁶⁰ Rule 2.4 found in the charity deed on the Charities Service website (27/12/2016, p.5)
[file:///C:/Users/dkd4/Downloads/THE17824NOC023%20The%20Priory%20Rules%20and%20Regulations%202015%20\(5\).pdf](file:///C:/Users/dkd4/Downloads/THE17824NOC023%20The%20Priory%20Rules%20and%20Regulations%202015%20(5).pdf)

In the case of the next information, if the charity board decisions are subject to the approval by a person (s) not on the charity board. There are (3) charities that had a higher oversight authority of the charity board disclosed in their charity deeds; *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*, *The Salvation Army New Zealand* and *New Zealand Red Cross* (both *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* and *The Salvation Army New Zealand* have been discussed prior). All (3) charities belong to an international organisation, and this information item is found disclosed in the charity's deed.

In the case of the *New Zealand Red Cross*, the ultimate authority for this charity lies with the National Board of the Red Cross⁶¹ - but there is also a National Council and National Officers. All the charity board members found on the Charities Services are described as a 'Board Member' and (1) is described as the National President. However, there is also a Director General – who can attend any Red Cross meeting but has no voting rights and is considered 'secretary to the National Council'⁶².

When looking at the charity's website, (1) charity disclosed if there was a person(s) who had oversight of the charity board; this was the same charity that also disclosed its management structure in its annual report; this charity is *The Salvation Army New Zealand*⁶³.

The final information item in this section looked at whether any of the charity board members also served on any other charity boards or entities. In the case of the Charity register, no charity disclosed if its charity board members held other positions with another charity/entity. Therefore, the ADQR for this information item was (0), see Table 30 for this result.

⁶¹ This found in Article 1.11.1 of the charity deed found on the Charities Services website (27/12/2016, p5)

<file:///C:/Users/dkd4/Downloads/Charity%20Rules.PDF>

⁶² Article 1.7 of the charity deed found on the Charity register (27/12/2016, p.4)

<file:///C:/Users/dkd4/Downloads/Charity%20Rules.PDF>

⁶³ In the section of the charity's annual report called "Governance" (Annual Report 2015, p. 27)

<http://www.salvationarmy.org.nz/sites/default/files/uploads/20160107TSA%20Annual%20Report%202015%20CC.pdf>

Table 30: the ADQR of whether a charity disclosed if its charity board members served on other charity boards/entities on the Charity register.

0	1	2	3	ADQR
29	0	0	1	0.0
97%	0%	0%	3%	

This finding is not surprising given that there is no room for this detail on the Charity register. When looking at a charity's website, (10) charities disclosed its charity board members held other positions on charity boards/entities. In the case of *The Age Concern Foundation*, a general statement is provided with a few details and therefore providing satisfactory disclosure (see Figure 20 for an example of this⁶⁴).



Figure 20: An excerpt taken from The Age Concern Foundation's website

However, the other (8) charities, the details of all the other charity board positions are disclosed along with details, providing excellent disclosure. In the case of *The Fred Hollows Foundation (NZ)*, the disclosure is very detailed, and a history of the charity board member's past employment history is also included (for an example of this see Figure 21⁶⁵).

⁶⁴ This is found on *The Age Concern Foundations website (2016)*.
[https://www.ageconcern.org.nz/ACNZPublic/About Us/Board/ACNZ Public/Board.aspx?hkey=9a6e252c-b969-4586-a66d-6505e73980b6](https://www.ageconcern.org.nz/ACNZPublic/About%20Us/Board/ACNZ%20Public/Board.aspx?hkey=9a6e252c-b969-4586-a66d-6505e73980b6)

⁶⁵ This is found on *The Fred Hollows Foundation (NZ) website*
<https://www.hollows.org.nz/about-us/trustees>



Figure 21: An excerpt taken from The Fred Hollows Foundation (NZ)’s website

The ADQR of this information item was (2.9) for the (10) charities that did disclose (see Table 31 for this result), which was very close to the maximum score achievable.

Table 31: The ADQR of whether a charity disclosed if its charity board members served on other charity boards/entities on the charity’s website.

0	1	2	3	ADQR
20	0	1	9	2.9
67%	0%	3%	30%	

However, when looking at the charity’s annual report/annual review, (0) charities disclosed this information item, and therefore the ADQR was (0) (see Table 32 for this result). This result is surprising, (9) did not name their charity board members in their annual report/annual review anyway.

Table 32: The ADQR of whether a charity disclosed if its charity members served on other charity boards/entities in the charity’s annual report/annual review

0	1	2	3	ADQR
30	0	0	0	0
100%	0%	0%	0%	

The overall disclosure quality of this information item is ranked as (1.0) (see Table 33 for this result). This is very low disclosure however it is not an information item that is required by the Charities Services for charity registration, and therefore this result is not surprising.

Table 33: The overall ADQR of whether a charity disclosed if its charity board members served on other charity boards/entities

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
0.0	2.9	0.0	1.0
30 charities	9 charities	30 charities	

Items 29-34:

Charity board and governance disclosures: The next set of information items looked at the qualifications/special expertise that each charity board member has, whether a contact email, telephone number, a contact address and date of birth is supplied for each charity board member, as well as the full name of the charity board member. Looking at the first information item, whether the qualifications/special expertise of each charity board member is disclosed; there is no disclosure for this item found on the Charity register. This is not a requirement for charity registration. Therefore this result is not surprising. The ADQR for this item was (0.0) (See Table 34 for this result).

Table 34: The ADQR of whether a charity disclosed the qualifications/special expertise for each charity board member on the Charity register.

0	1	2	3	ADQR
30	0	0	0	0.0
100%	0%	0%	0%	

However, when looking at the charity's website, (14) of the charities did disclose the qualifications/special expertise for each of its charity board members. The description of each charity board members, qualifications/special expertise for this information, was presented with precise detail so for these charities, the disclosure was excellent.

In the case of the charity *Oxfam New Zealand*, a prior employment history of each board member is presented, along with the charity board member's achievements (this includes, social, academic and accolades) and a picture of the charity board member (see Figure 22 for an example of this⁶⁶).

Jonathan Boston



Jonathan Boston is Professor of Public Policy in the School of Government at Victoria University of Wellington. He previously served as the Director of the Institute for Governance and Policy Studies, and Deputy Director and Director of the Institute of Policy Studies at Victoria University. He holds an MA (Hons) from Canterbury University and a DPhil from Oxford University.



He has published widely on a range of policy matters including tertiary education policy, climate change policy, child poverty, constitutional issues and public sector management, including 30 books and over 200 journal articles and book chapters. During 1995-2003 he was a member of the New Zealand Political Change Project, based at Victoria University of Wellington, which explored the behavioural, institutional and policy impacts of the introduction of proportional representation in New Zealand in 1996. In 2000-02 he served as a member of the Tertiary Education Advisory Commission, and subsequently worked for the Tertiary Education Commission (TEC) on the design, implementation and evaluation of the Performance-Based Research Fund. In 2012 he co-chaired the Expert Advisory Group on Solutions to Child Poverty in New Zealand.

Figure 22: A charity board member from Oxfam New Zealand profile found on the Oxfam New Zealand's website.

The ADQR for this information was the maximum score achievable (3.0) – see Table 35 for this result).

Table 35: The ADQR of whether the charity disclosed the qualifications/special expertise of each of its charity board members on the charity's website

0	1	2	3	ADQR
16	0	0	14	3.0
53%	0%	0%	47%	

When looking at the disclosure of this information item, (18) charities that produced an annual report/annual review did not disclose this information item. Five (5) charities did disclose this information item, (4) achieved excellent disclosure (*New Zealand Red Cross*, *Royal New Zealand Foundation of the Blind*, *Variety – the Children's Charity Incorporated* and *Lifeline Aotearoa Charitable Trust*) and (1)

⁶⁶ This excerpt is taken from the *Oxfam New Zealand website* (27/12/2016) <https://www.oxfam.org.nz/about-us/who-we-are/oxfam-board-of-trustees>

achieved satisfactory disclosure (*ChildFund NZ Ltd*). In the case of the charity *ChildFund NZ Ltd*, the charity provided a brief list of the charity board member's current achievements (see Figure 23 for an example of this⁶⁷)

CHILDFUND NEW ZEALAND BOARD OF DIRECTORS	
Geoff Copstick <i>Chairperson</i>	Director, Gallagher Group
Rob Campbell	General Manager, Dilworth Trust Board
Alastair de Raadt	Group Marketing Director, Business Owner and Managing Director AsureQuality Indoma
Daniel Fielding	Commercial and Public Law Solicitor at Minter Ellison Rudd Watts
John Holley	IT Management, School Trustee, and Board Member of Accelerating Aotearoa Taskforce
Michael Prasad	Specialist Chartered Accountant
Sumi Subramaniam	Principal Development Manager at the New Zealand Aid Programme, Ministry of Foreign Affairs and Trade
Sean Triner	Founder Director Pareto Fundraising

Figure 23: An excerpt taken from ChildFund NZ Ltd disclosure of a charity board member's qualifications/special expertise

The ADQR for this information item was very close to the maximum score achievable (2.8). However, it was noted that only (5) charities from (22) disclosed this information item; see Table 36 for this result.

Table 36: The ADQR for the disclosure of a charity board member's qualification/special expertise discloses in a charity's annual report/annual review

0	1	2	3	ADQR
25	0	1	4	2.8
83%	0%	3%	13%	

⁶⁷ This excerpt is taken from the *ChildFund NZ Ltd's annual report (2015)*, (27/12/2016)
https://static.childfund.org.nz/files/CFNZ_AnnualReport2015_Web.pdf

The overall ADQR score for this information item was just below satisfactory (1.9) because even though the charities that disclosed had achieved excellent disclosure quality, very few charities disclosed (See Table 37 for this result). This finding can be explained in two ways. Firstly, the charities did not have to use this information item for charity registration, so this information item is not disclosed on the Charity register. Less than half the charities which had a website (45%) disclosed this information item on their charity website. Finally, of the (22) charities that produced an annual report/annual review, only (5) disclosed the qualifications/special expertise of their charity board members (23%). Therefore, the overall disclose of this information item was poor.

Table 37: The overall ADQR of whether a charity disclosed the qualifications/special expertise of its charity board members.

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
0.0	3.0	2.8	1.9
30 charities	14 charities	5 charities	

The next information item looked at whether an email address for each charity board member is disclosed by the charity. In the case of the Charity register, no charity (0) disclosed this information item. In the case of the charity's website, there was only (1) charity that supplied an email address for its charity board members (*Royal New Zealand Foundation for the Blind*); no other charity supplied this information item. In the case of the charity's annual report/annual review, no charity (0) supplied this information.

The following information item looked at whether a telephone contact for each charity board member was disclosed by the charity. In the case of the Charity register, no charity (0) disclosed this information item. This was also the case for the charity's website and the charity's annual report/annual review.

The next information item looked at whether an address contact for each charity board member was disclosed by the charity. In the case of the Charity register, no (0) charity disclosed this information item. This was also the case for the charity's website and the charity's annual report/annual review.

The next information item looked at whether a date of birth for each charity board member was disclosed by the charity. In the case of the Charity register, no charity (0) disclosed this information item. This was also the case for the charity's website and the charity's annual report/annual review.

The final information item in this set looked at the whether the full name of each charity board member was disclosed. In the case of the Charity register, (29) charities disclosed this information. One (1) charity, *The New Zealand General Service Board of Alcoholics Anonymous Incorporated*, did not disclose this information, because as noted prior, this charity has its information restricted from public access.

In the case of the charity's website (21) of the (29) charities which have a website disclosed this information item. There were several reasons that the other (8) charities did not disclose this information⁶⁸. In the case of the *Nga Whare Whakaruruhau o Aotearoa National Collective of Women's refuges Incorporated*, the website does not have the names of any the charity board members, because this website is used by all the affiliates and branches of the women's refuges throughout New Zealand. This was also the case for charities such as *Laura Fergusson Trust Board Incorporated* and *Society of St Vincent de Paul in New Zealand*. In the case of charities such as *New Zealand Red Cross*, the website is used to communicate the services available (and these are quite extensive), across New Zealand and internationally, so it does not disclose the charity board members on its website. This was also the case for *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated* and *ChildFund NZ Ltd*. In the case of *Cystic Fibrosis Association of NZ*, this charity does not provide the name of its charity board members on its website either – instead, the website is an information resource which provides information locally and internationally to its stakeholders.

When looking at a charity's annual report/annual review, (13) of the charities of the (22) charities that produced an annual report/annual review disclosed the name of its charity board members. This finding is because some of the charities use their annual report/annual review to communicate other matters. For example, *World Vision of New Zealand Trust Board* uses its annual report to communicate the success of its

⁶⁸ Unicef Children's Foundation does not have a website.

programs nationally and internationally and therefore there is no disclosure about its charity board members.

In summary, this group of information items was poorly disclosed. This can be explained by several factors. Firstly, the charity's website, directs the stakeholder to its administrative offices for all enquiries, therefore restricting all communications to charity board members. This also deals with any queries that can be handled by the main charity administration rather than a charity board member. Secondly, preventing contact directly with charity board members also prevents any frivolous or media pursuits that involve the charity and its operations.

Items 35-44:

Charity board compensation, recruitment, appointment and removal: The next set of information items looked at the charity board, and governance disclosures; specifically, the information items in this section were the disclosure of the following items;

- The compensation/benefits provided to each charity board member
- How the compensation/benefits to each charity board member is approved
- How the compensation/benefits to each charity board member is reviewed
- If the charity board member receives compensation/benefits from other related organisations
- If there are any arm's length procedures established for charity board members
- How a charity board member is recruited
- How a charity appoints a board member
- How a charity removes a board member
- If a charity conducted a search for banned or disqualified persons before an appointment is made
- If there is a recruitment provision in the charity's founding deed

The first information item looked at whether there were any compensation/benefits provided to a charity's board members. When looking at the Charity register, this information had to be extracted from the charity's financial reports which are filed annually with Charities Services, but there may also be a provision found in the charity's deed.

There were (10) charities that disclosed this information item on the Charity register. In the case of the *Barnardos New Zealand Incorporated*, the information item is found in the notes to the financial reports (see Figure 24 for a screenshot from this charity's financial reports filed on the Charity register⁶⁹).

In this example, the charity discloses a global figure paid to the charity board but provides no detail about the compensation/benefits provided to each charity board member. Therefore, this is low disclosure. This was also the case for *Orphans Aid International Charitable Trust* and *Child Cancer Foundation Incorporated* who disclosed a global figure in their financial reports.

Barnardos New Zealand
Notes to the Financial Statements
For the year ended 30 June 2016

20. Related Party Disclosure	2016 \$000	2015 \$000
Amounts owed to Barnardos by Every Child Counts (ECC) at 30 June		6
a) Members of Barnardos are related parties. Membership is by invitation from the Board. Members may donate to Barnardos in any way and all transactions are at arm's length. There are no subscription or membership fees payable. At June 2016 the outstanding balance at year end was \$Nil (2015: \$12,500).		
b) ECC is a related party of Barnardos as it is made up of a coalition of Barnardos, Plunket, UNICEF and Save the Children. Barnardos employees complete work for ECC at no cost. There were no donations made to ECC for the year (2015: Nil).		
c) Board Members. Board member fees for the year were \$65,000 (2015: \$65,000). No amounts were outstanding at 30 June.		

Figure 24: A screenshot of an excerpt taken from Barnardos New Zealand Incorporated financial notes filed on the Charity register

In the case of *The Fred Hollows Foundation (NZ)*, this is an example where the information item is found in both the charity's deed (see Figure 25 for a screenshot from this charity's deed filed on the Charity register⁷⁰) and in the charity's financial reports filed on the Charity register. Also, *The Fred Hollows Foundation (NZ)*, has a statement which discloses that none of the charity board members in the financial year for (2015) received any payments⁷¹ (excellent disclosure).

⁶⁹ This excerpt is taken from the *Barnardos New Zealand Incorporated* financial statements filed on the Charity register (27/12/2016)

file:///C:/Users/dkd4/Downloads/30%20June%202016%20-%20Barnardos%20financial%20statements_FINAL%20Signed.pdf

⁷⁰ This excerpt is taken from *The Fred Hollows Foundation (NZ)*'s deed filed on the Charity register (27/12/2016)

[file:///C:/Users/dkd4/Downloads/Fred%20Hollows%20-%20amendment%20\(2\).pdf](file:///C:/Users/dkd4/Downloads/Fred%20Hollows%20-%20amendment%20(2).pdf)

⁷¹ This is found at note 13 in the Financial statements for (2015) (27/12/2016)

[file:///C:/Users/dkd4/Downloads/2015%20FHFNZ%20Signed%20and%20Issued%20Financial%20Accounts%20\(3\).pdf](file:///C:/Users/dkd4/Downloads/2015%20FHFNZ%20Signed%20and%20Issued%20Financial%20Accounts%20(3).pdf)

5	<u>FUNCTIONS POWERS AND DUTIES OF THE BOARD OF TRUSTEES</u>
1	To control, administer and manage the property, funds and affairs of the Trust
2	To carry out, effect and perform the objects according to law and as provided in and by the Charitable Trusts Act 1957, and in accordance with these Rules
3	To appoint offices, assistants and other servants whether honorary or otherwise and upon such terms and conditions and at such remuneration as the Board shall think fit AND from time to time to remove and to replace any person so appointed PROVIDED THAT no Member of the Trust shall be appointed to any salaried office of the Trust or any office of the Trust paid by fees, and no remuneration or other benefit and money or moneys worth shall be given by the Trust to any Member of the Trust except -
	(a) Repayment of out-of-pocket expenses,
	(b) Interest at a rate not exceeding interest at the rate for the time being which is would be charged by the Trust's bankers for money lent to the rust, and

Figure 25: A screenshot of an excerpt taken from The Fred Hollows Foundation (NZ)'s charity deed filed on the Charity register

The ADQR for this information item on the Charity register is (1.7) (see Table 38 for this results). This represents low-quality disclosure for this information item.

Table 38: The ADQR of the compensation/benefits provided to each charity board member on the Charity register.

0	1	2	3	ADQR
20	6	1	3	1.7
67%	20%	3%	10%	

When looking at the charity's website, (27) of the (29) charities with websites did not disclose this information item. The charity *Orphans Aid International Charitable Trust* refers the stakeholder back to the Charity register to get a copy of their financial reports. Therefore this is low disclosure (see Figure 26 for a screenshot of this⁷²).

Does Orphans Aid International have a set of financial accounts that clearly identify receipts of donations and transfers of funds, on a regular basis, to its designated charitable purposes?

Audited financial accounts for the latest can be viewed on the New Zealand Charities Commission website. They identify where donations have gone. Further, the software that is being used, as referred to above, ensures accuracy in this regard.

Figure 26: A screenshot of an excerpt taken from the Orphans Aid International Charitable Trust's website

⁷² This excerpt is taken from the *Orphans Aid International Charitable Trust's website* (27/12/2016) <http://www.orphansaidinternational.org/Default.aspx?PageID=2408337&A=SearchResult&SearchID=9822910&ObjectID=2408337&ObjectType=1>

This is also the case for the *Royal New Zealand Foundation for the Blind*. However, the stakeholders are directed to the *Communications Team* to get access to a full set of financial accounts⁷³. Therefore, the ADQR for this information item was low (1.0) as was the number of charities that disclosed this information item (2) (see Table 39 for this result).

Table 39: The ADQR of the compensation/benefits provided to each charity board member on the charity's website

0	1	2	3	ADQR
28	2	0	0	1
93%	7%	0%	0%	

When looking at the charity's annual report/annual review, there are (3) charities that provided low disclosure for this information item. In the case of *Barnardos New Zealand Incorporated*, a summary of the financial reports is provided in the annual report/annual review. However, the stakeholder is directed to Chief Financial Officer of the charity to obtain full financial reports with accompanying notes⁷⁴. This was also the case for the *Royal New Zealand Plunket Society*, where the stakeholders are directed to the head office of the charity⁷⁵. For both these charities, a global figure is presented in the full financial reports of the compensation/benefits provided to each charity board member with no details, and these are filed on the Charity register.

In the case of *Child Cancer Foundation Incorporated*, a global figure is presented in the notes to the account⁷⁶ - this is the same note that can be found in the charity's financial reports that are filed onto the Charity register. The ADQR for this

⁷³ This is found on the *Royal New Zealand Foundation for the Blind's* website here (27/12/2016)

<https://blindfoundation.org.nz/about-us/what-we-do/plans-and-reports/>

⁷⁴ This statement is found in *Barnardos New Zealand Incorporated's* (2015) annual report (p.22). (27/12/2016)

<http://www.barnardos.org.nz/sites/all/files/Barnardos%20Report%202015%20FINALweb.pdf>

⁷⁵ This statement is found in the *Royal New Zealand Plunket Society Incorporated's* (2016) annual report (p.33).(27/12/2016)

<https://www.plunket.org.nz/assets/PDFs/CBD-research-project/Annual-Report-2016-web.pdf>

⁷⁶ This note is found in the *Child Cancer Foundation Incorporated's* (2015-2016) annual report (p.34). (27/12/2016)

http://ebooks.edocumentonline.com/DDP/cc_annual_report-a/#36

information item is (1.0) and represents both low disclosure quality and a low number of charities that disclosed it (see Table 40 for this result).

Table 40: The ADQR of the compensation/benefits provided to the charity board members in the charity's annual report/annual review

0	1	2	3	ADQR
27	3	0	0	1
90%	10%	0%	0%	

The overall ADQR of this information item was low (1.2) (see Table 41 for this result). This result can be explained in two ways. Firstly, there were very few charities that disclosed this information item. Those that disclosed a global figure in the notes to their financial reports in the annual report/annual review were the same charities that also provided instructions for the stakeholders so they could get access to the full financial reports on the Charity register. Secondly, this disclosure is not required by any regulation, and therefore this figure is more likely than not, integrated into the charity's expenditures.

Table 41: The overall ADQR for the compensation/benefits provided to each charity board member by a charity

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.7	1.0	1.0	1.2
10 charities	2 charities	3 charities	

The next information item was how the compensation/benefits for each charity board member is approved. In the case of this information item, a statement can usually be found in the charity's deed as to how the charity board members can be compensated/benefits accrued.

There are (12) charities that disclosed this information item as a general statement in its charity deed found on the Charity register. However, (5) of the (8) charities

provided excellent disclosure. In the case of the *Lifeline Aotearoa Charitable Trust*, there is a section within the charity deed found on the Charity register that sets out the criteria as to how the compensation/benefits of a charity board member can be determined (see Figure 27 for an example of this⁷⁷).

Remuneration and Reimbursement of Trustees:

- (a) A Trustee may be remunerated for services provided as a Trustee provided that such remuneration must be reasonable having regard to the Trustees duties and responsibilities and the services provided by the Trustee and as determined in accordance with clause 9.10b. However if remuneration is paid to any Trustee then no Trustee, employee of that Trustee nor any partner of that Trustee may be engaged to provide professional, business or trade services to the Trust.
- (b) The Trust Board shall determine if any remuneration shall be paid to a Trustee or Trustees by resolution of a number of Trustees that equals or exceeds 75% of the total number of trustees for the time being in office. Such remuneration must not exceed fair market value for the services provided and if it is a benefit or advantage in respect of which clause 6.2 applies, neither the Trustee receiving the remuneration nor any person associated with them may determine or materially influence, directly or indirectly, the nature or amount of that remuneration or the circumstances in which it is to be provided.
- (c) A Trustee is entitled to be reimbursed for reasonable expenses properly incurred by them in connection with the Trust including travel and other expenses.

Figure 27: An excerpt taken from Lifeline Aotearoa Charitable Trust’s deed found on the Charity register.

This is also the case for *Amnesty International Incorporated*, (see Figure 28 for an example of this⁷⁸); this includes any costs incurred by the charity board members (GT in the document) as well as honorarium payments.

⁷⁷ This section is found in the *Lifeline Aotearoa Charitable Trust’s* deed, s9.10, p.10. (27/12/2016) [file:///C:/Users/dkd4/Downloads/Rules%20\(Companies%20Office\)%20\(6\).pdf](file:///C:/Users/dkd4/Downloads/Rules%20(Companies%20Office)%20(6).pdf)

⁷⁸ This section is found in the *Amnesty International Incorporated’s* trust deed, s18, p.26. (27/12/2016) [file:///C:/Users/dkd4/Downloads/ANN11828NOC028%20Updated%20Statute%202015%20\(8\).pdf](file:///C:/Users/dkd4/Downloads/ANN11828NOC028%20Updated%20Statute%202015%20(8).pdf)

Remuneration and reimbursement

18.5 AIANZ does not exist for the profit of any of the AIANZ members.

18.6 Subject to clauses 18.7, 18.8 and 18.9, no part of the income or assets of AIANZ can be used or applied for the benefit of any member.

18.7 Remuneration of the CE, and reimbursement of the CE for proper services and expenses, must be agreed by the GT.

18.8 Honorariums may be paid to GT members and designated volunteers in accordance with the Guidelines for Honorarium Payments developed by the GT and approved by the Annual Meeting. The amount of such honorariums is to be determined by the Audit and Risk Committee.

18.9 GT members may be reimbursed by AIANZ for all costs, charges, losses, damages and expenses reasonably sustained or incurred by them in carrying out their role.

Figure 28: An excerpt taken from Amnesty International Incorporated's charity deed found on the Charity Services website.

The other charities in that disclosed this information item, had at least (2) sentences in its charity deed dedicated to how a charity board member would be compensated (4) – while (3) charities had a statement that referred to 'out-of-pocket' expenses, or 'reasonable costs and expenses incurred'. The ADQR of this information item is (2.2), see Table 42 for this result.

Table 42: The ADQR of how the compensation/benefits for each charity board member is approved on the Charity register

0	1	2	3	ADQR
18	3	4	5	2.2
60%	10%	13%	17%	

When looking at this information item on the charity's website, there was only (5) charities that disclosed this information item. These were the same (5) charities that had a link to its charity deed on its website. No other charities disclosed this information. The ADQR for this information item was slightly higher (2.4) (see Table 43 for this result).

Table 43: The ADQR of how the compensation/benefits for each charity board member is approved on the charity's website

0	1	2	3	ADQR
25	1	1	3	2.4
83%	3%	3%	10%	

When looking at this information item in the charity's annual report/annual review, no charity disclosed this information. The ADQR for this information item was (0), this result can be found in Table 44.

Table 44: The ADQR of how the compensation/benefits for each charity board member is approved in a charity's annual report/annual review

0	1	2	3	ADQR
30	0	0	0	0
100%	0%	0%	0%	

The overall ADQR for this information item was (1.5) (see Table 45 for this result). This result can be explained by two factors. Firstly, a charity had to have a provision in its charity deed for this information item to score; 60% of the charities failed to have one. Secondly, unless a charity provided a link to its charity deed on its website and in its annual report/annual review, this information would not score at all. And this was the case for the 83% of the charities in this sample. As there is no regulation that demands a charity disclose this information item, most did not disclose.

Table 45: The overall ADQR of how compensation/benefits for each charity board member is approved

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.2	2.4	0.0	1.5
12 charities	5 charities	30 charities	

The next two information items scored (0) for all three publications. These information items are;

- How the compensation/benefits of each board member is reviewed
- The compensation/benefits provided to each charity board member from other related organisations.

Again, both these information items are not required by regulation or policy, so this finding is not surprising.

The next information item looked at whether the charity had any arm's length procedures established for the charity board members. In this case, (15) charities established arm's length procedures for its charity board members on the Charities Services website. This is either a provision in its charity deed (satisfactory disclosure) (see *The National Foundation for the Deaf Incorporated* for an example of this) or it a brief, simple statement found in their financial reports (low disclosure) (see *Barnardos New Zealand Incorporated* for an example of this). In the case of *Child Cancer Foundation Incorporated*, there was also a conflict of interest statement provided along with the arm's length provision in the charity's deed (excellent disclosure). The ADQR for this information item was (2.3) (see Table 46 for this result).

Table 46: The ADQR of whether any arm's length procedures are established for the charity board members on the Charity register.

0	1	2	3	ADQR
15	1	9	5	2.3
50%	3%	30%	17%	

When looking at the charity's website, (4) disclosed this information item. There were (3) charities⁷⁹ that had a link to their charity's deed who scored and (1) charity⁸⁰ that provided a statement in its financial reports found on their website. The ADQR of this information item is (2.4), see Table 47 for this result. Twenty-five (25) charities did not disclose this information item on its website

Table 47: The ADQR of whether any arm's length procedures are established for the charity board members on the charity's website

0	1	2	3	ADQR
25	0	3	2	2.4
83%	0%	10%	7%	

⁷⁹ These were *Amnesty International Incorporated*, *Royal New Zealand Foundation for the Blind* and *The National Foundation for the Deaf Incorporated*

⁸⁰ This is *World Vision of New Zealand Trust Board*

When looking at the charity's annual report/annual review, (2) charities⁸¹ disclosed this information. The ADQR for this information item was (2.0), see Table 48 for this result.

Table 48: The ADQR of whether any arm's length procedures are established for the charity board members in the charity's annual report/annual review.

0	1	2	3	ADQR
28	1	0	1	2
93%	3%	0%	3%	

The overall ADQR was (2.0). This information item that was disclosed by 50% in its charity deeds, 13% on the charity's website and 6% in the charity's annual report/annual review. Overall the number of charities that disclosed this information item was very low (See Table 49 for this result). Again, this is not a regulated information item. Therefore this is not a surprising result.

Table 49: The overall ADQR of whether any arm's length procedures are established for the charity board members

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.3	2.4	2.0	2.2
15 charities	5 charities	2 charities	

The next information item looked at how a charity recruits a board member. Eighteen (18) charities disclosed this information item in their charity deed found on the Charity register. Nine (9) charities had a nominating/governance committee that recommended new charity board members (see *The New Zealand General Service Board of Alcoholics Anonymous* for an example of this⁸²), while (9) charities recruited charity board members from within its membership (see *New Zealand Red Cross*

⁸¹ This was *Barnardos New Zealand Incorporated* and *Child Fund NZ Ltd*.

⁸² This can be found in *The New Zealand General Service Board of Alcoholics Anonymous Incorporated's* charity deed found on the Charity register (s.5&6, p.2). (28/12/216) [file:///C:/Users/dkd4/Downloads/Charity%20Rules%20amendment%202010%20\(7\).pdf](file:///C:/Users/dkd4/Downloads/Charity%20Rules%20amendment%202010%20(7).pdf)

Incorporated as an example of this⁸³). The ADQR for this information item is (2.0), see Table 50 for this result).

Table 50: The ADQR of how a charity recruits its charity board members on the Charity register

0	1	2	3	ADQR
12	9	0	9	2.0
40%	30%	0%	30%	

When looking at the charity's website, (6) charities disclosed this information item. Five (5) of these charities had a link to their charity deed on the website. However, *The Fred Hollows Foundation (NZ)* provides a statement of the charity's board on its webpage (see Figure 29 for a screenshot of this⁸⁴)

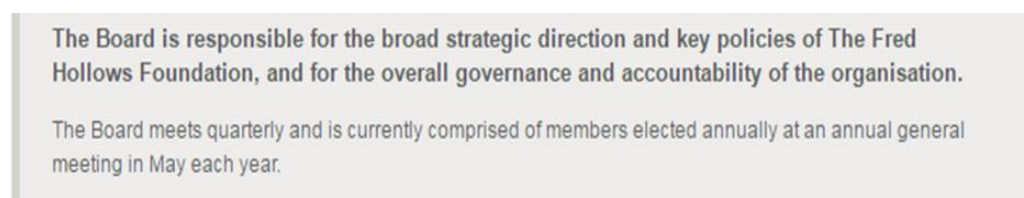


Figure 29: A screenshot of the statement taken from The Fred Hollows Foundation (NZ)

The ADQR for this information is (2.0), see Table 51 for this result.

Table 51: The ADQR of how a charity recruits its charity board members on the charity's website

0	1	2	3	ADQR
24	3	0	3	2
80%	10%	0%	10%	

When looking at a charity's annual report/annual review, no charity disclosed how it recruited its charity board members. Therefore, the ADQR for this was (0), see Table 52 for this result.

⁸³ This can be found in *New Zealand Red Cross Incorporated's* charity deed found on the Charity register (Article 3.4 Elections, p.12) (28/12/2016)

[file:///C:/Users/dkd4/Downloads/NEW10292AR004%20Amended%20Rules%20\(11\).pdf](file:///C:/Users/dkd4/Downloads/NEW10292AR004%20Amended%20Rules%20(11).pdf)

⁸⁴ This screenshot can be found on *The Fred Hollows Foundation (NZ)* website (28/12/2016)

<https://www.hollows.org.nz/about-us/trustees>

Table 52: The ADQR of how a charity recruits its charity board members in the charity's annual report/annual review

0	1	2	3	ADQR
30	0	0	0	0
100%	0%	0%	0%	

The overall ADQR of this information item is (1.3), see Table 53 for this result. This finding can be explained by several factors. Firstly, this is an information item that is not required by regulation, so very few of the charities disclosed it. Secondly, this information item is mostly found in the charity's deed, a document which is filed on the Charity register but unlikely to be found elsewhere. Thus, only those charities with a link to its charity deed on its website could score, and no (0) referred to this information item in its annual report/annual review.

Table 53: The overall ADQR of how a charity recruits its charity board members

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.0	2.0	0.0	1.3
18 charities	6 charities	30 charities	

The next information item looked at how a charity board member was appointed. This information item was found in the charity's deed. Twenty (20) charities disclosed this information item on the Charity register. Nine (9) of those charities had clear, descriptive appointment provisions in its charity deed, where there were election processes and the voters were either members of the charity (See *New Zealand Red Cross Incorporated* for an excellent example of this⁸⁵) or were the other charity board members (See *Lifeline Aotearoa Charitable Trust* for a satisfactory example of this⁸⁶). The ADQR of this information item on the Charity register is (2.2), see Table 54 for this result.

⁸⁵ ibid at note 78 – this is the New Zealand Red Cross Note

⁸⁶ This can be found in *Lifeline Aotearoa Charitable Trust's* charity deed found on the Charity register (s.9.3, p.7) (28/12/2016)
[file:///C:/Users/dkd4/Downloads/Rules%20\(Companies%20Office\)%20\(6\).pdf](file:///C:/Users/dkd4/Downloads/Rules%20(Companies%20Office)%20(6).pdf)

Table 54: The ADQR of how a charity appoints a charity board member on the Charity register

0	1	2	3	ADQR
10	6	5	9	2.2
33%	20%	17%	30%	

However, only (4) charities disclosed this information on its charity website. These were the same charities that had a link to their charity deed placed on its website and provided descriptions of eligible applicants, and the described the process for an appointment (see *New Zealand Red Cross Incorporated* for an example of this⁸⁷). The ADQR of this information item on the charity's website was the maximum that could be achieved (3.0), see Table 55 for this result).

Table 55: The ADQR of how a charity appoints its charity board members on its website

0	1	2	3	ADQR
26	0	0	4	3.0
87%	0%	0%	13%	

The number of charities that disclosed this information item in its charity annual report/annual review fell to (1); *Variety – the Children's Charity Incorporated*. This charity provides a page in its annual report (2015) which describes how the charity board members are appointed⁸⁸ and refers the stakeholder to its charity deed (*constitution* in the annual report but does not provide a link). The ADQR for this information item in a charity's annual report/annual review is (3.0), see Table 56 for this result.

Table 56: The ADQR of how a charity appoints its charity board members in its annual report/annual review

0	1	2	3	ADQR
29	0	0	1	3.0
97%	0%	0%	3%	

⁸⁷ ibid at note 78 – this is the New Zealand Red Cross note

⁸⁸ This can be found in *Variety – the Children's Charity Incorporated's annual report (2015, p.15)*. (28/12/2016)

<http://www.variety.org.nz/UserFiles/Variety/File/VAR%20-%202014%20Annual%20Report-Web.pdf>

The overall ADQR of this information item is (2.7), very close to the maximum quality that could be achieved (see Table 57). While there was a slight increase in the number of charities that disclosed this item on the Charity register, there was an overall fall in the numbers of charities which disclosed this information item on its website and in its annual report/annual review. Again, this is an information item that is not required by regulation and is mostly found in the charity's deed. Therefore, very few charities referred to this information item on its website or in its annual report/annual review.

Table 57: The overall ADQR of how a charity appoints its charity board members

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.2	3.0	3.0	2.7
20 charities	4 charities	1 charity	

The next information item looked at how a charity removes a board member. Eighteen (18) charities disclosed this information item on the Charity register. This disclosure item is a provision found in the charity's deed. In the case of *The New Zealand General Service Board of Alcoholics Anonymous*, the charity can terminate a board member's membership without explanation and thus terminate the board member's position⁸⁹. In the case of *Cystic Fibrosis Association of NZ*, there is a list of criteria in the charity's deed that sets out the removal of a charity board member (see Figure 30 for a screenshot of this⁹⁰).

⁸⁹ This can be found in *The New Zealand General Service Board of Alcoholics Anonymous's* charity deed found on the Charity register (s8, p.2)

[file:///C:/Users/dkd4/Downloads/Charity%20Rules amendment%202010%20\(7\).pdf](file:///C:/Users/dkd4/Downloads/Charity%20Rules%20amendment%202010%20(7).pdf)

⁹⁰ This can be found in the *Cystic Fibrosis Association of NZ's* charity deed found on the Charity register (s18.8, p.9)

[file:///C:/Users/dkd4/Downloads/Amended%20rules%20May%202009%20\(6\).pdf](file:///C:/Users/dkd4/Downloads/Amended%20rules%20May%202009%20(6).pdf)

18.8 Cessation of Office

The office of a member of the Board shall be vacated –

- a) If he is absent from three successive meetings of the Board and the Board resolve that his office be vacated
- b) If, by notice in writing, to the Association, he resigns his office.
- c) If it is the opinion of the Board that a serious conflict exists that may preclude the member from acting in the interests of the Association
- d) If the member engages in serious misconduct that is deemed to be damaging to the operation or reputation of the Association

Figure 30: The screenshot from the charity deed of the Cystic Fibrosis Association of NZ found on the Charity register

In contrast, *Oxfam New Zealand* has a brief, simple statement that requires the charity board members to adhere to the principles of good governance⁹¹ and refers to the *Trustee code of conduct* – but there is no apparent trustee code attached to the charity deed (an example of low disclosure).

The ADQR for this information item is (2.1) on the Charity register, see Table 58 for this result.

Table 58: The ADQR of how a charity board member is removed by a charity on the Charity register.

0	1	2	3	ADQR
12	4	9	5	2.1
40%	13%	30%	17%	

When looking at the disclosure of this information item on the charity's website, (4) charities disclose this information item. These were the same charities that had links back to their charity deeds⁹². The ADQR of this information item was (2.5), see Table 59 for this result.

⁹¹ This can be found in the *Oxfam New Zealand's* charity deed found on the Charity register (s4.13, p. 5)

[file:///C:/Users/dkd4/Downloads/Oxfam%20New%20Zealand-20150825%20Rules_V2%20\(5\).pdf](file:///C:/Users/dkd4/Downloads/Oxfam%20New%20Zealand-20150825%20Rules_V2%20(5).pdf)

⁹² There is (5) charities that have links back to its charity deed, however *Amnesty International Incorporated* does not have any provisions for the removal of a charity board member in its charity deed.

Table 59: the ADQR of how a charity board member is removed by a charity on the charity's website

0	1	2	3	ADQR
26	0	2	2	2.5
87%	0%	7%	7%	

However, no charity disclosed this information item in its annual report/annual review. Therefore the ADQR was (0). This result can be found in Table 60.

Table 60: The ADQR of how a charity board member is removed by a charity in its annual report/annual review

0	1	2	3	ADQR
30	0	0	0	0
100%	0%	0%	0%	

The overall ADQR of this information item was (1.5), see Table 61 for this result. While (18) charities had some form of disclose for this information item in their charity deed, only (4) had disclosure on its website and none in their annual review/annual report. This is another information item that is usually a provision in the charity's deed (but not always included), and therefore this result is not surprising.

Table 61: The overall ADQR of how a charity board member is removed by a charity

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.1	2.5	0.0	1.5
18 charities	4 charities	30 charities	

Laura Fergusson Trust Board Incorporated does place a provision, not unlike the *Charities Act 2005 s16(2)* in its charity deed that deems the charity board member's position vacant if any of the criteria are breached (see Figure 31 for a screenshot of this⁹³).

⁹³ This screenshot is taken from the *Laura Fergusson Trust Board Incorporated's* charity deed found on the Charity register (28/10/2016)
<file:///C:/Users/dkd4/Downloads/Charity%20Rules.PDF>

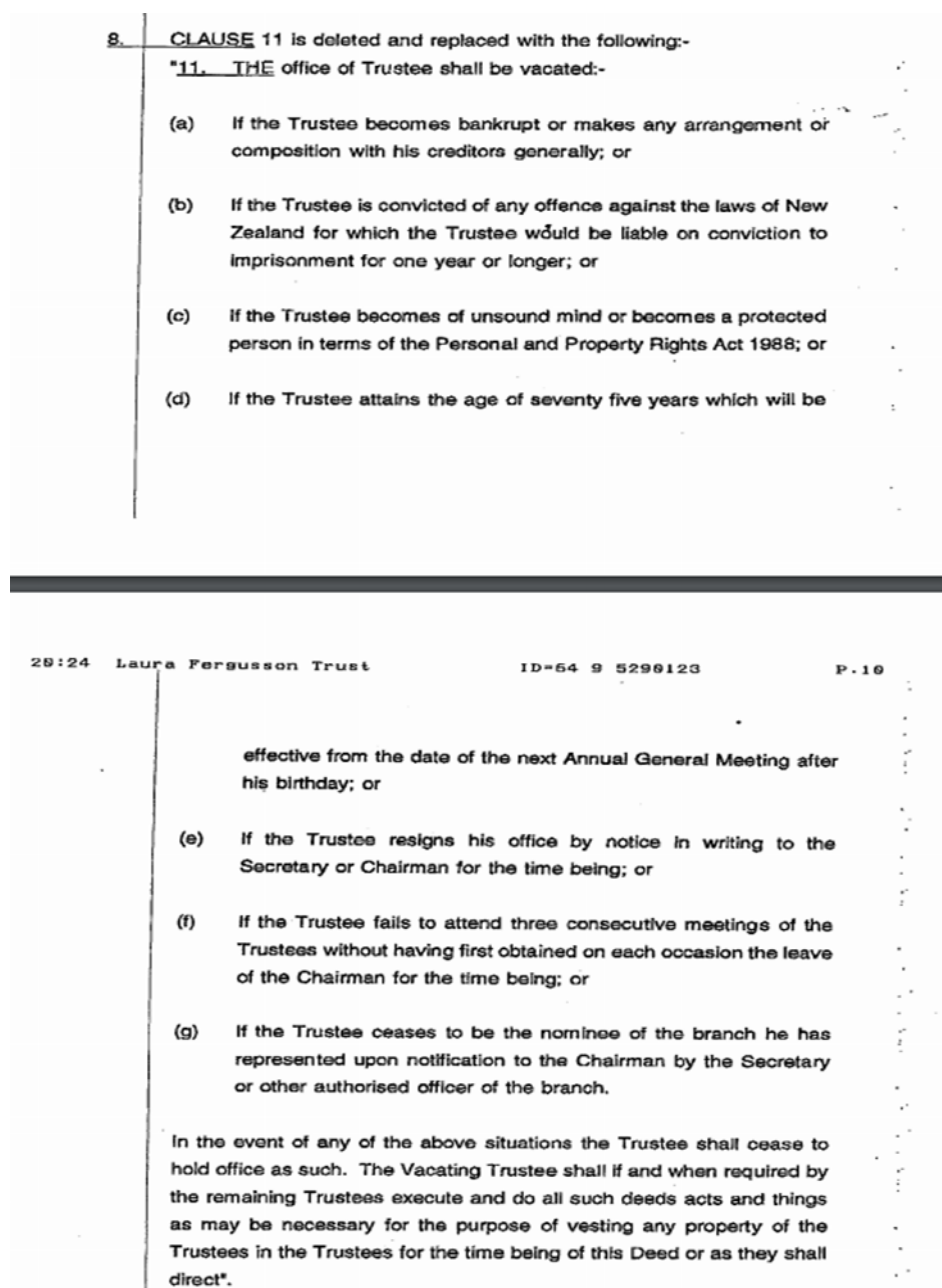


Figure 31: The screenshot of an excerpt taken from Laura Fergusson Trust Board Incorporated's charity deed found on the Charity register (note this is also the quality of the document)

The next information item in this section looked at whether the charity conducted a search for banned or disqualified persons before an appointment is made (to the charity board). In the case of all three publications, no charity disclosed this information. As mentioned there is a provision in the *Charities Act (2005) s16 (2)* that prevents some individuals taking up charity board member roles, and an organisation attempting to

gain charity registration will be unable to do so if one of the charity officers does not qualify⁹⁴ - this is called *officer certification*.

The researcher considers that the charities are relying on this provision to prevent unsuitable individuals taking charity board roles. However, it is unclear whether subsequent charity board members are required to fill out an officer certification or whether Charities Services relies on Charities Act (2005) s16 (2) for a person to opt themselves out.

The final information item in this section looked at whether there are any recruitment provisions in the charity's deed. In the case of the Charity register, all the charities that had legible deeds (22) had some form of recruitment provisions in its deed. Five (5) of the (8) with no recruitment provisions were also the same (5) charities that did not have legible deeds on the Charity register. In the case of the other (3) charities⁹⁵, there were various possible explanations for this omission.

In the case of *The Evangelical Alliance Relief Fund*, the charity deed has a section named 'Requirements of membership'⁹⁶ however this is not a membership criterion, rather it is the eligibility criteria for a member to become a charity board member and therefore is not a recruitment provision. In the case of both *ChildFund NZ Ltd* and *Unicef Childrens Foundation*, the charity document is an incomplete document, the amended sections in the document are not recruitment provisions.

Items 45-46:

Charity board reporting: The next group of information items looked whether the charity's governance board published any form of report of their work; this specifically included the following information items

- If the charity published an annual board report
- If the chairman of the charity published an annual statement

⁹⁴ The Charities Services will not allow registration to proceed if an officer fails under the Charities Act (2005) s16(2) (28/12/2016)

<https://www.charities.govt.nz/apply-for-registration/how-to-apply/officer-certification/>

⁹⁵ The (3) charities with no recruitment provisions were: *ChildFund NZ Ltd*, *The Evangelical Alliance Relief Fund* and *Variety – the Children's Charity Incorporated*

⁹⁶ This is found in *ChildFund NZ Ltd's* charity deed found on the Charity register, (s5, p.2) (29/12/2016) [file:///C:/Users/dkd4/Downloads/EVA00011NOC008%2020140613%20EVA00011%20NOC008%20\(6\).pdf](file:///C:/Users/dkd4/Downloads/EVA00011NOC008%2020140613%20EVA00011%20NOC008%20(6).pdf)

- If the charity published its strategic plans for the next 12 months
- If the charity had made any deviations/changes to the strategic plans in the last 12 months

No charity (0) published an annual board report, in any of the publications. An annual board report is not a customary report produced by charities in New Zealand. Therefore this finding is not surprising. Furthermore, there is no space on the Charity register for this form of a report; yet this report focuses on the stewardship of the charity by the charity board members over the previous year, particularly to stakeholders. Similarly, there was no statement from the charity's chairman published on the Charity register. The chairman's annual statement is not a requirement by regulation, and therefore there is nowhere on the Charity register to publish a statement even if a charity wanted to. Three (3) charities published a chairman's statement on its website. All three reports provided an overview of what the charity had achieved, the challenges it faced during the year and included some of the goals and strategies for the future⁹⁷ - therefore the disclosure was excellent. The ADQR for this information item is (3.0), this result can be found in Table 62. However, (27) charities did not disclose this information item on its website.

Table 62: The ADQR of whether the charity's chairman published a statement on the charity's website

0	1	2	3	ADQR
27	0	0	3	3.0
90%	0%	0%	10%	

In contrast, (19) charities (of (22) charities, had a statement from the charity's chairman in its annual report/annual review. For the most part, the disclosure quality for this information was excellent ((15) charities), and many of these charity chairmen presented almost a full page in the charity (see *Amnesty International Incorporated* for an example of this⁹⁸). There was (1) charity that disclosed briefly what the charity achieved during the year (*IHC New Zealand*) while (3) others disclosed an overview

⁹⁷ These charities were *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*, *The Evangelical Alliance Relief Fund* and *World Vision Trust Board*.

⁹⁸ This page can be found at *Amnesty International's Annual Report (2015, p.03)* (30/12/2016) https://www.amnesty.org.nz/sites/default/files/AINZ_Annual_Report_2015.pdf

of what the charity achieved and the challenges it faced during the year⁹⁹. The ADQR for this information item is (2.7), close to the maximum that could be achieved (this result can be found in Table 63).

Table 63: The ADQR of whether the charity's chairman published a statement in the charity's annual report/annual review.

0	1	2	3	ADQR
11	1	3	15	2.7
37%	3%	10%	50%	

The overall ADQR for this information item is (1.9), which is just below satisfactory disclosure, see Table 64 for this result. The Charity register does not provide a space for this disclosure, and therefore it is not surprising that no charity disclosed this information item. However, it was surprising that only (3) charities disclosed a statement on its website. In contrast, (19) charities that produced an annual report/annual review published an annual statement from its chairman. The researcher considers that the format of the annual report used by the charities lends itself to the inclusion of a chairman's statement.

Table 64: The overall ADQR of whether a charity's chairman published a statement

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
0.0	3.0	2.7	1.9
30 charities	3 charities	19 charities	

⁹⁹ These charities were *New Zealand Red Cross Incorporated*, *Lifeline Aotearoa Charitable Trust* and *ChildFund NZ Ltd*.

Items 47-48:

Strategic planning: The next (2) information items related to a charity's strategic planning. Specifically:

- For a charity to publish its strategic plans for the next (12) months
- For a charity to publish any deviations/changes made to the strategic plans in the last (12) months

No, (0) charity published strategic information on the Charity register. However, (10) charities did publish some form of strategic plan on its website. Seven (7) of the (10) charities published a detailed strategic plan with an explanation of the changes it hoped to make into the future¹⁰⁰, and therefore this was excellent disclosure.

The charity produced a full document, (for an example of this see the *Royal New Zealand Plunket Society Incorporated* – this is a full (12) page document¹⁰¹) or a poster-like diagram within a document to explain their strategic plan (see *National Heart Foundation of NZ* for an example of this¹⁰²).

Furthermore, these strategic plans often had at least a five-year outlook. There were (3) charities that provided a general statement of what it hoped to achieve but provided few details and no timeline¹⁰³ (see the screenshot taken from *Save the Children New Zealand's website* in Figure 32¹⁰⁴).

¹⁰⁰ These charities were *New Zealand Red Cross Incorporated*, *Royal New Zealand Plunket Society Incorporated*, *Oxfam New Zealand*, *The National Foundation for the Deaf Incorporated*, *National Heart Foundation of NZ*, *IHC New Zealand* and *Royal New Zealand Foundation of the Blind*.

¹⁰¹ This document can be found on the *Royal New Zealand Plunket Society Incorporated* website (30/12/2016)

<https://www.plunket.org.nz/assets/strategy/Plunket-Strategy-2016-2021-15Aug2016.pdf>

¹⁰² This can be found on the *National Heart Foundation of NZ's* website (30/12/2016)

<http://assets.heartfoundation.org.nz/documents/marketing/about-us/heart-foundation-strategic-plan.pdf>

¹⁰³ The (3) charities were *Save the Children New Zealand*, *Deaf Aotearoa NZ Incorporated* and *Barnardos New Zealand Incorporated*.

¹⁰⁴ This screenshot was taken from *Save the Children New Zealand's* website (30/12/2018)

<https://savethechildren.org.nz/who-we-are/big-goals/>

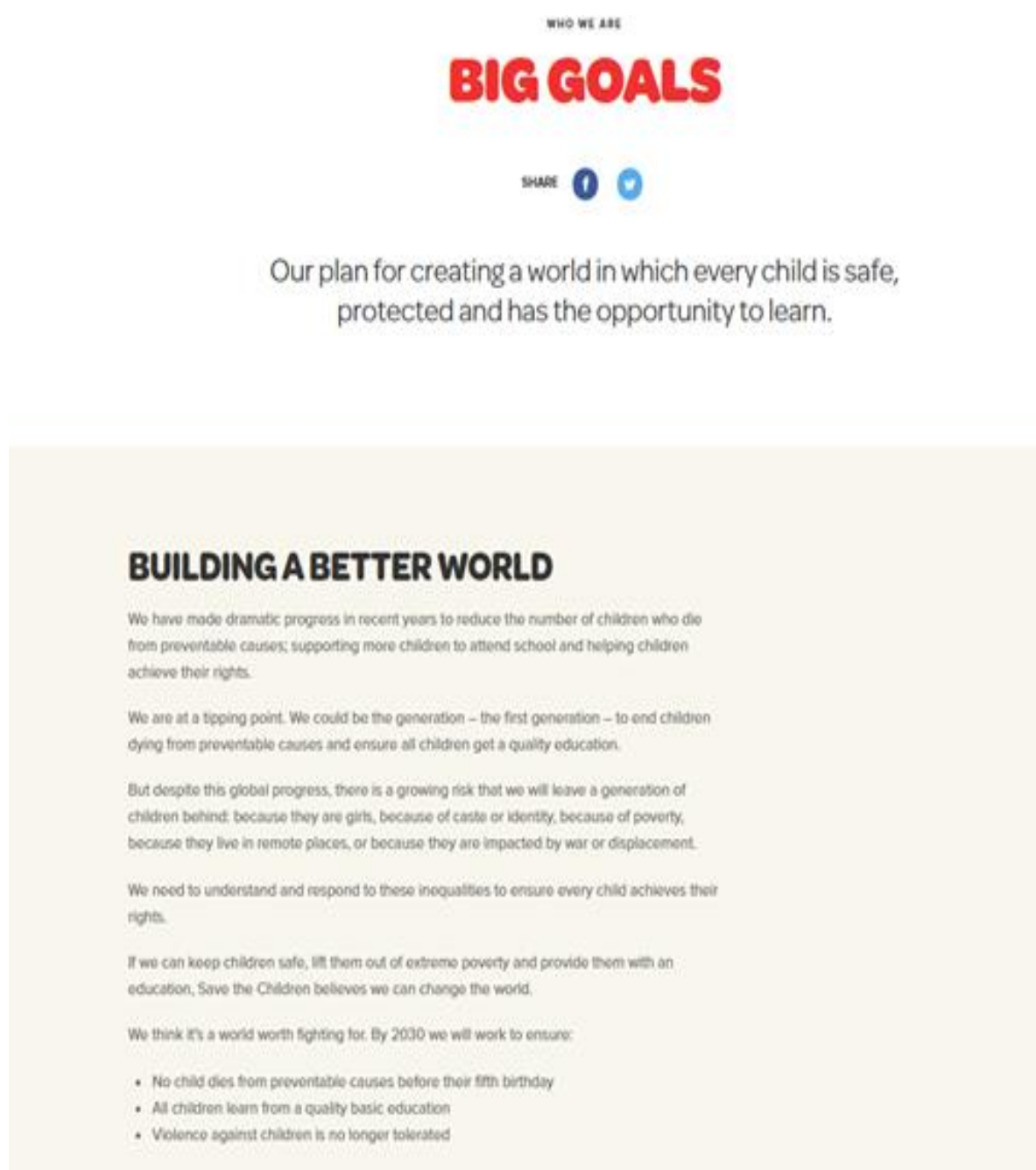


Figure 32: A screenshot taken from Save the Children New Zealand’s website

The ADQR for this information item on the charity’s website is (2.4), see Table 65 for this result. Twenty (20) charities failed to disclose any strategic information.

Table 65: The ADQR of whether a charity has published strategic plans for the next 12 months on a charity’s website.

0	1	2	3	ADQR
20	3	0	7	2.4
67%	10%	0%	23%	

When looking at a charity's annual report/annual review, (10) charities disclosed their strategic plans in this publication. The disclosure in the annual report/annual review took the form of a very complex diagram (see the screenshot taken from *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* for an example of this in Figure 33¹⁰⁵ (please note that this is one page of a double page picture that describes the charity's strategy) or it could be a page found in the annual report/annual review (see *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated* for an example of this¹⁰⁶)

The ADQR for this information item is (2.0), this result is in Table 66. The disclosure found in the annual report/annual review was of a satisfactory nature. However, 55% of the charities that produced an annual report/annual review had no (0) disclosure. This finding can be explained by several factors. Firstly, the annual report was used to demonstrate the success of its charity programs (for an example of this in the (2015) annual report from *Variety – the Children's Charity Incorporated*¹⁰⁷). Secondly, the annual report is used by some charities to highlight some of its current campaigns (see an example of this in the (2015) annual report from *Amnesty International Incorporated*¹⁰⁸).

Table 66: The ADQR of whether a charity published its strategic plans for the next 12 months in its annual report/annual review

0	1	2	3	ADQR
20	2	6	2	2
67%	7%	20%	7%	

The overall ADQR for this information item is (1.5), see Table 67 for this result. This result does not achieve satisfactory disclosure from the charities. However, most of the

¹⁰⁵ The screenshot was taken from *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem's* annual report (2015, p. 17), (30/12/2016).

http://www.stjohn.org.nz/globalassets/documents/publications/annual-report/st-john-national-annual-report_2015-interactive_final.pdf

¹⁰⁶ "A program for change" – found in the *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated's* annual report (2015, p.14)

[file:///C:/Users/dkd4/Downloads/SPCA_AnnualReport_2015%20\(6\).pdf](file:///C:/Users/dkd4/Downloads/SPCA_AnnualReport_2015%20(6).pdf)

¹⁰⁷ The (2015) annual report of *Variety – the Children's Charity* (30/12/2016)

<http://www.variety.org.nz/UserFiles/Variety/File/VAR%20-%202014%20Annual%20Report-Web.pdf>

¹⁰⁸ The (2015) annual report of *Amnesty International Incorporated* (30/12/2016)

https://www.amnesty.org.nz/sites/default/files/AINZ_Annual_Report_2015.pdf

charities failed to disclose this information item. The charities that disclose this information item tended to be large charities, with large charity boards.

Table 67: The overall ADQR of whether a charity disclosed its strategic plans for the next 12 months

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
0.0	2.4	2.0	1.5
30 charities	3 charities	10 charities	

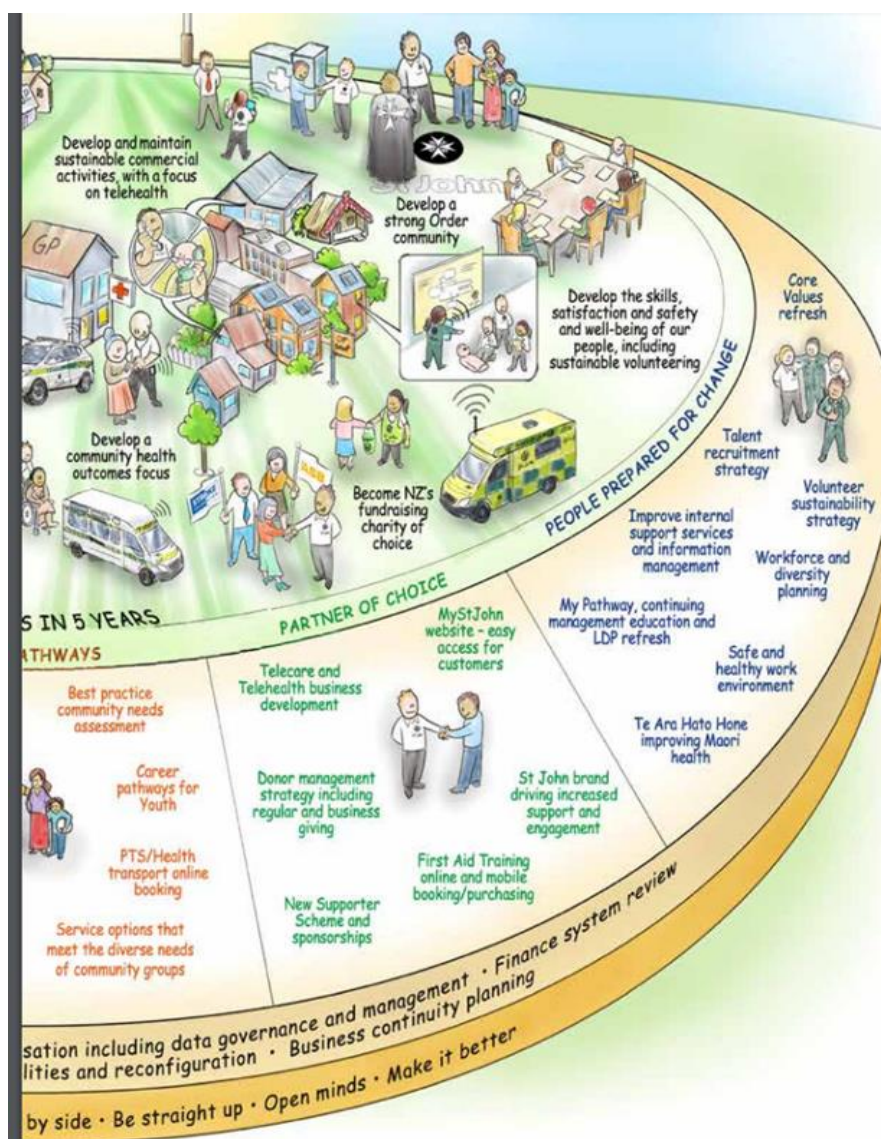


Figure 33: A screenshot taken from The Priory of the Most Venerable Order of the Hospital of St John Jerusalem's annual report (2015)

No (0) disclosed the next information which looked at whether a charity published any deviations or changes to its strategic plans made in the last (12) months. This was the case across all (3) publications. This finding can be explained by two factors. Firstly, the strategic plans which are published (and relate to the prior information item) were all (2014/2015) plans, and therefore implementation has just begun. Secondly, the charities simply did not have any changes to its strategic plans. Regardless, none of the charities disclosed by way of a declaration, disclosed there had been any changes to its strategic plans.

Items 49-53:

Charity board members and business transaction disclosures: The next section of information items related to business transactions and charity board members:

- An entity of which a current or former charity board member (or a family member) was an officer or indirect owner of that entity
- An entity of which a family member of a current or former charity board member
- A current or former charity board member
- To a family board member of a charity board member
- To an individual charity board member or a related party

For the first information item, (1) charity disclosed this information in a note to the financial reports. *Child Cancer Foundation Incorporated* disclosed that (2) of its charity board members' business entity provided services to the charity. In this case, the name of the charity board member, the nature of the services and the cost to the charity was disclosed (this can be found in the notes to the financial reports filed on the Charity register¹⁰⁹). This is excellent disclosure. No other charity declared this information item. Therefore, the ADQR for this information item was (3.0) on the Charity register, see Table 68 for this result.

¹⁰⁹ *Child Cancer Foundation Incorporated* financial statements (2015, p. 15) (31/12/2016)
[file:///C:/Users/dkd4/Downloads/Annual%20Financial%20Statements%20CCF%202016%20\(1\).pdf](file:///C:/Users/dkd4/Downloads/Annual%20Financial%20Statements%20CCF%202016%20(1).pdf)

Table 68: The ADQR of whether a business transaction with a current or former charity board member was an officer or indirect owner of that entity on the Charity register

0	1	2	3	ADQR
29	0	0	1	3
97%	0%	0%	3%	

However, this information was not disclosed on the charity's website by any charity (0). In the case of the charity's annual report/annual review, the same charity that disclosed this information item on the Charity register also disclosed this information item in its annual report. The ADQR of this information item on the charity's website is (0), and it is (3.0) for a charity's annual report/annual review. Therefore, the overall ADQR is (2.0), see Table 69 for this result.

Table 69: The overall ADQR of whether a business transaction with a current or former charity board member was an officer or indirect owner of that entity

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	0.0	3.0	2.0
1 charity	30 charities	1 charity	

The next (3) information items looked at a business transaction with an entity of which a family member of a current or former charity board member was an officer or indirect owner of that entity, with a current or former charity board, or with a family member of a current or former charity board member. All these information items scored (0) on all (3) publications as no (0) charity disclosed any of these information items.

These information items are usually found in the notes to the financial reports as 'related party transactions'. This finding can be explained in two (2) ways. Firstly, some of the charities do not provide a full set of accounts with the accompanying notes; instead, the charities have provided summarised financial reports (see *Laura Fergusson Trust Board Incorporated* for an example of this¹¹⁰). Secondly, even if the

¹¹⁰ *Laura Fergusson Trust Board Incorporated* (2015 financial statements) (31/12/2016)
[file:///C:/Users/dkd4/Downloads/Trust%20Board%20Statements%202015_16%20Accounts%20\(1\).pdf](file:///C:/Users/dkd4/Downloads/Trust%20Board%20Statements%202015_16%20Accounts%20(1).pdf)

charities have provided full financial reports, the charity may have presented the accounts in its own format (see *The New Zealand General Service Board of Alcoholics Anonymous Incorporated* for an example of this¹¹¹).

The final information item in this section looked at whether a charity declared if it had a business transaction with a current or former charity board member and a related party. One (1) charity, *Save the Children Fund New Zealand* disclosed this information item on the Charity register, in the notes to the financial reports as well as on its website. In this case, the name of the charity board member along with the services and the costs charged to the charity were disclosed, therefore excellent disclosure¹¹². The ADQR for this information item was (3.0) – see Table 70 for this result.

Table 70: The ADQR of whether a business transaction with a current or former charity board member or a related party on the Charity register and the charity’s website (the tables are identical so present in one table)

0	1	2	3	ADQR
29	0	0	1	3
97%	0%	0%	3%	

Save the Children Fund New Zealand also presented its full financial reports in a .pdf on its website so that the stakeholder did not have to go back to the Charity register to retrieve them¹¹³. However, no (0) charity disclosed this information item in its annual report/annual review. Therefore, the overall ADQR for this information item is (2.0), See Table 71 for this result. This disclosure for this information item was low – only (1) charity disclosed it. It may be possible that none of the other charities had a business transaction to disclose however as there was no disclosure statement from the charities, it is difficult to explain this finding.

¹¹¹ *The New Zealand General Service Board of Alcoholics Anonymous Incorporated* (2015 financial statements) (31/12/2016)

[file:///C:/Users/dkd4/Downloads/2015EOY%20\(3\).pdf](file:///C:/Users/dkd4/Downloads/2015EOY%20(3).pdf)

¹¹² *Save the Children New Zealand New Zealand’s* financial statements (2015, p.11) (31/12/2016)

[file:///C:/Users/dkd4/Downloads/Financial%20Statements%202015%20Final%20\(4\).pdf](file:///C:/Users/dkd4/Downloads/Financial%20Statements%202015%20Final%20(4).pdf)

¹¹³ The financial statements for *Save the Children Fund New Zealand* can be found on its website (2015 financial statements) (31/12/2016)

<https://savethechildren.org.nz/assets/annual-reports/2016-Financial-accounts.pdf>

Table 71: The overall ADQR for whether a business transaction with a current or former charity board member or a related party

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	3.0	0.0	2.0
1 charity	1 charity	30 charities	

Items 54-55:

Charity relationship disclosures: The next section of (2) information items relate to the charity relationship disclosures;

- If a charity has a relationship with another charity(s)
- If a charity has a relationship with a related party or entity

In the case of the first information item (16) charities disclosed that it had a relationship with another charity(s) on the Charity register. The disclosure is a statement in a note to financial reports. However, the quality of the note varied among the charities. For example, *Nga Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated* discloses it has affiliated members in a statement in the notes of the financial reports (see Figure 34 for a screenshot of this¹¹⁴).

16 Related Parties

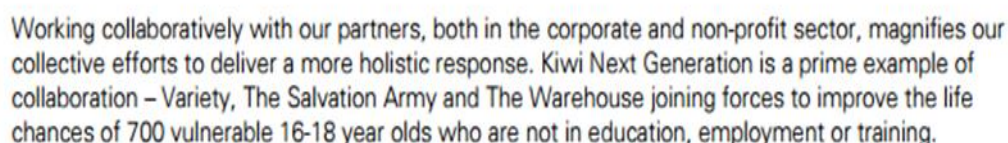
National Collective of Independent Women's Refuge has 36 Affiliated Members whom National Office pays monies to from time to time. These payments are for the delivery of contracted services, or fundraising proceeds.

The Affiliated Members are not controlled by the National Office and so are not consolidated for financial reporting purposes.

Figure 34: A screenshot taken from the (2015) financial reports of Nga Whakaruruhau o Aotearoa National Collective of Women's refuges Incorporated's on the Charity register

¹¹⁴ This screenshot is taken from the *Nga Whakaruruhau o Aotearoa National Collective of Women's refuges Incorporated's financial statements* (2015, p.11) (31/12/2016)
[file:///C:/Users/dkd4/Downloads/NCIWR%202015%20audited%20accounts%20\(5\).pdf](file:///C:/Users/dkd4/Downloads/NCIWR%202015%20audited%20accounts%20(5).pdf)

The note can also be a general statement which provides some detail to the stakeholders. For example, see the screenshot from the financial reports of *Variety – the Children’s Charity Incorporated* (see Figure 35 ¹¹⁵). The disclosure in this example is limited because the charity provides only one example of its collaborations and names the partners.



Working collaboratively with our partners, both in the corporate and non-profit sector, magnifies our collective efforts to deliver a more holistic response. Kiwi Next Generation is a prime example of collaboration – Variety, The Salvation Army and The Warehouse joining forces to improve the life chances of 700 vulnerable 16-18 year olds who are not in education, employment or training.

Figure 35: A screenshot taken from the (2015) financial reports of Variety – the Children’s Charity Incorporated on the Charity register

In the case of the *Society of St Vincent de Paul in New Zealand*, this charity disclosed all the affiliated area councils in a list in the notes to its financial reports. The ADQR for this information item is (1.9), see Table 72 for this result. Ten (10) provided satisfactory or better quality for this information item, while (6) provided low quality. Fourteen (14) charities, 47% of the charity sample did not disclose this information.

Table 72: The ADQR of whether a charity has a relationship with another charity(s) on the Charity register

0	1	2	3	ADQR
14	6	5	5	1.9
47%	20%	17%	17%	

When looking at the charity’s website, the disclosure from the charities increased, (21) charities disclosed it had a relationship with another charity(s).

¹¹⁵ This screenshot is taken from *Variety – the Children’s Charity Incorporated* financial statements (2015, p.2) (31/12/2016)
<file:///C:/Users/dkd4/Downloads/Audited%20FS.pdf>

Eleven (11) charities provided excellent disclosure – using the same example of *Nga Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated*, this charity provides a list of all its affiliated charities – and this was the case for all the other (10) charities.

Six (6) of the charities, provided satisfactory disclosure; the other charity(s) is disclosed with an overview of the relationship they share. For example, *Save the Children New Zealand*, works with other groups internationally and provides some details of these relationships by providing a snapshot of the work it does abroad, and provides the names of the key people it works with for that program (see Figure 36 a screenshot taken from its website¹¹⁶).

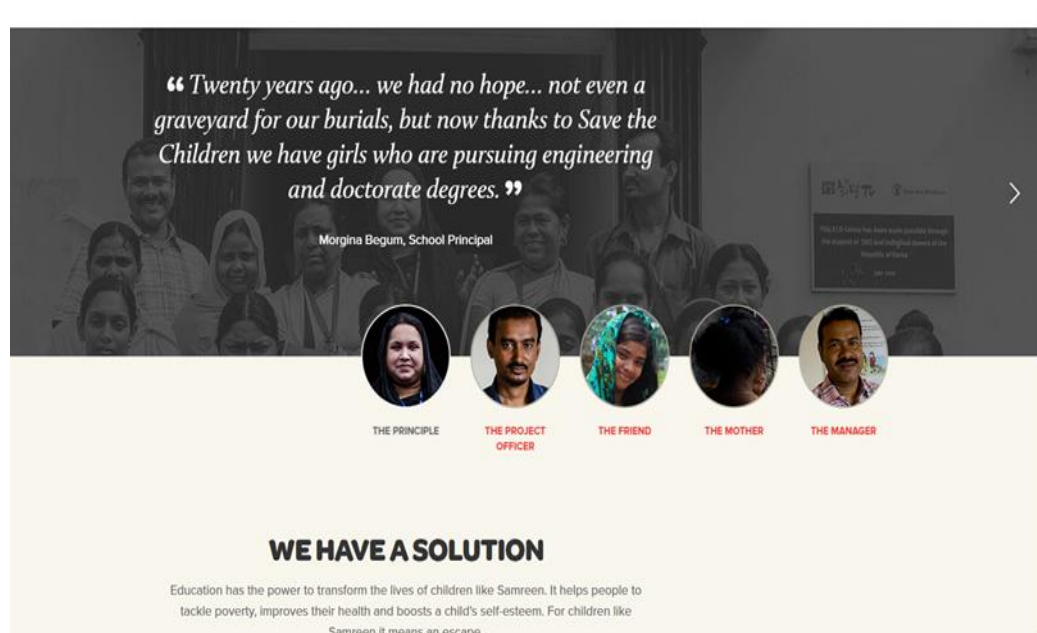


Figure 36: A screenshot take from Save the Children New Zealand’s website

The ADQR for this information item on the charity’s website is (2.3) – which is just above satisfactory disclosure (see Table 73 for this result). Twenty-two (22) of the (29) charities in the sample disclosed it had a relationship with another charity(s), (76%).

¹¹⁶ This screenshot is taken from *Save the Children New Zealand’s* website (31/12/2016) <https://savethechildren.org.nz/the-solutions/projects/samreen/>

Table 73: The ADQR of whether a charity has a relationship with another charity(s) on the charity's website.

0	1	2	3	ADQR
8	6	4	12	2.3
27%	20%	13%	40%	

However, (7) charities provided no disclosure for this information item. For *The Starship Foundation*, the researcher believes that this charity may not have affiliations, and this may apply to several of the other charities within this group¹¹⁷. However, there are several charities that appear to have affiliations with another charity(s). In the case of *Barnardos New Zealand Incorporated*, it declares it is one of the country's largest providers of children's social services, and their media section of their website has a long list of events and collaborations that have involved other entities (both profitable and non-profitable). However, because the nature of these relationships is not declared, the researcher cannot settle on a definitive explanation.

The number of charities that disclosed this information item in its annual report/annual review dropped to (17). Eight (8) charities provided an overview of the relationship(s) it had with other charity(s) in its annual report/annual review. This disclosure is usually presented as part of the charity's disclosure about its operations. For an example of this see a screenshot taken from *World Vision of New Zealand Trust Board's* annual report (2015)¹¹⁸ in Figure 37. The charity identifies the other charity and provides some details (satisfactory disclosure).

¹¹⁷ This group may include *The New Zealand General Service Board of Alcoholics Anonymous*, *IHC New Zealand*, *Cystic Fibrosis Association of NZ* and *Lifeline Aotearoa* which operates branches rather than charity affiliations.

¹¹⁸ The screenshot is taken from *World Vision of New Zealand Trust Board's* annual report (2015, p.8) https://www.worldvision.org.nz/getmedia/fa81f1d8-5cf7-4071-afa8-f2da514bcb27/WV_AnnualReport_15.pdf



Figure 37: A screenshot taken from World Vision of New Zealand Trust Board’s annual report (2015, p. 8).

Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women’s refuges Incorporated is an example of excellent disclosure because it describes its structure and provides a list with its affiliated charities. Three (3) other charities also provided excellent disclosure.

The remaining (5) charities did not provide the nature of the relationship it had with the other charity(s). An example of this is *Variety – the Children’s Charity Incorporated* which has reports throughout its annual report that refers to its partners: ‘...partnering with forward-thinking individuals, corporations, trusts and councils ...’¹¹⁹. This is an example of low disclosure. The ADQR for this information item in the annual report/annual review is (1.9), see Table 74 for this result.

¹¹⁹ *Variety – the Children’s Charity’s* annual report (2015, p.8)

Table 74: The ADQR of whether a charity discloses in its annual report/annual review if it has a relationship with another charity(s)

0	1	2	3	ADQR
13	5	8	4	1.9
43%	17%	27%	13%	

Thirteen (13) charities did not disclose this information – (4) of these charities were part of the group that did not disclose this information item on its website either. This can be explained by the fact the annual report/annual review is an international version and does not disclose the charity(s) relationships specifically to the New Zealand related charity. An example of this is *Save the Children New Zealand*.

The overall ADQR for this information item is (2.0) which indicates that the disclosure quality from the charity sample was satisfactory (see Table 75 for this result). Moreover, there were more charities which disclosed this information item.

Table 75: The overall ADQR of whether a charity discloses if it has a relationship with another charity(s)

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.9	2.3	1.9	2.0
16 charities	22 charities	17 charities	

The next information item looked at whether a charity disclosed if it had a relationship with another related party or entity. When looking at the Charity register, (17) charities disclosed this information item within the notes to its financial reports. However, often there is mention of the related party(s) with little disclosure about the nature of that relationship. For example, *National Heart Foundation of New Zealand* discloses it has contract income from its service contracts¹²⁰ – but does not disclose the other party nor any of the sums involved (this is low disclosure). This is the case for the other (5) charities that scored low disclosure.

<http://www.variety.org.nz/UserFiles/Variety/File/VAR%20-%202014%20Annual%20Report-Web.pdf>

¹²⁰ *National Heart Foundation of New Zealand* financial statements (2016) (1/1/2017)
file:///C:/Users/dkd4/Downloads/3366_Heart_Fdn_AR_2016_MR_DPS.PDF

In the case of *Royal New Zealand Blind Foundation of the Blind*, the charity lists the names of the other related parties and then discloses the aggregated sums involved¹²¹ (this is satisfactory disclosure). In the case of *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated* lists all it related parties together with all the sums ¹²² (this is excellent disclosure). The ADQR for this information item is (1.9), see Table 76 for this result.

Table 76: The ADQR of whether a charity discloses if it has a relationship with a related party or entity on the Charity register

0	1	2	3	ADQR
13	6	6	5	1.9
43%	20%	20%	17%	

When looking at the charity's website (22) charities disclosed this information item. This item was generally disclosed as some form of sponsor relationship (see *Society of St Vincent de Paul in New Zealand* for an example of this¹²³), a contracting partner (where the other party is not a charity) (see *New Zealand Red Cross* for an example of this¹²⁴, a relationship with a government department (see *The Priory of the Most Venerable Order of the Hospital of St John Jerusalem* for an example of this¹²⁵).

Seven (7) charities provided low disclosure, where the relationship with the other party(s) is disclosed, but the nature of the relationship is not disclosed. Six (6) charities disclosed the other party(s) and provided an overview of the relationship while (9) charities provided excellent disclosure. An example of excellent disclosure is *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*:

¹²¹ *Royal New Zealand Foundation of the Blind* financial statements (2015) (1/1/2017) [file:///C:/Users/dkd4/Downloads/RNZFB%202016%20Financial%20Statements%20Group%20and%20Parent%20-%20FINAL%20\(2\).pdf](file:///C:/Users/dkd4/Downloads/RNZFB%202016%20Financial%20Statements%20Group%20and%20Parent%20-%20FINAL%20(2).pdf)

¹²² *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Womens refuges Incorporated* (2015) (1/1/2017) [file:///C:/Users/dkd4/Downloads/NCIWR%202015%20audited%20accounts%20\(6\).pdf](file:///C:/Users/dkd4/Downloads/NCIWR%202015%20audited%20accounts%20(6).pdf)

¹²³ *Society of St Vincent de Paul in New Zealand* (1/1/2017) – the charity has partnered with MacDonalds <https://www.svdp.org.nz/>

¹²⁴ *New Zealand Red Cross* (1/1/2017) – the charity has partnered several other parties to provide services <https://www.redcross.org.nz/what-we-do/in-new-zealand/>

¹²⁵ *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* – this charity partners with the government to provide emergency ambulance services <http://www.stjohn.org.nz/?gclid=COuA06jNn9ECFQsmvQodAgEBJw>

this charity discloses most aspects of the relationships it has with other related parties - including how the relationship works and is funded¹²⁶. The ADQR for this information item on the charity's website is (2.1), this result is found in Table 77.

Table 77: The ADQR of whether a charity discloses its relationships with another related party(s) on the charity's website

0	1	2	3	ADQR
8	7	6	9	2.1
27%	23%	20%	30%	

When looking at the charity's annual report/annual review, (17) charities of (22) charities disclosed this information item in its annual report/annual review. The core group of charities which disclosed this information item are also the same group that disclosed this information item in the (2) prior publications – these charities are systematically disclosing these relationships, even if they are not disclosing the nature of the relationship.

Five (5) charities had low disclosure for this information item in the annual report/annual review, (8) charities had satisfactory disclosure, and (4) had excellent disclosure. *Lifeline Aotearoa Charitable Trust* and *IHC New Zealand* were the only (2) additional charities that provided disclosure on this information item in their annual report/annual review and did not provide any disclosure in any of the other publications. This finding is related to the fact that the websites for both these organisations are focused on providing services and information for stakeholders. The ADQR for this information item is (1.9) in the charity's annual report/annual review, see Table 78 for this result.

Table 78: The ADQR of whether a charity discloses if it has a relationship with another related party or entity in its annual report/annual review

0	1	2	3	ADQR
13	5	8	4	1.9
43%	17%	27%	13%	

¹²⁶ *ibid* 123

The overall ADQR for this information item is (2.0), see Table 79 for this result. For (2) of the publications, the disclosure was satisfactory, while on the charity's website the result was slightly below satisfactory. This finding can be explained by several factors. Firstly, this disclosure item is mainly found in the notes to the charity's financial reports, and the financial reports are required annually from charities for continued registration. So, it was not surprising to find that (17) charities had disclosed this information on the Charity register.

Secondly, more charities used its website for the disclosure of this information item, (disclosure of a charity's relationships with another charity(s)). Finally, in reporting the charity's operations, some of the charities also disclosed the relationships it had with another related party(s) or entity(s).

Table 79: The overall ADQR of whether a charity discloses if it has a relationship with a related party(s) or entity

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.9	2.1	1.9	2.0
17 charities	22 charities	17 charities	

Items 56-61:

Charity staff disclosures: The next section of information disclosures look at charity staff disclosures:

- The number of full-time paid staff employed by a charity
- The number of part-time paid staff employed by a charity
- The number of volunteers engaged by a charity
- The disclosure of the (10) highest paid staff salaries (this included small charities)
- The number of contractors employed by a charity
- If the charity employs staff/agents outside of New Zealand

For the first (3) information items must be declared in a charity's annual return to the Charities Services. However, how this information is presented on the Charity register

was not consistent. There are charities that did not have this disclosure included in its annual return, - the whole section of the annual return was missing - *Child Cancer Foundation Incorporated* is an example of this. In the case of some of the national bodies, this section was left wholly blank or partially blank (whether intentional or not – cannot be determined by the researcher). *The Age Concern Foundation* is an example of annual return wholly blank while the *Royal New Zealand Plunket Society Incorporated* is an example of a partially blank annual return.

Twenty-two (22) of the charities had the standardised answer, so the disclosure was satisfactory. However, there were also (2) charities that achieved the (3.0) – excellent disclosure. *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* filed its annual report on the Charity register, which is a comprehensive document, while *Royal New Zealand Foundation of the Blind* filed comprehensive financial reports¹²⁷. Therefore, the ADQR for this information item on the Charity register was (2.1), see Table 80 for this result.

Table 80: The ADQR of whether a charity declared the number of full-time staff it employs on the Charity register

0	1	2	3	ADQR
6	0	22	2	2.1
20%	0%	73%	7%	

When looking at the charity’s website, (12) charities disclosed this information item. Seven (7) of the charities disclosed an overview those employed full-time but provided no detailed figures. In the case of *Orphans Aid International Charitable Trust*, there is a list of people, along with the founders of the charitable trust. However, there is no way of knowing if this is a comprehensive list of those employed or a snapshot of key employees¹²⁸. Therefore, this is low disclosure.

In the case of *Oxfam New Zealand*, there are links to all the different people in the different areas, except for staff (see the screenshot in Figure 38 taken from *Oxfam New*

¹²⁷ These same charities achieved excellent disclosure for the first (2) information items

¹²⁸ This can be seen at *Orphans Aid International Charitable Trust’s website*. (1/1/2017)
<http://www.orphansaidinternational.org/about-us/people-involved>

*Zealand's website*¹²⁹). However, this charity does provide more narrative about its full-time staff in other parts of its website, so this is satisfactory disclosure.



Figure 38: A screenshot of Oxfam New Zealand's website

The ADQR for this information item on the charity's website is (1.8) which is below satisfactory disclosure (see Table 81 for this result). However, less than half the charities disclosed this information on its website.

Table 81: The ADQR of whether a charity disclosed the number of full-time staff it employed on the charity's website

0	1	2	3	ADQR
18	7	1	4	1.8
60%	23%	3%	13%	

When looking at whether a charity disclosed this information item in its annual report/annual review, (7) charities had a narrative about the full-time staff they employed. *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* achieved excellent disclosure for this information item, for all (3) publications. However, this disclosure was not always a stand-alone information item which meant it could also be found in the narrative of the charity's annual

¹²⁹ This screenshot was taken from *Oxfam New Zealand's* website (1/1/2017) <https://www.oxfam.org.nz/about-us/who-we-are>

report/annual review. In the case of *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated*, this information item is found in the CEO's report¹³⁰ (this is satisfactory disclosure). The ADQR for this information item in the annual report/annual review is (2.0), see Table 82 for this result.

Table 82: The ADQR of whether a charity disclosed the number of full-time staff employed in its annual report/annual review.

0	1	2	3	ADQR
23	2	3	2	2
77%	7%	10%	7%	

The overall ADQR for this information item is (2.0), which is satisfactory disclosure (see Table 83 for this result). The greatest number of charities disclosing this information item occurred on the Charity register, as this is a requirement of the charity's annual return (24). However, this fell to (12) and then (7) charities for the other (2) publications.

Table 83: The overall ADQR of whether a charity discloses the full-time staff its employs.

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.1	1.8	2.0	2.0
24 charities	12 charities	7 charities	

When looking at the whether a charity disclosed the number of part-time paid staff on the Charity register – the result for this was very like the prior information item. In the case of *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated*, the annual return summary had no part-time or volunteer staff listed, but it also had more \$1.2m in wages with no explanation (an average of \$77K per person). Therefore, this is low disclosure.

The ADQR of this information item on the Charity register was (2.0), see Table 84 for this result. Most charities complied with the requirements of the annual return

¹³⁰ *The Royal Society for the Prevention of Cruelty to Animals Incorporated* Annual Report (2015, p. 5, column 2)
[file:///C:/Users/dkd4/Downloads/SPCA_AnnualReport_2015%20\(7\).pdf](file:///C:/Users/dkd4/Downloads/SPCA_AnnualReport_2015%20(7).pdf)

summary – therefore (21) charities achieved satisfactory disclosure. The same (2) charities that achieved excellent disclosure for the prior information item also achieved excellent disclosure for this information item.

Table 84: The ADQR of whether a charity discloses the number of part-time staff it employs on the Charity register

0	1	2	3	ADQR
6	1	21	2	2.0
20%	3%	70%	7%	

When looking at the charity’s website, (7) charities disclosed this information. These (7) charities also disclosed the prior information item – with the same (2) charities achieving excellent disclosure. The ADQR of this information is (1.9) – below satisfactory (see Table 85 for this result). However, this result can be explained by the low number of charities that disclosed this information item.

Table 85: The ADQR of whether a charity discloses the number of part-time staff it employs on the charity’s website.

0	1	2	3	ADQR
23	3	2	2	1.9
77%	10%	7%	7%	

When looking at the charity’s annual report/annual review, the number of charities that disclosed this information item fell to (5) charities which are 23% of the charity sample. The ADQR of this information item is (2.2), the charities that did disclose this information item produced satisfactory disclosure (see Table 86 for this result).

Table 86: The ADQR of whether a charity discloses the number of part-time staff it employs.

0	1	2	3	ADQR
25	1	2	2	2.2
83%	3%	7%	7%	

The overall ADQR of this information item is 2.0., which is satisfactory, see Table 87 for this result. The number of charities that disclosed this information on its website and/or in its annual report/annual review was low. Whereas this information item is a requirement of the charity's annual return to the Charities Services, it is a voluntary item for its website and annual report/annual review. So, from that perspective, few charities disclosed this item on its website and/or annual report.

Table 87: The overall ADQR of whether a charity discloses the number of part-time staff it employs

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.0	1.9	2.2	2.0
23 charities	7 charities	5 charities	

The next information item looked at the number of volunteers a charity engaged. Again, this disclosure item is a requirement for the charity's annual return. Therefore (24) charities disclosed this information item. There were (6) charities that had no disclosure – these are same charities which also failed to disclose the prior (2) information items. However, all (24) charities recorded the standardised disclosure (i.e. a figure without any explanation) – therefore they all achieved satisfactory disclosure. The ADQR for this information item is (2.0), the results are in Table 88.

Table 88: The ADQR of whether a charity disclosed the number of volunteers it engages on the Charity register

0	1	2	3	ADQR
6	0	24	0	2.0
20%	0%	80%	0%	

When looking at the charity's website, (8) charities disclosed the number of volunteers they engaged. The charity that achieved excellent disclosure is *Royal New Zealand Plunket Society Incorporated* – this charity has a whole section of its website dedicated to the recruitment, development and stories from Volunteers¹³¹.

¹³¹ *Royal New Zealand Plunket Society Incorporated website (1/1/2017)*
<https://www.plunket.org.nz/help-us-today/volunteer/>

Five (5) charities achieved satisfactory disclosure by providing a general figure with little details while (2) charities provided an overview of its volunteers with no detailed figures. In the case of *Orphans Aid International Charitable Trust*, this is a general statement which ‘people who help in our Op shops (second-hand stores) around the country or assist in our Queenstown office’ but the charity does not provide any figures along with this statement, so this is low disclosure¹³². The ADQR for this information item is (1.9), see Table 89 for this result.

Table 89: The ADQR of whether a charity discloses the number of volunteer staff it engages on the charity’s website

0	1	2	3	ADQR
22	2	5	1	1.9
73%	7%	17%	3%	

When looking at this information item in the charity’s annual report/annual review, (12) charities disclosed the number of volunteers it engages. Often this information item was disclosed as a snapshot of the charity’s operations, *IHC New Zealand* is an example of this (see a screenshot in Figure 39 for an example of this¹³³).

¹³² *Orphans Aid International Charitable Trust website (1/1/2017)*
<http://www.orphansaidinternational.org/get-involved/volunteers>

¹³³ *IHC New Zealand annual report (2015) (1/1/2017)*
<http://www.ihc.org.nz/annualreport16>

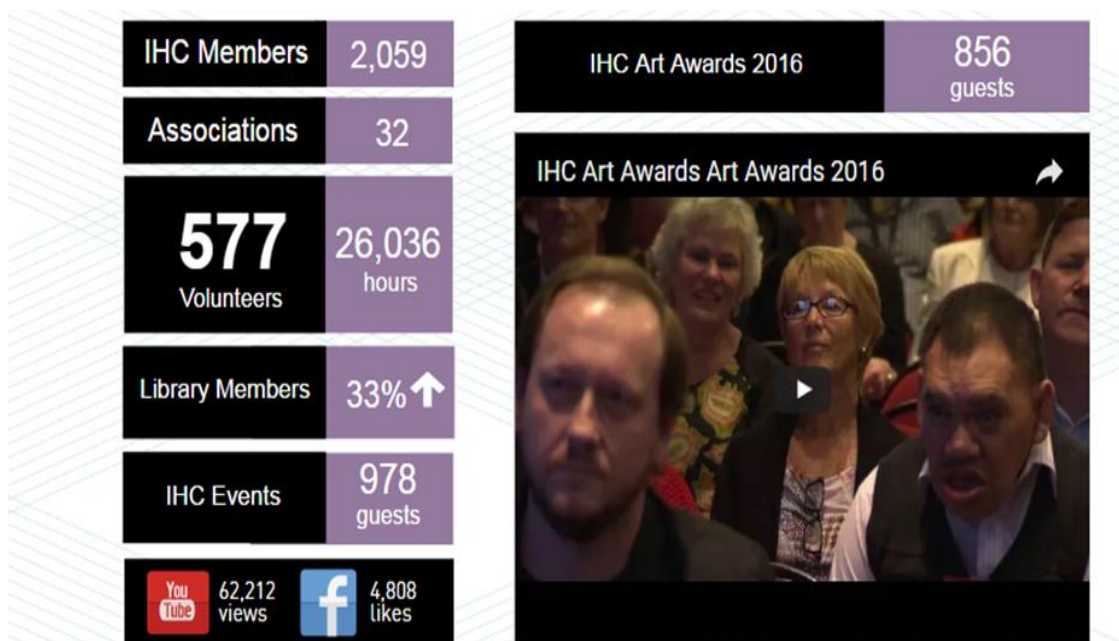


Figure 39: A screenshot of IHC New Zealand’s annual report (2015).

Or the information is included in the annual report/annual review’s narrative throughout see *The Salvation Army New Zealand* annual report (2015) for an example of this¹³⁴. The ADQR of this information item was (1.7), which was close to satisfactory disclosure (see Table 90 for this result).

Table 90: The ADQR of whether a charity discloses the number of volunteer staff it engages in its annual report/annual review

0	1	2	3	ADQR
18	5	6	1	1.7
60%	17%	20%	3%	

The overall ADQR of this information item was (1.9), see Table 91 for this result. This result was close to satisfactory disclosure, however overall the number of charities that this closed this information item was low.

As noted prior, this information item is one that is required by the Charities Services in a charity’s annual return. Therefore it is not surprising that the highest number of charities disclosing this information item occurred on the Charities Services website.

¹³⁴ *The Salvation Army New Zealand annual report* (2015, p.24) (1/1/2017)
<http://www.salvationarmy.org.nz/sites/default/files/uploads/20160107TSA%20Annual%20Report%202015%20CC.pdf>

Table 91: The overall ADQR of whether a charity discloses the number of volunteer staff it engages.

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.0	1.9	1.7	1.9
24 charities	8 charities	12 charities	

The next information looked at whether a charity disclosed the (10) highest paid staff salaries. This information item is found in the notes to the financial reports on the Charity register. Four (4) charities disclosed this information, of which (3) provided excellent disclosure.

For example, the *Royal New Zealand Foundation of the Blind* – the charity provides a list of all the employees that earn more than \$100K¹³⁵ (in this case there are 17 employees that earn more than \$100K). In the case of *ChildFund New Zealand*, a global figure is present with no details – this is considered low disclosure. The ADQR of this information item was (2.5), see Table 92 for this result.

Table 92: The ADQR of whether a charity disclosed the (10) highest paid staff salaries on the Charity register

0	1	2	3	ADQR
26	1	0	3	2.5
87%	3%	0%	10%	

No charity disclosed this information item on its website or in its annual report. Therefore, the ADQR for both these publications is (0), and the overall ADQR is (0.8) which is below low disclosure. This finding is a result of the charity's not disclosing this information item, (see Table 93 for this result).

¹³⁵ *Royal New Zealand Foundation of the Blind's* financial statements, filed on the Charities Website (2015, p. 62) (2/1/2017)
[file:///C:/Users/dkd4/Downloads/RNZFB%202016%20Financial%20Statements%20Group%20and%20Parent%20-%20FINAL%20\(3\).pdf](file:///C:/Users/dkd4/Downloads/RNZFB%202016%20Financial%20Statements%20Group%20and%20Parent%20-%20FINAL%20(3).pdf)

Table 93: The overall ADQR of whether a charity disclosed the (10) highest paid staff salaries

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.5	0.0	0.0	0.8
4 charities	30 charities	30 charities	

The final information item in this section looked at whether a charity disclosed the number of contractors it employed. When looking at the Charity register, only (1) charity disclosed this information, *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*. Again, this information item is found in the notes to the financial reports, however, in this case, the charity has filed its annual report in place of its financial reports with the Charities Services¹³⁶. Within the annual report of this charity is a comprehensive narrative of who it partners with (*contractors*) throughout in general terms, without naming the contractors it works with (this is satisfactory disclosure). The ADQR of this information item is (2.0), see Table 94 for this result.

Table 94: The ADQR of whether a charity discloses the number of contractors it employs

0	1	2	3	ADQR
29	0	1	0	2.0
97%	0%	3%	0%	

The number of charities that disclosed this information item increased on the charity's website is (3) charities. This group still included *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* but also included *New Zealand Red Cross* and *ChildFund NZ Ltd*. In the case of the latter (2) charities, this information item is usually disclosed as some form of collaboration within a community to provide a service – for example, *New Zealand Red Cross Incorporated* uses contractors to train emergency response teams in first aid, communication and

¹³⁶ *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*, Charity register (2/1/2017)
file:///C:/Users/dkd4/Downloads/St%20John%20Annual%20Report%202014%20(6).pdf

disaster preparedness in overseas destinations¹³⁷. The ADQR of this information item on a charity's website is (1.3) which is close to low disclosure, See Table 95 for this result.

Table 95: The ADQR of whether a charity discloses the number of contractors it employs on its website

0	1	2	3	ADQR
27	2	1	0	1.3
90%	7%	3%	0%	

The same (3) charities disclosed this information within its annual report/annual review. In this case, the disclosure from the *New Zealand Red Cross Incorporated* slightly improved on the previous information item, because it did include some details about its contractors. The ADQR of this information was (1.7), which again was quite low, see Table 96 for this result.

Table 96: The ADQR of whether a charity discloses the number of contractors it employs in its annual report/annual review

0	1	2	3	ADQR
27	1	2	0	1.7
90%	3%	7%	0%	

The overall ADQR of this information item is quite low (1.7), see Table 97 for this result. As the number of charities that are disclosing this information is quite low (10%) – this finding is not surprising. The charities that were disclosing this information are large charities with extensive networks throughout New Zealand and internationally, as well being affiliated with the global entities. The researcher believes that the information disclosure that comes from these charities is probably indicative of the requirements to meet the international benchmarks.

¹³⁷ *New Zealand Red Cross* website (2 /1/2017)
<https://www.redcross.org.nz/what-we-do/overseas/pacific-partner-programme/>

Table 97: The overall ADQR of whether a charity discloses the number of contractors it employs.

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.0	1.3	1.7	1.7
1 charity	3 charities	3 charities	

The next information looked at the number of staff a charity employs outside of New Zealand. Three (3) charities provided a general statement about the staff it employed outside of New Zealand but provided no specific details. This information item was also found in the notes to the financial reports, for example, *The Evangelical Alliance Relief Fund* provides child sponsorship in some countries as one of its services. There is a general note for these designated funds within its notes to its financial reports which are used for the charity's programs abroad¹³⁸. The ADQR of this information item is (1.0) because all (3) charities had low disclosure, see Table 98 for this result.

Table 98: The ADQR of whether a charity employs staff/agents outside of New Zealand on the Charity register

0	1	2	3	ADQR
27	3	0	0	1.0
90%	10%	0%	0%	

Ten (10) charities disclosed this information on its website. However, (9) of these charities provided a general statement but provided no details. For example, *The Salvation Army*, Tonga and Fiji are included in the territory area it works in, and there are links to both these regions found on the charity's website (see the screenshot of this in Figure 40 taken from the charity's website¹³⁹) but there is little other information.

¹³⁸ *The Evangelical Alliance Relief Fund's* financial statements (2015, p. 13-14) (2/1/2017) <file:///C:/Users/dkd4/Downloads/Tearfund%20Financial%20Statements%20for%20the%20year%20ended%2030%20June%202016.pdf>

¹³⁹ *The Salvation Army's* website, (2/1/2017). <http://www.salvationarmy.org.nz/>



Figure 40: A screenshot taken from The Salvation Army website

In the case of the *World Vision Trust Board*, it provides a blog on its website which then describes the work its staff does in New Zealand and abroad¹⁴⁰. However, the stakeholder would be unsure if this is a complete list. *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* is the only charity that provides satisfactory disclosure of this item on its website because it includes some details.

However, no charity achieved excellent disclosure for this information item. The ADQR of this information item is (1.3) which is close to low disclosure, see Table 99 for this result. However, at least (12) of the charities in the sample do have international affiliations of some description (whether the charity employs staff/agents outside New Zealand cannot be verified if the charity does not disclose this information item). Specifically, (2) charities that did not disclose this information item were *Oxfam New Zealand* and *Amnesty International Incorporated* – both charities that work internationally. In the case of *Oxfam New Zealand* – there are press releases of the work of other Oxfam organisations across the Pacific region and other regions in the world the international organisation works, but this does not appear to relate specifically to *Oxfam New Zealand*.

Table 99: The ADQR of whether a charity discloses if it employs staff/agents outside of New Zealand on a charity's website

0	1	2	3	ADQR
20	7	3	0	1.3
67%	23%	10%	0%	

¹⁴⁰ *World Vision of New Zealand* website, (2/1/2017). <https://www.worldvision.org.nz/news-blog>

When looking at the charity's annual report/annual review, (7) charities disclosed this information item. These were the same charities that disclosed this information item on its website, and (3) which also disclosed this information item on the Charity register. The ADQR is (1.3) which is again, close to low disclosure, see Table 100 for this result.

Table 100: The ADQR of whether a charity if it employs staff outside of New Zealand in the charity's annual report/annual review.

0	1	2	3	ADQR
23	5	2	0	1.3
77%	17%	7%	0%	

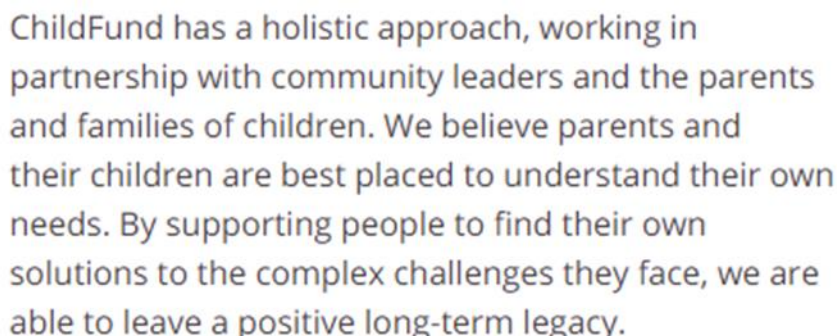
The overall ADQR of this information item is (1.2) which is close to low disclosure, see Table 101 for this result. This finding can be explained in two ways. Firstly, not all the charities in the sample have international operations or affiliations (12 charities in the sample do have international operations). Secondly, this information item was difficult to verify from the publications; the main difficulty in being able to determine if the staff members are employed from New Zealand (and sent abroad) or local staff in the country.

Table 101: The overall ADQR of whether a charity discloses if it employs staff outside of New Zealand

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.0	1.3	1.3	1.2
3 charities	10 charities	7 charities	

Finally, the charities that sent funds abroad often did not specify who the receiving body/organisation of the funds are and whether these were foreign branches of the New Zealand charity or independent organisations. For example, *ChildFund NZ Ltd* appears to be giving the funds to individuals but provides no details as to who decides

that these individuals should be given support (see a screenshot in Figure 41 for an example of this¹⁴¹).



ChildFund has a holistic approach, working in partnership with community leaders and the parents and families of children. We believe parents and their children are best placed to understand their own needs. By supporting people to find their own solutions to the complex challenges they face, we are able to leave a positive long-term legacy.

Figure 41: A screenshot from ChildFund NZ Ltd's website

Items 62-67:

The next set of information items (3) relate to the disclosure of whether a charity is party to a business transaction that included;

- A current or former employee
- A family member of a current or former employee
- An entity controlled by a current or former employee (or family member) was an officer or indirect owner of that entity.

The following set of information items (3) related to whether a charity had provided a grant, assistance or benefit to:

- A current or former employee
- An entity controlled by a current or former employee or related party
- A family member of a current or former employee

For all (6) information items, no (0) charity disclosed this information. There could be several reasons for this finding. Firstly, there may be no business transactions,

¹⁴¹ *ChildFund NZ Ltd's website* (2/1/2017).
https://www.childfund.org.nz/?gclid=Cj0KEQIA7qLDBRD9xJ7PscDCu5IBeiQAgo3BxHCctE4-LTXKnupE44_LzWvLAIJtloendgBidIo4TrwaAgfm8P8HAQ

assistance or grant provided to an employee by any of the charities within the sample. Unless a charity discloses this information (by declaration), this is impossible for a stakeholder to verify. Many of the charities had used the notes to its financial reports to make ‘related party transactions’ to disclose these information items if a charity board member was involved, but this is not the case for charity staff members.

Secondly, staff disclosures may be related to staff privacy. A charity, like any organisation, must be mindful of disclosing staff information to a third party without good, duly-considered reasoning and must take steps to protect staff members personal data¹⁴².

Thirdly staff disclosures are not required by law¹⁴³. Therefore charities do not make these disclosures. Balancing disclosure against a staff member’s privacy would be permitted in the circumstances where the value of disclosure provides some public accountability; this is a developing space in the charity sector.

Items 68-79:

The next set of information disclosures related to a charity’s programs. Specifically, this section looks at:

- For a charity to disclose any future/forward-looking information about future programs
- A charity discloses its policies in selecting its programs
- Each program the charity has conducted in the last (12) months
- A narrative description of each program it conducted in the last (12) months
- The charity disclosed the revenues and expenditures for each program it conducted in the last (12) months
- A comparative between the planned budget and actual costs is disclosed for each program
- The charity discloses the number of beneficiaries helped by each program
- The public benefit of each program is published by the charity

¹⁴² The Privacy Commission (NZ) produces a booklet ‘Privacy at Work’ that provides the benchmark <https://privacy.org.nz/assets/Files/Brochures-and-pamphlets-and-pubs/Privacy-at-Work-2008.pdf>

¹⁴³ Occasions where disclosure is required by law are rare, and include examples like *Land Transport Act (1998)* in relation to driving disclosure and *Income Tax Act (2007)* in relation to a staff member’s tax position.

- If a charity worked with another charity(s) to deliver its program
- If a charity worked with a government agency its program
- If a charity worked with another entity to deliver its program
- If a charity worked with another charity(s)/government agency/entity, it reveals the nature of the work it does in the partnership

When looking at the Charity register, (5) charities disclosed the policies in selecting its programs. This information item was found in the notes to the financial reports (see *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* for an example of this¹⁴⁴) or an executive summary as an introduction to the financial reports (see *Variety – the Children’s Charity Incorporated* of an example of this¹⁴⁵).

This information item was related to the charity’s objectives, and therefore it was found where the mission reports are found. The ADQR for this information item is (1.8) on the Charity register, see Table 102 for this result. The (2) largest charities in this group of (5) had excellent disclosure (*New Zealand Red Cross* and *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*).

Table 102: The ADQR of whether a charity disclosed its policies for selecting its programs on the Charity register

0	1	2	3	ADQR
25	3	0	2	1.8
83%	10%	0%	7%	

When looking at a charity’s website, more charities disclosed this information item - (11) charities. In the case of *World Vision of New Zealand Trust Board*, this information item is separated into (3) categories – then links take the stakeholder to the details of these categories (see a screenshot of this in Figure 42¹⁴⁶).

¹⁴⁴ *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*, annual report (2015, p.1) – this charity placed its annual report instead of dedicated financial statements on the Charity register.

¹⁴⁵ *Variety – the Children’s Charity Incorporated’s* financial statements (2015, p.2)
[file:///C:/Users/dkd4/Downloads/Audited%20FS%20\(1\).pdf](file:///C:/Users/dkd4/Downloads/Audited%20FS%20(1).pdf)

¹⁴⁶ *World Vision of New Zealand Trust Board* website, (3/1/2017).
<https://www.worldvision.org.nz/projects>



Figure 42: A screenshot of World Vision of New Zealand Trust Board's website

In the case of *The Starship Foundation*, a charity that operates out of Starship hospital, a simple brief statement is used to disclose how this charity selects its programs (see Figure 43 for a screenshot of this¹⁴⁷).

The Starship Foundation is a social-profit organisation that raises funds so Starship Children's Health can better care for its young patients.

The Starship Foundation's vision is to create meaningful and magical opportunities that enrich the health of every young New Zealander.

Figure 43: A screenshot of The Starship Foundation's statement

The ADQR of this information item on the charity's website is (2.2), which is surpasses satisfactory disclosure, (see Table 103 for this result). However, there were (19) charities that did not disclose this information item. One of the reasons for this finding is the way in which the charities are using its website. For example, *The Age Concern Foundation* uses its website as a notification website – a way of communicating to stakeholders, the services that are available and links to information.

¹⁴⁷ *The Starship Foundation* on the Starship Hospital website, (3/1/2017).
<https://www.starship.org.nz/foundation/about-the-foundation/>

This is the case for many of the charities. Another explanation for this finding is that the charities are not running programs, but are service providers. An example of this is *Barnardos New Zealand Incorporated*; it is the main provider of supervised contact visits at its branches across New Zealand (appointed by the Court in most circumstances). Furthermore, a fee is usually involved for the service (in the case of *Barnardos New Zealand Incorporated* the contact parent may pay the fees, or if Court-ordered, then (14) visits are paid for by the government).

One final explanation for this finding might be related to the charities that published strategic plans – (10) charities in this group sample have strategic plans. Five (5) of the (11) charities that disclosed this information item also had strategic plans. A strategic plan is a shift from the day-to-day operations to long-term, broad view of the charity’s direction for the future. Therefore most of these charities have clear policies for the selection of their operations.

Table 103: The ADQR of whether a charity disclosed it policies for selecting its programs on its website.

0	1	2	3	ADQR
19	2	5	4	2.2
63%	7%	17%	13%	

When looking at the charity’s annual report/annual review, (11) charities disclosed this information item. Of the (11) charities, (5) also disclosed this item on its website. This information item could be found in the report from the CEO (see *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women’s refuges Incorporated* for an example of this¹⁴⁸) or presented in categories (see *New Zealand Red Cross Incorporated* for an example of this¹⁴⁹). The ADQR for this information is (2), see Table 104 for this result.

¹⁴⁸ *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women’s refuges Incorporated’s* annual report (2015-2016, p.2). <https://womensrefuge.org.nz/wp-content/uploads/2015/11/11142-Annual-Report-2016-FINAL.pdf>

¹⁴⁹ *New Zealand Red Cross’s* annual report (2015). [file:///C:/Users/dkd4/Downloads/2015%20\(3\).pdf](file:///C:/Users/dkd4/Downloads/2015%20(3).pdf)

Table 104: The ADQR of whether a charity disclosed its policies for selecting its programs in its annual report/annual review.

0	1	2	3	ADQR
23	4	3	4	2
77%	13%	10%	13%	

There were (5) core charities that disclosed this information item on all (3) publications. The overall ADQR of this information item was (2.0) which is satisfactory disclosure, see Table 105 for this result. However, 37% of the charity sample group disclosed this information item (63% did not disclose this information item).

Table 105: The overall ADQR of whether a charity disclosed its policies for selecting its programs

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.8	2.2	2.0	2.0
5 charities	11 charities	11 charities	

The next information item looked at whether the charity provided any future/forward-looking information about its future programs. In the case of the (1) charity that disclosed this information item on the Charity register – it was found in the charity's annual report which was filed in place of its financial reports¹⁵⁰. Therefore, the ADQR of this information item was (3.0), this result can be found in Table 106.

Table 106: The ADQR of whether a charity disclosed any future/forward-looking information about its future programs on the Charity register.

0	1	2	3	ADQR
29	0	0	1	3.0
97%	0%	0%	3%	

¹⁵⁰ Ibid at note 142

When looking at this information item on the charity's website, (9) charities disclosed this information. Five, (5) of these charities were also disclosed strategic plans and included this information item in those plans. In the case of the other (4) charities, (2) charities produced a magazine that addressed a wide range of social issues and how the charity was going to meet the challenges¹⁵¹.

In the case of *Deaf Aotearoa NZ Incorporated*, this charity lists its current services and future [new] services; it will be rolling out across New Zealand (see a screenshot of this¹⁵² in Figure 44). *The Starship Foundation* provides a list of all the future developments it looks at as part of its program development¹⁵³.

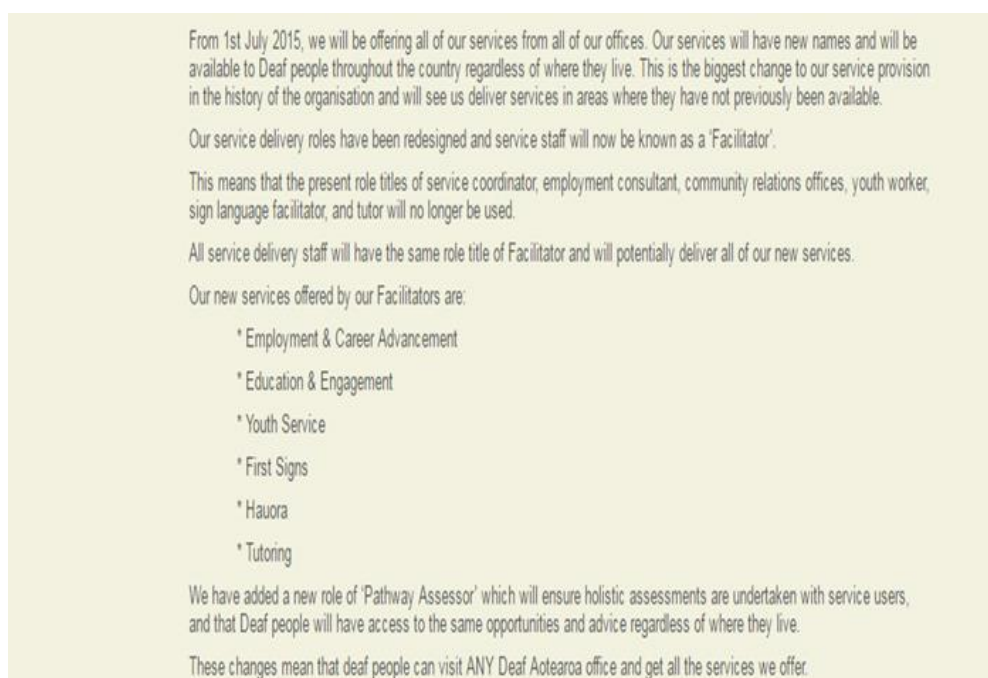


Figure 44: A screenshot from Deaf Aotearoa NZ Incorporated's website

The ADQR of this information item is (2.0), this result is found in Table 107.

¹⁵¹ This charity was *Royal New Zealand Plunket Society* produces a monthly magazine and *Oxfam NZ* produces a quarterly magazine

¹⁵² *Deaf Aotearoa NZ Incorporated's* webpage (3/1/2017) <http://deaf.org.nz/news/298-a-new-era-for-deaf-aotearoa>

¹⁵³ *The Starship Foundation's* website (3/1/2017). <https://www.starship.org.nz/foundation/about-the-foundation/>

Table 107: The ADQR of whether a charity disclosed any future/forward-looking information about its future programs on its website

0	1	2	3	ADQR
21	2	5	2	2.0
70%	7%	17%	7%	

When looking at whether a charity disclosed any future/forward-looking information in its annual report, (8) charities disclosed this information item. Six (6) of these charities also disclosed this information item on its website. In the case of *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated*, the chief executive speaks in general terms of future programs the charity will undertake¹⁵⁴ (this is low disclosure). In the case of the *National Red Cross Incorporated*,¹⁵⁵ an overview is provided (this is satisfactory disclosure). The ADQR for this information item is (2.3), and this result is in Table 108. Those charities that did disclose this information provided satisfactory or excellent quality.

Table 108: The ADQR of whether a charity disclosed any future/forward-looking information about future programs in its annual report/annual review.

0	1	2	3	ADQR
23	1	4	3	2.3
77%	3%	13%	10%	

The overall ADQR of this information item is (2.4), indicating that the charities provided satisfactory disclosure quality (see Table 109 for this result). However, it is noted that despite the quality of the disclosure – the actual number of charities that disclosed this information item was low (less than 50% for all publications).

This finding can be explained in several ways. Firstly, the charities that produced a strategic plan (33% of the charity sample) included its future programs in the plan, but 77% of the charities did not produce a strategic plan. Secondly, there was a core group of charities that disclosed the policies in selecting its programs and future/forward-

¹⁵⁴ *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated's* annual report (2015, p.2)

<https://womensrefuge.org.nz/wp-content/uploads/2015/11/11142-Annual-Report-2016-FINAL.pdf>

¹⁵⁵ *National Red Cross Incorporated's* annual report (2015, p.2).

[file:///C:/Users/dkd4/Downloads/2015%20\(4\).pdf](file:///C:/Users/dkd4/Downloads/2015%20(4).pdf)

looking information about future programs. They also seemed to be the same charities that produced a strategic plan. Finally, some of the charities are service providers, and therefore this disclosure item was not relevant to their operations.

Table 109: The overall ADQR of whether a charity disclosed any future/forward-looking information about future programs

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	2.0	2.3	2.4
1 charity	9 charities	8 charities	

The next information item looked at whether a charity disclosed each program it conducted in the last (12) months. Seven (7) charities disclosed this information on the Charity register. This information item was found either the financial reports or in the notes to the financial reports. In the case of (3) charities, it was a list of its operations (see *Unicef Children's Foundation* for an example of this), while for the other (4) charities provided detailed information about each program (see the *Society of St Vincent de Paul in New Zealand* for an example of this). The ADQR for this information item is (2.1), see Table 110 for this result.

Table 110: The ADQR of whether a charity disclosed each program it has conducted in the last (12) months on the Charity register

0	1	2	3	ADQR
23	3	0	4	2.1
77%	10%	0%	13%	

When looking the charity's website, (27) of (29) charities disclosed this information. Nineteen (19) of those charities provided excellent disclosure, by providing detailed information about each program it conducts (see *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* for an example of this). There were (2) charities with websites that did not disclose this information item.

The first was *The New Zealand General Service Board of Alcoholics Anonymous Incorporate*; the website of this charity describes its objectives but does not provide any details about a specific program as such. The second charity was the *Royal*

Foundation of the Blind, it also does not describe any of its programs, and instead, it provides drop-down lists – often referring the stakeholder to a service provider or a .pdf file (see screenshot in Figure 45 of its website for example¹⁵⁶).

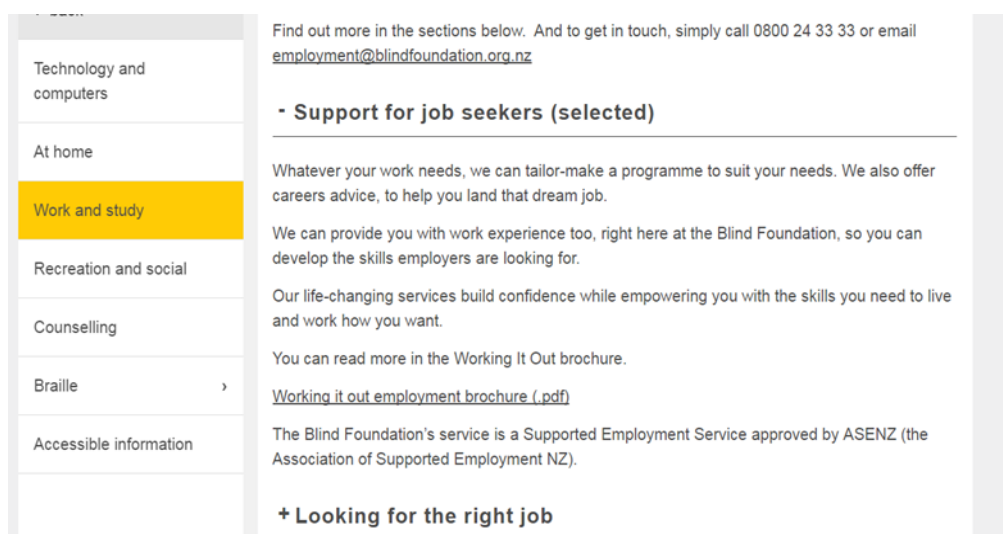


Figure 45: A screenshot of Royal New Zealand Foundation of the Blind website

The ADQR for this information item is (2.6), which is close to excellent quality (see Table 111 for this result).

Table 111: The ADQR of whether a charity disclosed each program it conducted in the last (12) months on its website

0	1	2	3	ADQR
3	4	4	19	2.6
10%	13%	13%	63%	

When looking at the charity’s annual report/annual review, all (22) charities that produced a report disclosed this information item. Sixteen (16) of the charities produced excellent disclosure (see *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* for an example of this). There were (2) charities that provided low disclosure. In the case of the *National Heart Foundation of NZ*, the annual report provided a general list of each program/service it conducted, but there was very little detail contained in the report. This is also the case for the *Cystic*

¹⁵⁶ Royal New Zealand Foundation of the Blind’s website (3/1/2017).
<https://blindfoundation.org.nz/how-we-can-help/daily-life/work-and-study/>

Fibrosis Association of NZ. The ADQR of this information item is (2.6), a score that is trending towards excellent disclosure, see Table 112 for these results.

Table 112: The ADQR of whether a charity disclosed each program it conducted in the last (12) months in its annual report/annual review.

0	1	2	3	ADQR
8	2	4	16	2.6
27%	7%	13%	53%	

The overall ADQR for this information item is (2.4), this result can be found in Table 113. This was an information item that nearly all the charities disclosed, and the overall ADQR result is trending towards excellent disclosure.

Table 113: The overall ADQR of whether a charity disclosed each program it conducted in the last (12) months.

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.1	2.6	2.6	2.4
7 charities	27 charities	22 charities	

The next information item looked at whether a charity disclosed a narrative description of each program it conducted in the last (12) months. This information item involved more than the previous item, in that the charities had to provide a ‘story’ to each of the programs it provided. When looking at the Charity register, (2) charities provided disclosure of this item. In the case of both these charities, the full annual report had been filed in place of its financial reports¹⁵⁷; no other charity disclosed this information item. Therefore, the ADQR for this information is (3.0), see Table 114 for this result.

Table 114: The ADQR of whether a charity disclosed a narrative description of each program it conducted in the (12) months on the Charity register

0	1	2	3	ADQR
28	0	0	2	3.0
93%	0%	0%	7%	

¹⁵⁷ The (2) charities were *The Salvation Army New Zealand* and *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*.

When looking at the charity's website, (27) of a possible (29) charities disclosed this information item. The disclosure was excellent for (19) of the charities was excellent, where the charity disclosed a detailed narrative of each program (See *The Evangelical Alliance Relief Fund* for an example of this). Five (5) charities provided low disclosure, in that a general narrative was provided but there were no specific details (see *the Age Concern Foundation* for an example of this). The (2) charities that did not provide any narrative on their websites about each program conducted were the same charities that did not provide a general list of each program that it conducted in the last (12) months¹⁵⁸. The ADQR for this information item is (2.5) which is trending towards excellent disclosure, see Table 115 for this result.

Table 115: The ADQR of whether a charity provided a narrative description of each program it has conducted in the last (12) month on a charity's website

0	1	2	3	ADQR
3	5	3	19	2.5
10%	17%	10%	63%	

When looking at a charity's annual report/annual review, (21) of a possible (22) charities disclosed this information item. Nineteen (19) of the charities provided excellent disclosure of this information item (see the *World Vision of New Zealand Trust Board* for an example of this). These charities provided a detailed narrative in its annual report/annual review of each of its programs. There were (2) charities that provided low disclosure, in the case of the *National Heart Foundation of NZ*, the annual report provided very little information about the charity's actual programs. This is also the case for *Barnardos New Zealand Incorporated*. The ADQR for this information item is (2.6) which again is trending towards excellent disclosure; this result is in Table 116.

Table 116: The ADQR of whether a charity provided a narrative description for each of its programs it conducted in the last (12) months.

0	1	2	3	ADQR
11	2	4	15	2.6
37%	7%	13%	50%	

¹⁵⁸ These charities were *National Heart Foundation of NZ* and *The New Zealand General Service Board of Alcoholics Anonymous Incorporated*

The overall ADQR of this information item is (2.7) which is trending towards excellent disclosure (see these results in Table 117). The number of charities that were disclosing this information item was high for two of the publications (the charity's website and the charity's annual report/annual review). The explanation for this is explained by the purpose of the Charity register – there is no space for this disclosure, and it is not a statutory requirement.

Table 117: The overall ADQR of whether a charity provided a narrative description for each of its programs it conducted in the last (12) months

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	2.5	2.6	2.7
2 charities	27 charities	21 charities	

The next information item looked at whether a charity disclosed the revenues and expenditures of each program it conducted in the last (12) months. This information item is found in the financial reports of the charity (or the notes to the financial reports). Twelve (12) charities disclosed this information on the Charity register. In the case of (3) charities, this was low disclosure because the disclosure was global figures with little detail¹⁵⁹. In the case of the other (9) charities, the disclosure was excellent (see *New Zealand Red Cross Incorporated* for an example of this). The ADQR for this information item is (2.5), see Table 118 for this result.

Table 118: The ADQR of whether a charity disclosed the revenues and expenditures for each program conducted in the last (12) months on the Charity register.

0	1	2	3	ADQR
18	3	0	9	2.5
60%	10%	0%	30%	

When looking at the charity's website, the number of charities that disclosed this information item decreased to (3) charities. One (1) of the charity had excellent disclosure¹⁶⁰ - this charity provided detailed revenues and expenditures of each

¹⁵⁹ These (3) charities were *The Fred Hollows Foundation (NZ)*, *Royal New Zealand Plunket Society Incorporated* and *The Salvation Army New Zealand*.

¹⁶⁰ The (2) charities were *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*.

program/service it conducted in the last (12) months. There (2) other charities that provided satisfactory disclosure (*Oxfam New Zealand*) and low disclosure (*ChildFund NZ Ltd*). The ADQR of this information item is (2.0) which equates to satisfactory disclosure, see Table 119 for this result. However, (26) charities did not disclose this information item on its website.

Table 119: The ADQR of whether a charity disclosed the revenues and expenditures of each program conducted in the last (12) months on its website

0	1	2	3	ADQR
27	1	1	1	2.0
90%	3%	3%	3%	

When looking at a charity's annual report/annual review, no (0) charity disclosed this information item. Therefore, the ADQR for this item was (0) for a charity's annual report/annual review.

The overall ADQR for this information item is (1.5) which is trending towards satisfactory disclosure, see Table 120 for this result. This finding can be explained in two ways. Firstly, this information disclosure is not a statutory requirement for [continued] charity registration. However, the charities, for the most part, are not specifically presenting this information item in their financial reports and this would explain the low number of charities which disclosed this item. When looking at the charity's website and annual report/annual review, these were a trend towards no disclosure by the charities.

Table 120: The overall ADQR of whether a charity disclosed the revenues and expenditures of each program it conducted in the last (12) months

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.5	2.0	0.0	1.5
12 charities	3 charities	30 charities	

The next information item looked at whether a charity disclosed a comparative between the planned budgets against actual costs disclosed for each program. On the Charity register, there was only (1) charity that disclosed this information (*The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*). This is excellent disclosure where the charity disclosed in detail the comparative. This same

charity was also the only charity that disclosed this information on its website and in its annual report; both times it was excellent disclosure. Therefore, the overall ADQR for this information item was 3.0 (see Table 121 for this result) however, the number of charities that disclosed this item was extremely low.

Table 121: The overall ADQR of whether a charity disclosed a comparative between the planned budget and actual costs for each program.

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	3.0	3.0	3.0
1 charity	1 charity	1 charity	

The next information item looked whether a charity disclosed the number of beneficiaries helped by each program (this is not listing the charity's beneficiaries – which is found in information item 13). Two (2) charities disclosed this information on the Charity register – these were also the (2) charities that filed their annual report in place of financial reports. Both these charities achieved excellent disclosure – therefore the ADQR of this information item is (3.0).

When looking at the charity's website, (9) charities disclosed this information item. Five (5) of the (9) charities provided excellent disclosure by providing specific numbers it helped in each program. One (1) provided satisfactory disclosure. Three (3) charities provided low disclosure, by providing global statistics for each of its programs but very little details about the actual number of beneficiaries assisted by the charity (see a screenshot of *Oxfam New Zealand* in Figure 46 for an example of this¹⁶¹).

¹⁶¹ *Oxfam New Zealand's website (3/1/2017).*

Safe water and sanitation in Papua New Guinea

Much of Papua New Guinea's population lives in small, remote communities where government services are few and far between. Only 40% of people have clean water and less than 19% of people have adequate sanitation.

Oxfam's Water for Survival programme is providing safe water systems and sanitation solutions, and hygiene education to communities and schools in some very remote areas.

Reference: Statistics from the [The World Factbook](#).

Sanitation in schools in the Highlands of PNG

Oxfam and our partner ATprojects are providing safe water, sanitation solutions and hygiene education to primary schools in the Highlands of Papua New Guinea, including schools in some very remote areas.

- Sanitation in schools



Oxfam is providing safe water systems and sanitation solutions to communities and schools in PNG.

Figure 46: A screenshot taken from Oxfam New Zealand's website

The ADQR for this information item is (2.2), see Table 122 for this result.

Table 122: The ADQR of whether a charity disclosed the number of beneficiaries assisted by each of its programs on the charity's website

0	1	2	3	ADQR
21	3	1	5	2.2
70%	10%	3%	17%	

In the case of the charity's annual report/ annual review, (18) charities of (22) charities disclosed this information item. Sixteen (16) of those charities produced excellent disclosure, while (1) produced satisfactory disclosure. There was (1) charity, the *National Heart Foundation of NZ* that produced low disclosure – as previously discussed, this charity produces a general statistic with no actual numbers (see screenshot in Figure 47 for an example of this¹⁶²)

¹⁶² *National Heart Foundation of NZ's* annual report (2016, p.2)
<http://assets.heartfoundation.org.nz/documents/marketing/about-us/heart-foundation-annual-report-2016.pdf>



Figure 47: The screenshot taken from the National Heart Foundation’s website (note that this is a full page in the annual report).

The ADQR for this information item is (2.8), see Table 123 for this result. Twelve (12) charities did not disclose this information item in its annual report/annual review¹⁶³. The researcher believes this is the case for (2) reasons. Some of these charities are service providers and therefore provide services on a need-by-need basis as required by the other contracting party. Therefore, the numbers of beneficiaries assisted are not usually disclosed by these charities. Other charities, like *Amnesty International Incorporated*, for example, may not disclose beneficiaries assisted for safety reasons. Instead, this charity uses press releases to celebrate its successes

¹⁶³ The (4) charities are *Cystic Fibrosis Association of NZ*, *Deaf Aotearoa NZ Incorporated*, *Lifeline Aotearoa Charitable Trust* and *Amnesty International*.

Table 123: The ADQR of whether a charity disclosed the number of beneficiaries assisted by each of its programs in the charity's annual report/annual review

0	1	2	3	ADQR
12	1	1	16	2.8
40%	3%	3%	53%	

The overall ADQR for this information item is (2.7), which is very close to excellent disclosure, see Table 124 for this result. This finding can be explained in (2) ways. Firstly, this information disclosure is not required by the Charities Services for [continued] charity registration, and therefore very few charities disclosed this information item. Secondly, the charities did not have to provide specific numbers about the beneficiaries they assisted, instead of many of the charities described the type of beneficiary they expected to assist with their operations. Thus, the charities would often provide statistics of those people in need, in the location in which they operated and provided no disclosures about the number of people they assisted (see *Save the Children New Zealand* for an example of this).

Table 124: The overall ADQR of whether a charity disclosed the number of beneficiaries assisted by each of its programs

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	2.2	2.8	2.7
2 charities	9 charities	18 charities	

The next information item looked at the public benefit provided by each program a charity operated – this must be an identifiable activity that is capable of being proved by evidence when necessary. This information item is a statutory requirement. Therefore it is not surprising that (30) charities disclosed this on the Charity register. This disclosure is a list of the activities that the charity will undertake, often with the public benefit in brackets so this is low disclosure (see a screenshot in Figure 48 of the *National Heart Foundation of NZ* for an example of this¹⁶⁴). There were (2) charities

¹⁶⁴ *National Heart Foundation of NZ's* charity summary found on the Charity register (4/1/2017) <https://www.register.charities.govt.nz/CharitiesRegister/ViewCharity?accountId=18e2d2a4-76a1-dc11-8026-0015c5f3da29>

that achieved excellent disclosure (a detailed description of the benefits and the section of the public that the charity aims to assist): both these charities had filed their annual reports in place of their financial reports¹⁶⁵.

Figure 48: A screenshot of National Heart Foundation of NZ’s charity summary on the Charity register

The ADQR for this information item is (1.1) because apart from (2) charities, the rest used the standardised list provided by Charities Services (see Table 125 for this result).

Table 1255: The ADQR of whether a charity disclosed the public benefit of each program on the Charity register

0	1	2	3	ADQR
0	28	0	2	1.1
0%	93%	0%	7%	

When looking at the charity’s website, all (29) charities disclosed the public benefit of their operations. In the case of *The New Zealand General Service Board of Alcoholics Anonymous Incorporated*, this charity does not disclose its operations, and the website

¹⁶⁵ The (2) charities are *Royal New Zealand Plunket Society* and *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*.

does no more than point out the negatives of excessive drinking, so this is regarded as low disclosure. In the case for *Society of St Vincent de Paul in NZ*, where it does no more than list some of the successes of some of its programs –this is also low disclosure. Fourteen (14) charities, provide a general overview of the public benefit provided along with a general description of the public the charity aims to assist. In the case of *The Fred Hollows Foundation (NZ)* this is a snapshot of each of its main activities (see the screenshot in Figure 49 for an example of this¹⁶⁶).

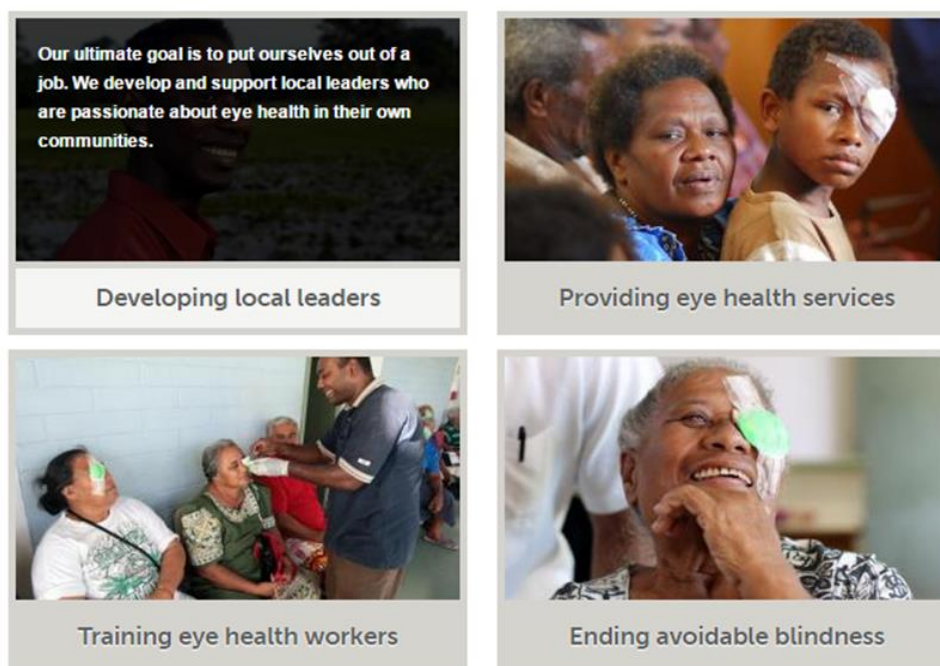


Figure 49: A screenshot taken from The Fred Hollows Foundation (NZ)'s website

There were (9) charities that provided excellent disclosure. In the case of the *Laura Fergusson Trust Board*, the home page is dedicated to the services and activities for rehabilitation (this is a revolving PowerPoint with details that runs continuously). The ADQR for this information item is (2.1) which is just over satisfactory, see Table 126 for this result.

Table 126: The ADQR of whether a charity discloses the public benefit of each program on the charity's website

0	1	2	3	ADQR
1	6	14	9	2.1
3%	20%	47%	30%	

¹⁶⁶ *The Fred Hollows Foundation (NZ)*'s website (4/1/2017) <https://www.hollows.org.nz/our-work>

When looking at the charity's annual report/annual review, (17) charities of (22) provided excellent disclosure of this information item; a detailed description of the benefits and the section of the public are provided. Four (4) charities provided satisfactory disclosure, however (1) provided low disclosure. This was the *National Heart Foundation of NZ* – its annual report provides very little detail about its operations or the outcomes of these. The ADQR of this information item is (2.7), see Table 127 for this result). This is close to excellent disclosure.

Table 127: The ADQR of whether a charity disclosed the public benefit of each of its programs in its annual report/annual review

0	1	2	3	ADQR
8	1	4	17	2.7
27%	3%	13%	57%	

The overall ADQR of this information item is (2.0), see Table 128 for this result. This finding can be explained in several ways. Firstly, this information item is a statutory requirement. Therefore the charities must disclose this to the Charities Services for [continued] registration. However, the disclosure on the Charity register is no more than a list of its activities – which is low disclosure. The disclosure on the charity's website and in its annual report was better, as the charities linked their activities to the benefits gained by their beneficiaries.

Table 128: The overall ADQR of whether a charity discloses the public benefit of each of its programs

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.1	2.1	2.7	2.0
30 charities	29 charities	22 charities	

The next information item looked at whether a charity worked with another charity(s) to deliver a program. This information item is found by looking at the financial reports on the Charity register (or annual reports in the case of the (2) charities that filed annual reports in the place of the financial reports). Thirteen (13) charities disclosed this information item. Six of the charities identified the party(s) but did not disclose the nature of the relationship (see *Orphans Aid International Charitable Trust* for an

example of this). Four (4) charities provided an overview of the relationship with the other charity(s) (see *New Zealand Red Cross Incorporated* for an example of this). While there were (3) charities that provided excellent disclosure (see *Nga Whare Whakaruruhau National Collective of Independent Women's refuges Incorporated* for an example of this). The ADQR for this information item is (1.8), see Table 129 for this result).

Table 129: The ADQR of whether a charity disclosed if it worked with another charity(s) to deliver a program

0	1	2	3	ADQR
17	6	4	3	1.8
57%	20%	13%	10%	

When looking at a charity's website, the number of charities that disclosed this information decreased to (14) charities. A charity disclosed its affiliated branches in drop-down menus on the website (see *Laura Fergusson Trust Board Incorporated's website* for an example of this), or provided details of its partnerships (*Variety – a Children's Charity Incorporated* partners with *The Salvation Army New Zealand* to deliver its program 'Kiwi Next Generation'¹⁶⁷). The ADQR for this information item is (1.9), which is low disclosure, see Table 130 for this result.

Table 130: The ADQR of whether a charity disclosed if it worked with another charity(s) to deliver a program

0	1	2	3	ADQR
16	5	5	4	1.9
53%	17%	17%	13%	

When looking at a charity's annual report/annual review, the number of charities disclosing this information item decreased yet again. Eleven (11) of (22) charities disclosed this information item and these were the same charities that disclosed this information item on its website. The ADQR of this information item is (2.1), see Table 131 for this result.

¹⁶⁷ *Variety – a Children's Charity Incorporated's website* (4/1/2017)
<http://www.variety.org.nz/how-we-help/kiwi-next-generation/>

Table 131: The ADQR of whether a charity disclosed if it worked with another charity in its annual report/annual review.

0	1	2	3	ADQR
19	2	6	3	2.1
63%	7%	20%	10%	

The overall ADQR of this information item was (1.9) which was just above satisfactory, see Table 132 for this result. This result can be explained by several ways. Firstly, the charities do not have to declare this information to the Charities Services for [continued] registration, and therefore there is low disclosure of this information item. Furthermore, the disclosure of this information item is low on the charity's website and just above satisfactory in its annual report/annual review. As it is not a regulatory requirement, there is no way for a stakeholder to know if the programs are delivered in collaboration with another charity.

Table 132: The overall ADQR of whether a charity disclosed if it worked with another charity

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.8	1.9	2.1	1.9
13 charities	14 charities	11 charities	

The next information item looked at whether a charity worked with a government agency. When looking at the Charity register, this information item is found in the charity's financial reports. Ten (10) charities disclosed this information, however, only (1) charity provided excellent disclosure – *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*.

The other charities provided low disclosure (7), where the government party is named, but the nature of the relationship was not disclosed (see *Barnardos New Zealand Incorporated* for an example of this). Two (2) charities provided satisfactory disclosure, where the government organisation is identified, and an overview of the relationship is disclosed (See *Royal New Zealand Plunket Society Incorporated* and its relationship with Well Child/Tamariki Ora is an example of this). The ADQR of this information item is (1.4), see Table 133 for this result.

Table 133: The ADQR of whether a charity disclosed if it worked with a government agency

0	1	2	3	ADQR
20	7	2	1	1.4
67%	23%	7%	3%	

When looking at the charity's website, the number of charities that disclosed this information item is (12) of (29) charities. The same charity that provided excellent disclosure on the Charity register continued to provide excellent disclosure. Seven (7) charities provided satisfactory disclosure, where the charity identified the other party(s) with an overview of the relationship. *The Evangelical Alliance Relief Fund* is an example of this (see screenshot in Figure 50 for example taken from this charity's website¹⁶⁸).



Maya, a former trafficking victim, was rescued from a brothel and is now free.

What we're doing

We take a comprehensive approach in dealing with human trafficking and exploitation. Through our partners on the ground, we:

- Help to protect people vulnerable to trafficking by running empowerment and education programmes.
- Assist authorities to investigate criminal networks behind trafficking and slavery.
- Work with local law enforcement to prosecute traffickers, preventing more people from becoming enslaved.
- Give survivors a safe place to heal and recover and restore their dignity through rehabilitation and supported reintegration.

Figure 50: A screenshot taken from The Evangelical Alliance Relief Fund's website

Four (4) charities provided low disclosure, where the party(s) is identified, but no details are provided about the nature of the relationship (see screenshot in Figure 51) taken from *ChildFund NZ Ltd* for an example of this¹⁶⁹).

ChildFund works with authorities to ensure malnutrition rates decrease; all communes have national standard quality healthcare stations; and youth and women of reproductive age have the life and sexual and reproductive health skills to make informed choices.

¹⁶⁸ *The Evangelical Alliance Relief Fund's website* (4/1/2017)

<https://www.tearfund.org.nz/Our-Work/Anti-Trafficking-Exploitation.aspx>

¹⁶⁹ *ChildFund NZ Ltd's website* (4/1/2017) <https://www.childfund.org.nz/health-vietnam>

Figure 51: A screenshot taken from ChildFund NZ Ltd's website.

The ADQR for this information item is (1.8), which is close to being satisfactory disclosure, see Table 134 for this result.

Table 134: The ADQR of whether a charity disclosed if it worked with a government agency on its charity website

0	1	2	3	ADQR
18	4	7	1	1.8
60%	13%	23%	3%	

When looking at a charity's annual report/annual review, (13) charities disclosed this information item. Four (4) charities provided excellent disclosure (see *Save the Children New Zealand's* annual report (2015, p.8) for an example where the partners are named, and the relationship is described¹⁷⁰). This was also the case for *The Starship Foundation* and *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*.

Five (5) charities provided satisfactory disclosure where another government party(s) is named together with an overview of the nature of the relationship. *Royal New Zealand Plunket Society Incorporated* is an example of this, where it identifies that it works together with *Whanau Ora* as a service provider, but provides no details of the relationship – just a description of how it delivers the services¹⁷¹. While (4) charities provided low disclosure. The ADQR of this information item is (2.0) which is close to satisfactory disclosure, the results are found in Table 135.

Table 135: The ADQR of whether a charity disclosed if it worked with a government agency in its annual report/annual review

0	1	2	3	ADQR
17	4	5	4	2.0
57%	13%	17%	13%	

¹⁷⁰ *Save the Children New Zealand's annual report* (2015, p. 8)
http://www.savethechildren.org/atf/cf/%7B9def2ebe-10ae-432c-9bd0-df91d2eba74a%7D/SC_2015_ANNUALREVIEW_FULL%20-%20FINAL.PDF

¹⁷¹ *Royal New Zealand Plunket Society Incorporated's*

The overall ADQR of this information item (1.7), see Table 136 for this result. This result is trending towards satisfactory disclosure. This finding can be explained in several ways. Firstly, the charities that were disclosing this information are national service providers in New Zealand and deliver services that the government does not provide (for example *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* provides emergency ambulances across New Zealand).

Table 136: The overall ADQR of whether a charity disclosed if it worked with a government agency

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.4	1.8	2.0	1.7
10 charities	12 charities	13 charities	

Secondly, some of the charities that disclosed this information work with the foreign [local] authorities to fight against crimes committed against vulnerable sectors of society (for example, *The Evangelical Alliance Relief Fund* works with local authorities in several Asian communities to prevent human trafficking). The charities that did not disclose this information item may work with local authorities and government agencies, however, if there is no disclosure – there is no way a stakeholder can know about these relationships. However there are inferences to a relationship in some of the publications, but no definitive disclosure, (for an example of this see *Orphan's Aid International* where this charity runs (5) international projects – each of the projects are described as having the help of local community leaders – but nothing more than that).

The next information item looked at whether a charity worked with another entity (that is not another charity or government agency) to deliver a program. On the Charity register, this information item is found in the financial reports, specifically in the notes to the financial reports. Thirteen (13) charities disclosed this information item on the Charity register. There was a group of charities within the charity sample that was part of a group that formed another entity called *Every Child Counts*. Within the sample,

(3) of the four charities within the sample disclosed this relationship¹⁷² - albeit low disclosure for (2) of the (3) charities, however, there was (1) charity that did not disclose this relationship in the notes to its financial reports. Three (3) charities provided satisfactory disclosure for this information item (this was the 3rd charity in the prior sample). One (1) charity provided excellent disclosure – again this was *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*. The ADQR of this information is (1.4), which is just above low disclosure, this result can be found in Table 137.

Table 137: The ADQR of whether a charity discloses if it worked with another entity to deliver a program on the Charity register

0	1	2	3	ADQR
17	9	3	1	1.4
57%	30%	10%	3%	

When looking at the charity's website, (16) charities disclosed this information item. Seven (7) charities provided low disclosure of this information item, (4) of these disclosed this information item on the Charity register. In the case *Laura Fergusson Trust Board Incorporated*, the charity discloses the relationship it has with medical service professionals (this group includes private specialists) – in the (3) regions the charity operates. However, it does not disclose specific names. Eight (8) charities provided satisfactory disclosure for this information item.

In the case of the *New Zealand Red Cross Incorporated*, the charity works with a variety of disaster experts and organisations in most of their programs (see the example of its Education programs¹⁷³). The only charity that provided excellent disclosure was again *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*. The ADQR of this information item is (1.6), which is trending towards satisfactory disclosure, this result can be found in Table 138.

¹⁷² The charities which disclosed this information are *Barnardos New Zealand Incorporated*, *Save the Children New Zealand*, *Royal New Zealand Plunket Society Incorporated*

¹⁷³ *New Zealand Red Cross Incorporated's* website (5/1/2017).

<https://www.redcross.org.nz/what-we-do/in-new-zealand/education-programmes/>

Table 138: The ADQR of whether a charity discloses if it worked with another entity to deliver a program on a charity's website.

0	1	2	3	ADQR
14	7	8	1	1.6
47%	23%	27%	3%	

When looking at the charity's annual report/annual review, (12) charities disclosed this information item. Four (4) charities provided low disclosure for this information item, where the entity(s) are disclosed, but the nature of the relationship is not disclosed. In the case of *Nga Whare Whakaruruhau National Collective of Independent Women's refuges Incorporated*, the sensitivity of the work this charity carries out (working with domestic violence is the focus of this charity), demands that some of this information is not disclosed for the protection of both its workers and its clients. In the case of *The Fred Hollows Foundation (NZ)*, the charity's work is reliant on the professional(s) and professional organisation(s) donating their time. Therefore this is a continuing changing space as these entities come and go throughout a year.

Six (6) charities provided satisfactory disclosure for this information item, where the entity(s) are identified, and overview of the relationship is disclosed. In the case of the *Royal New Zealand Plunket Society Incorporated*, collaborates with individuals within communities to form *Plunket* playgroups, an example of this is found in its annual report¹⁷⁴. This playgroup model is one the charity must roll out across the country, but full disclosure is not found in its annual report.

There were (2) charities¹⁷⁵ that provided excellent disclosure of its relationships with other entities. In the case of *The Royal NZ Society for the Protection of Cruelty to Animals Incorporated*, this charity has relationships educational institutions so that graduate programs are created specifically for the charity's warranted animal welfare

¹⁷⁴ *The Royal New Zealand Plunket Society's annual report (2014-2015, p.17)*

<https://www.plunket.org.nz/assets/PDFs/Annual-Report-2015.pdf>

¹⁷⁵ The other charity was *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*

inspectors (the relationship is with Unitec¹⁷⁶). The ADQR of this information item is (1.8) which is trending towards satisfactory disclosure, see Table 139 for this result.

Table 139: The ADQR of whether a charity discloses if it worked with another entity to deliver a program in a charity's annual report/annual review

0	1	2	3	ADQR
18	4	6	2	1.8
60%	13%	20%	7%	

The overall ADQR for this information item (1.6), see Table 140 for this result. This result is trending towards satisfactory disclosure. This finding can be explained in several ways. Firstly, there is no space for charities to disclose this information on the Charity register; it is not a statutory requirement for [continued] registration. Therefore, charities must use financial reports to make this disclosure, and 43% charities did this. Secondly, some of the charities worked with the most vulnerable members of societies and therefore any disclosure must be sensitive to the protection of clients.

This may explain why only 54% of the charity sample made a disclosure on (1) or more of the publications for this information item. However, low-level disclosure means the charity can provide some indication of the relationships it has without disclosing sensitive or confidential information. The researcher estimates that most of the charities in this sample must work with other entities to deliver its programs – an exception is likely to be a charity like *The Starship Foundation* which works directly with the Starship Hospital.

Table 140: The overall ADQR of whether a charity discloses if it worked with another entity to deliver a program

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.4	1.6	1.8	1.6
13 charities	16 charities	12 charities	

¹⁷⁶ *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated's* annual report (2015, p.10)
[file:///C:/Users/dkd4/Downloads/SPCA_AnnualReport_2015%20\(8\).pdf](file:///C:/Users/dkd4/Downloads/SPCA_AnnualReport_2015%20(8).pdf)

The final information item in this section looked at if a charity worked with another charity/government agency/entity, whether the charity discloses the nature of the work it does in the partnership. On the Charity register, this information item is found in the financial reports and (9) charities disclosed this information. Six (6) of the (9) charities provided low disclosure of this information item, the program on which the charity collaborates is named (identified), but few details of the nature of the relationship are disclosed.

In the case of *World Vision of New Zealand Trust Board*, the charity discloses the public-sector income it receives in New Zealand and lists all the places in the world the funds are allocated¹⁷⁷, and it also discloses to who and where all its funds are remitted¹⁷⁸. However, there is not much detail about the nature of these relationships. Two (2) charities provided satisfactory disclosure by providing an overview of the nature of its relationship with a charity/government agency/entity.

In the case of *Oxfam New Zealand*, the charity provides a brief, short statement about the nature of its relationship (see screenshot in Figure 52 of *Oxfam New Zealand's* financial reports filed on the Charity register¹⁷⁹).

¹⁷⁷ *World Vision of New Zealand Trust Board*, financial statements found on the Charity register (2015, p. 18)

[file:///C:/Users/dkd4/Downloads/Sep%2015%20Signed%20Financial%20Statements%20with%20coloured%20front%20page%20\(4\).pdf](file:///C:/Users/dkd4/Downloads/Sep%2015%20Signed%20Financial%20Statements%20with%20coloured%20front%20page%20(4).pdf)

¹⁷⁸ *ibid* at 175, (2015, p.19).

¹⁷⁹ *Oxfam New Zealand*, financial statements found on the Charity register (2015, p.13).

[file:///C:/Users/dkd4/Downloads/Oxfam%20NZ%20FY2016%20Financial%20and%20Audit%20Statements%20-%20signed%20\(3\).pdf](file:///C:/Users/dkd4/Downloads/Oxfam%20NZ%20FY2016%20Financial%20and%20Audit%20Statements%20-%20signed%20(3).pdf)

Year end 31 March 2016

Name	Nature of relationship	Transactions \$		Balances \$	
		To	From	Due	Owed
OI PNG Highlands Programme	Branch Office of Oxfam New Zealand supporting local development programmes	1,979,854	6,137	2,929	-
Sitching Oxfam International (OI Fees)	Oxfam Global Confederation consisting of 17 Oxfam affiliates of which Oxfam NZ is a member	233,787	95,508	434	-
Oxfam Australia	Oxfam Affiliate	1,235,291	340,598	367	-
Oxfam Great Britain	Oxfam Affiliate	407,061	642	-	-

Year end 31 March 2015

Name	Nature of relationship	Transactions \$		Balances \$	
		To	From	Due	Owed
OI PNG Highlands Programme	Branch Office of Oxfam New Zealand supporting local development programmes	2,196,181	9,812	-	6,137
Sitching Oxfam International (OI Fees)	Oxfam Global Confederation consisting of 17 Oxfam affiliates of which Oxfam NZ is a member	119,289	26,124	615	-
Oxfam Australia	Oxfam Affiliate	756,445	190,360	7,698	-
Oxfam Great Britain	Oxfam Affiliate	339,511	-	64	-

Oxfam NZ collaborates with Oxfam Australia to share costs for the ongoing support and provision of resource to both country and regional offices in PNG and Fiji, as well as other partners in the Pacific supporting development and humanitarian programmes. The majority of expenditure between Oxfam NZ and Oxfam Australia was associated with this partnership in both the 2015 and 2016 financial years.

Figure 52: A screenshot of an excerpt taken from Oxfam New Zealand's financial reports filed on the Charity register

There was only (1) charity that provided excellent disclosure – this charity was again *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*. The ADQR of this information item is (1.4), see Table 141 for this result.

Table 141: The ADQR of whether a charity disclosed the nature of the relationship it has with another charity/government agency/entity on the Charity register

0	1	2	3	ADQR
21	6	2	1	1.4
70%	20%	7%	3%	

When looking at the charity's website, (16) charities disclosed this information item. Six (6) charities provided low disclosure, where few details are disclosed about the nature of the relationship a charity has with another charity/government agency/entity. An example of this is *The Fred Hollows Foundation (NZ)*, which has a relationship

with the *Pacific Eye Institute*, an eye health training facility in Fiji. However, apart from a narrative about the role of the *Pacific Eye Institute*, it is not clear what the nature of the relationship is between it and *The Fred Hollows Foundation (NZ)*¹⁸⁰. This is low disclosure.

Eight (8) charities provided satisfactory disclosure, where an overview of the relationship is disclosed between the charity and the other charity/government agency/entity. An example of this is the *New Zealand Red Cross Incorporated*, a charity that sends highly skilled New Zealanders abroad for field operations. An overview of the program is presented on its website, and currently, 50% of this program is funded by the New Zealand government¹⁸¹. However, there are gaps in this disclosure (i.e. which Ministry in the government supplies the funding? And where does the rest of the funding come from?). Therefore this is satisfactory disclosure and not excellent disclosure.

There were (2) charities that provided excellent disclosure, *The Starship Foundation* and *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*. Both these charities not only identify the other party(s) but fully disclose the nature of its relationship. The ADQR of this information item is (1.6), see Table 142 for this result.

Table 142: The ADQR of whether a charity disclosed the nature of the relationship it has with another charity/government agency/entity on a charity's website

0	1	2	3	ADQR
14	6	8	2	1.8
47%	20%	27%	7%	

When looking at the charity's annual report/annual review, (12) of (22) charities disclosed this information item. These charities also disclosed this information item on its website, with the ranking quality remaining the same. The ADQR for this information item is (1.8), which is trending towards satisfactory disclosure, see Table 143 for this result.

¹⁸⁰ *The Fred Hollows Foundation (NZ)*'s website (5/1/2017). <https://www.hollows.org.nz/our-work/Fiji>

¹⁸¹ *New Zealand Red Cross Incorporated*'s website, (5/1/2017). <https://www.redcross.org.nz/what-we-do/overseas/international-aid-worker-programme/>

Table 143: The ADQR of whether a charity disclosed the nature of the relationship with another charity/government agency/entity in the annual report/annual review

0	1	2	3	ADQR
18	4	6	2	1.8
60%	13%	20%	7%	

The overall ADQR for this information item is (1.7). This finding can be explained in several ways. Firstly, this is not a statutory requirement for [continued] registration by the Charities Services, and therefore only 54% of the charities disclosed this item.

Secondly, the nature of the relationships that the charities have with another charity/government agency/entity may be subject to contractual competition; their funding is dependent on winning a contract as a service provider. Therefore, the charities don't disclose this information to protect the competitive edge they may have. An example of this is *Lifeline Aotearoa Charitable Trust*, a charity that lost its service provider contracts to another organisation in June (2016). Labour's health person Annette King said;

*"We know other mental health and addiction services are also feeling the pinch, having to compete for an ever-decreasing funding pool as cuts to the health budget take effect."*¹⁸²

Finally, the charity may not have a relationship to disclose, which may be the case, however, no disclosure is not the same as nothing to disclose. The overall ADQR for this information can be found in Table 144.

¹⁸² *Lifeline faces closure as government rejects pleas for funding* Stuff.co.nz (13/6/2016). Retrieved (5/1/2017) from <http://www.stuff.co.nz/national/health/81609546/Lifeline-faces-closure-as-Government-rejects-pleas-for-funding>

Table 144: The overall ADQR of whether a charity disclosed the nature of the relationship it has with another charity/government agency/entity

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.4	1.8	1.8	1.7
9 charities	16 charities	12 charities	

Items 80-84:

The next set of information items looked at serious incident disclosures. Specifically, this section looked at if a charity was:

- Involved in any other material matter
- Involved in an accident of some kind
- Involved in a criminal investigation
- Involved in fraud
- A victim of fraud.

For all (5) information items, no (0) charity disclosed this information. Currently, there is no legislative backing for a charity disclose this type of information, and there is nothing in current annual return that includes a declaration stating that no serious incidents have occurred in the last (12) months. Therefore, this result is not surprising.

However, this does not mean that any of the charities within the charity sample have not been involved in any serious incidents. For example, *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*. The ambulance services have been involved in serious accidents/incidents each year for a number of years. This is also the case for an officer who worked for *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated* who was involved in an assault case concerning a dog owner.

Items 85-86:

The next set of information items look at access to a charity's current and prior financial reports;

- To have access to a charity's current financial reports
- To have access to a charity's prior financial reports

In the case of the access to a charity's current financial reports – all (30) charities provided access to their financial reports on the Charity register. However, this was not the case for a charity's website. Five (5) charities provided access to a charity's financial reports on its website, however, (25) charities did not. In the case of a charity's annual report/annual review, (18) of (22) charities provided access to its financial reports.

In the case of having access to a charity's prior financial reports, all (30) charities provided access on the Charity register. However, this was not the case for a charity's website, (3) charities provided access to prior year's financial report. When looking at the charity's annual report/annual reviews, the stakeholder would have to get access to prior year annual reports to get to the financial reports and (9) of the charities provided this access to stakeholders.

These findings can be explained in several ways. Firstly, a charity must file its financial reports with Charities Services for [continued] registration – therefore this is a statutory requirement. This is the case for current and prior financial reports. In the case of the charity's website, not all charities place their financial reports on its website for stakeholders to access. In the case of the *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated* - this charity provides a link to a .pdf to its financial reports¹⁸³ (current and prior years). Few of the other charities did this.

Items 87-89

The next set of information items looked at whether the charity disclosed if it had a subsidiary;

- If the charity discloses if it is part of a group

¹⁸³ *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated's* website (5/1/2017), <https://womensrefuge.org.nz/?s=reports>

- If the charity is part of a group – to have access to the consolidated accounts
- To have access to the financial reports of any the charity’s subsidiary(s).

Eleven (11) charities disclosed that it was part of a group – this information item was found in the charity’s financial reports on the Charity register or the search engine results. In the case of *The Salvation Army New Zealand*, the other related charities which are also subsidiaries of the main charity will come up on a Charities Services search (see a screenshot in Figure 53 for an example of this¹⁸⁴).



Figure 53: A screenshot of an excerpt taken from the Charity register – The Salvation Army Group

However, this example is not the case for all the charities. Often the stakeholder would have to go to the financial reports filed on the Charity register to identify if the charity had any subsidiaries. For example, *New Zealand Red Cross Incorporated* financial

¹⁸⁴ *The Salvation Army Group*, Charity register (5/1/2017).
<https://www.register.charities.govt.nz/CharitiesRegister/ViewCharity?accountId=373ddfb9c-98dd-dc11-8026-0015c5f3da29&searchId=9df6e28a-550c-4239-bd93-a47fe609fc5c>

report includes its subsidiary, and this is stated in the auditor's report. In the case of *Lifeline Aotearoa Charitable Trust*, there is a note in the financial reports that disclose the other members of the group¹⁸⁵. In the case of *ChildFund NZ Ltd*, it amalgamated with its subsidiary, the CCF Foundation, in June (2016) and this is disclosed in a note¹⁸⁶. A summary of the charities within the charity sample are summarised in Table 145.

Table 145: A summary of the charities in the sample group which are part of a group

Charity Group Name	Disclosed on the Charities Services web page
ChildFund NZ Ltd	N
Deaf Aotearoa NZ Incorporated	Y
The Fred Hollows Foundation (NZ)	N
Royal New Zealand Foundation of the Blind	Y
IHC Incorporated	Y
Lifeline Aotearoa Charitable Trust	N
National Heart Foundation of NZ	Y
New Zealand Red Cross Incorporated	N
The Salvation Army NZ	Y
The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem	Y
Society of St Vincent de Paul in New Zealand	Y

Charities such as *the Royal New Zealand Plunket Society Incorporated* and *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated* may have dozens of affiliated groups. However, these are not considered a group as each charity is a stand-alone [separate entity] charity. When looking at the charity's website, (1) charity

¹⁸⁵ *Lifeline Aotearoa Charitable Trust* 's financial reports (2015, p.8, note 4), Charity register (5/1/2017), [file:///C:/Users/dkd4/Downloads/LLA%20Charitable%20\(5\).pdf](file:///C:/Users/dkd4/Downloads/LLA%20Charitable%20(5).pdf)

¹⁸⁶ *ChildFund NZ Ltd.* 's financial reports (2015, p.9, note 1), Charity register (5/1/2017). [file:///C:/Users/dkd4/Downloads/ChildFund%20New%20Zealand%20Limited%20-%2030%20June%202016%20Final%20FINANCIAL%20STATEMENT%20-%20SIGNED%20\(6\).pdf](file:///C:/Users/dkd4/Downloads/ChildFund%20New%20Zealand%20Limited%20-%2030%20June%202016%20Final%20FINANCIAL%20STATEMENT%20-%20SIGNED%20(6).pdf)

disclosed this information. *The Fred Hollows Foundation (NZ)* has got subsidiaries abroad that commercially produce the intraocular lens for its work¹⁸⁷. No other charity disclosed this information item on its website.

When looking at the charity's annual report/annual review (6) of (22) charities disclosed it was part of a group. This information item is found in the notes to the financial reports (such as the auditor's report for instance). Overall, there is (11) charities that are either a member of a group or have subsidiaries. However, not all the (11) charities disclosed this information.

The explanation for this finding is first, the Charities Services defines 'group' differently from the more common accounting definition of group¹⁸⁸; if a charity is part of a 'group' of charities, then the Charities Services is more likely than not to disclose it (and the other charities) as a group (*Deaf Aotearoa NZ Incorporated* is an example of this).

However, if the charity is part of a group where the subsidiary(s) is a commercial arm (which is not a charity) – then is likely to be no disclosure on the Charity register for this type of group (*Lifeline Aotearoa Charitable Trust* is an example of this – its financial reports in its annual report are consolidated accounts). Therefore, the stakeholder must rely on the financial reports and more specifically the auditor's report to determine if the charity is part of a group or has subsidiaries.

The next information item looked to see if a charity provided consolidated accounts if it was part of a group. On the Charity register, (11) charities that are part of a group (7) charities disclosed its consolidated accounts along with the subsidiaries and a full set of reports (this was excellent disclosure). One (1) charity provided low disclosure of its subsidiaries, *The Salvation Army New Zealand* provides global figures with little explanation. The ADQR of this information item is (2.8) which is trending towards excellent disclosure; this result is found in Table 146.

¹⁸⁷ *The Fred Hollows Foundation (NZ)*'s website (5/1/2017).

<https://www.hollows.org.nz/about-us/achievements>

¹⁸⁸ the accounting definition of group comes from the corporate group or group of companies, where a parent company (which has the sole source of control) may have a collection of subsidiary companies – and the group operates as a single entity

Table 146: The ADQR of whether a charity provided access to its consolidated accounts on the Charity register.

0	1	2	3	ADQR
22	1	0	7	2.8
73%	3%	0%	23%	

When looking at a charity's website, only (1) charity provided access to consolidated accounts. *The Fred Hollows Foundation (NZ)* provides a link directly to a full set of financial accounts¹⁸⁹ (this is separate from its annual report). This is not the case of any of the other charity groups within the charity sample. The ADQR of this information item is (3.0), this result is found in Table 147.

Table 147: The ADQR of whether a charity provided access to its consolidated accounts on the charity's website

0	1	2	3	ADQR
29	0	0	1	3
97%	0%	0%	3%	

When looking at the charity's annual report/annual review, (6) charities provided consolidated accounts. Two (2) charity provided low disclosure – this again was *The Salvation Army New Zealand*. One charity (1) provided satisfactory disclosure (*Lifeline Aotearoa Charitable Trust*) – by disclosing the parties to the consolidation and global figures but little details in the financial notes or policies that give context to the consolidation.

Four (4) charities provided excellent disclosure by providing a full set of financial reports, financial notes with explanations and accounting policies¹⁹⁰. All these charities provided disclosure on both the Charity register and its website. The ADQR of this information item is (2.3), see Table 148 for this result.

¹⁸⁹ *The Fred Hollows Foundation (NZ)*'s website, (6/1/2017). <https://www.hollows.org.nz/about-us/annual-reports>

¹⁹⁰ These charities were *Deaf Aotearoa NZ Incorporated*, *The Fred Hollows Foundation (NZ)*, *New Zealand Red Cross* and *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*.

Table 148: The ADQR of whether a charity provided access to its consolidated accounts in its annual report/annual review

0	1	2	3	ADQR
23	2	1	4	2.3
77%	7%	3%	13%	

The overall ADQR of this information item is (2.7), almost excellent disclosure – see Table 149 for this result. This finding can be explained in two ways. Firstly, the charities that were part of a group did disclose this information in its financial reports. There are (11) charities that are part of a group in charity sample but only registered charity ‘groups’ can be found on the charity register. Secondly, only (1) charity disclosed its consolidated accounts on its charity website - a charity that placed their full financial reports as a .pdf link. This was not the case for the other charity groups. Finally, (6) charities disclosed consolidated reports in its annual report/annual review. This is 54% of the charity sample. However, not all these charities provided full financial reports in its annual report/annual review.

Table 149: The overall ADQR of whether a charity provided access to its consolidated accounts

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.8	3.0	2.3	2.7
8 charities	1 charity	6 charities	

The next information item looked at whether any of the charities discloses if it has an investment subsidiary and if the charity discloses the activities of the subsidiaries. This information item is usually found in the charity’s financial reports. Five (5) charities disclosed it had an investment subsidiary. Three (3) charities provided low-level disclosure, where the subsidiary is disclosed, but no details about the activities of the subsidiary are disclosed. For example, *Royal New Zealand Foundation of the Blind*, refers to ‘special purpose entities’ and ‘its subsidiaries’, discloses global figures but

does not provide any details of these other entities activities¹⁹¹. Two (2) charities provided excellent disclosure – where a detailed explanation of the subsidiary is provided¹⁹². The ADQR of this information item is (1.8), see Table 150 for an example of this.

Table 150: The ADQR of whether a charity had a subsidiary(s), the activities of the subsidiary(s) is disclosed on the Charity register.

0	1	2	3	ADQR
25	3	0	2	1.8
83%	10%	0%	7%	

When looking at the charity’s website, no (0) charity disclosed this information item. Therefore, the ADQR of this information item is (0).

When looking at the charity’s annual report/annual review, (2) charities disclosed this information item. One (1) charity provided low disclosure, *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* provided a snapshot of its commercial activities and provided a global figure in its annual report¹⁹³ (this charity provided the same level of disclosure on the Charity register). One (1) charity provided excellent disclosure – this was *Deaf Aotearoa NZ Incorporated*. (This charity also provided excellent disclosure on the Charity register). The ADQR is (2.0), this result is found in Table 151.

Table 151: The ADQR of whether a charity had a subsidiary(s), the activities of the subsidiary(s) is disclosed in the charity’s annual report/annual review

0	1	2	3	ADQR
28	1	0	1	2
93%	3%	0%	3%	

¹⁹¹ *Royal New Zealand Foundation of the Blind’s* financial statements found on Charity register, (2015, p.11) (5/1/2017)

[file:///C:/Users/dkd4/Downloads/RNZFB%202016%20Financial%20Statements%20Group%20and%20Parent%20-%20FINAL%20\(4\).pdf](file:///C:/Users/dkd4/Downloads/RNZFB%202016%20Financial%20Statements%20Group%20and%20Parent%20-%20FINAL%20(4).pdf)

¹⁹² The (2) charities are *The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated* and *Deaf Aotearoa NZ Incorporated*.

¹⁹³ *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem’s* annual report (2015, p.24) (5/1/2017) http://www.stjohn.org.nz/globalassets/documents/publications/annual-report/st-john-national-annual-report_2015-interactive_final.pdf

The overall ADQR of this information item is (1.3), see Table 152 for this result. This finding is explained by (2) factors. Firstly, there were few charities that had investment subsidiaries and disclosed these other special purpose entities. Moreover, there is no way for a stakeholder to know if a charity has investment subsidiaries unless it is disclosed. Secondly, the charities that did disclose this information item provided low disclosure, therefore, is no way for a stakeholder to seek further information unless the charity willingly assists the stakeholder's queries.

Table 152: The overall ADQR of whether a charity had a subsidiary(s), the activities of the subsidiary(s) is disclosed

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
1.8	0.0	2.0	1.3
5 charities	30 charities	2 charities	

Items 90-91

These are the duplicate items that have been removed.

Items 92-96

The next set of information items looked at a charity's accounting policies disclosures;

- Whether a charity provides a full set of financial reports with associated notes of explanation
- Whether the charity explicitly states its accounting policies
- Whether the charity has made any material changes to its accounting policies in the last (12) months
- Whether the charity discloses any material explanations in its financial notes (like a contingent liability or a lawsuit for example)
- The charity discloses its policies for investing

When looking at the Charity register, (29) charities provided a full set of financial reports with associated notes of explanation. The (3) charities¹⁹⁴ that provided annual reports in place of its financial reports still provided full financial reports, along with the notes (this is excellent disclosure). There was (1) charity that provided abbreviated financial reports, *IHC New Zealand* submitted a summarised version of its financial reports with a page of highlights. Two (2) of the charities had year-ended (2016) reports, the remaining (28) were year-ended (2015). The ADQR for this information item is (2.9), which is almost excellent disclosure, see Table 153 for this result.

Table 153: The ADQR of whether a charity disclosed a full set of financial reports with associated notes on the Charity register

0	1	2	3	ADQR
0	1	0	29	2.9
0%	3%	0%	97%	

When looking at the charity's website, there was (1) charity that provided a full set of financial reports on its website (*this does not include abbreviated accounts*) – *The Fred Hollows Foundation* (NZ) which provided a .pdf link. No other charity disclosed its financial reports separately. The ADQR for this information item (3.0), see Table 154 for this result.

Table 154: The ADQR of whether a charity disclosed a full set of financial reports with associated notes on its website

0	1	2	3	ADQR
29	0	0	1	3.0
97%	0%	0%	3%	

When looking at the charity's annual report/annual review, (8) of (22) charities provided a full set of financial reports, along with notes. These were the same financial reports (and associated notes) that were filed on the Charity register. The ADQR for this information item is (3.0), see Table 155 for this result.

¹⁹⁴ The (3) charities that submitted its annual report in place of financial statements are *Deaf Aotearoa NZ Incorporated*, *The Salvation Army New Zealand* and *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*.

Table 155: The ADQR of whether a charity disclosed a full set of financial reports with associated notes in its annual report/annual review

0	1	2	3	ADQR
22	0	0	8	3.0
73%	0%	0%	27%	

The overall ADQR for this information is (3.0), see Table 156 for this result. These findings can be explained in (2) ways. Firstly, a charity must file financial reports with Charities Services for [continued] registration – this would explain why all the charities have filed financial reports.

It is important to realise, before the accounting standard changes introduced in (2015), a charity could file these reports in any manner it chooses. This could explain why *IHC New Zealand* has provided brief, abbreviated financial reports – its prior years are also abbreviated for this charity. In addition, this could also explain why several charities used unusual formats. For example, *The Age Concern Foundation* filed a “Statement of Account”. In the case of the *Society of St Vincent de Paul in New Zealand*, there are (2) sets of financial reports filed in the same document on the Charity register, one set for the National Council and the other is for the Area Councils. However, there is no explanation which charity governance this represents, and there is no explanation of the charity’s structure.

Furthermore, this could also explain why some of the language in the financial reports used by the charities is inconsistent. For example, *World Vision of New Zealand Trust Board* uses a category called ‘accountability’ in its statement of financial performance with no explanation; *Save the Children New Zealand* also uses this term. Restricted funds are described in various ways by the charities with little or no explanation. For example, there is ‘tagged funding’ (and ‘untagged funding’)¹⁹⁵, ‘designated (projects and sponsorship)¹⁹⁶, and specific funds¹⁹⁷. Variations of accounts receivable, accounts payable and prepayments were also noted. Finally, the overall number of

¹⁹⁵ *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Woman’s refuges Incorporated*

¹⁹⁶ *The Evangelical Alliance Relief Fund*

¹⁹⁷ *The Starship Foundation*

charities that disclosed its financial reports on its website or in its annual report/annual review is quite low.

Table 156: The overall ADQR of whether a charity disclosed a full set of financial reports with associated notes

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.9	3.0	3.0	3.0
30 charities	1 charity	8 charities	

The next information item looks at whether a charity explicitly discloses its accounting policies. These are found in the charity's financial reports. When looking at the Charity register, (29) charities disclosed this information item and provided excellent disclosure. *IHC New Zealand* does not provide any accounting policies for its financial reports. The ADQR for this information item is (3.0), see Table 157 for this result.

Table 157: The ADQR of whether a charity disclosed its accounting policies on the Charity register

0	1	2	3	ADQR
1	0	0	29	3.0
3%	0%	0%	97%	

When looking at the charity's website, again only (1), charity disclosed this information item. *The Fred Hollows Foundation (NZ)* is the only charity that makes it financial reports available on its website. The ADQR for this information is (3.0), see Table 158 for this result.

Table 158: The ADQR of whether a charity disclosed its accounting policies on its website

0	1	2	3	ADQR
28	0	0	2	3
93%	0%	0%	7%	

When looking at the charity's annual report/annual review, the same (8) charities that disclosed this information item that disclosed the prior item. The disclosure for all (8)

charities is excellent. The ADQR for this information item is (3.0), see Table 159 for this result.

Table 159: The ADQR of whether a charity disclosed its accounting policies in its annual report/annual review

0	1	2	3	ADQR
20	0	0	10	3
67%	0%	0%	33%	

The overall ADQR for this information item is (3.0), see Table 160 for these results. These findings can be explained in several ways. Firstly, the charities that produced full financial reports for Charities Services also produced full disclosure of its accounting policies. Therefore, the results for this information item are identical to the prior information item – financial reports and accounting policies usually go together.

Table 160: The overall ADQR of whether a charity disclosed its accounting policies

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	3.0	3.0	3.0
29 charities	1 charity	8 charities	

The next information looked at whether a charity had made any material changes to its accounting policies in the last (12) months. There is usually a statement found in the financial reports. In the case of Charity register, (1) charity disclosed it had made changes to its accounting policies¹⁹⁸ - this was excellent disclosure. In the case of the other (2) publications, no (0) charity disclosed if there had been any changes to its accounting policies.

This finding could be explained by the fact that apart from the (1) charity that disclosed its changes, none of the other charities within the sample has had a change of

¹⁹⁸ *Cystic Fibrosis Association of NZ's financial statements (2015, p.7)*. Charity register (5/1/2017) [file:///C:/Users/dkd4/Downloads/CFNZ%20Financial%20Statements%202015%20\(10\).pdf](file:///C:/Users/dkd4/Downloads/CFNZ%20Financial%20Statements%202015%20(10).pdf)

accounting policies. Therefore, the overall ADQR for this information item is (1.0) – however, this average is taking over (1) charity – see Table 161 for this result.

Table 161: The overall ADQR of whether a charity has made any material changes to its accounting policies in the last (12) months

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
3.0	0.0	0.0	1.0
1 charity	30 charities	30 charities	

The next information item looked at whether a charity disclosed if there was a material explanation in their financial notes (like a contingent liability or a lawsuit for example). Twenty-nine (29) charities disclose that it had no material contingent liabilities on the Charity register - this is usually a brief statement in the form of a declaration. The only charity which did not include this was *IHC New Zealand* who did not provide full financial reports. In the case of the charity's website, only (1) charity - *The Fred Hollows Foundation (NZ)*, made this disclosure. In the case of the charity's annual report/annual review, (8) of (22) charities made this disclosure. These were the same charities that had included its financial reports in its annual report/annual review.

The final information item in this section looked at whether a charity disclosed its policies for investing. This information item is found in the financial reports on the Charity register. Three (3) charities provided a general statement about its policies for investing but provided no further details – this is regarded as low disclosure - (see *Cystic Fibrosis Association* for an example of this¹⁹⁹).

Five (5) charities provided an overview of its investing policies, and therefore this is satisfactory disclosure. *The National Foundation for the Deaf Incorporated* is an example of this – an overview of the specific investing policies are included in the notes with some associated figures²⁰⁰.

¹⁹⁹ ibid at 193

²⁰⁰ *The National Foundation for the Deaf Incorporated's financial statements (2015, p. 7)* Charity register (5/1/2017).
file:///C:/Users/dkd4/Downloads/The%20National%20Foundation%20for%20the%20Deaf%20-%20Annual%20Audited%20Accounts%202015%20(4).pdf

Twelve (12) charities provided excellent disclosure – a statement where the charity discloses its financial risk management objectives and policies along with its investments. *Royal New Zealand Plunket Society Incorporated* is an example of a charity that provided satisfactory disclosure; it includes a paragraph on objectives for managing capital and discloses its investments and associated figures²⁰¹. The ADQR for this information item is (2.5), see Table 162 for this result.

Table 162: The ADQR of whether a charity discloses its policies for investing on the Charities Website

0	1	2	3	ADQR
10	3	5	12	2.5
33%	10%	17%	40%	

When looking at a charity's website, (1) charity provided satisfactory disclosure this information item, *The Fred Hollows Foundation (NZ)*. Another provided low disclosure (*Save the Children New Zealand*). The ADQR for this information item is (2.0), see Table 163 for this result.

Table 163: The ADQR of whether a charity discloses its policies for investing on its website

0	1	2	3	ADQR
28	1	1	0	2
93%	3%	3%	0%	

When looking at a charity's annual report/annual review, (7) charities of (22) charities disclosed this information item. Two (2) charities provided satisfactory disclosure²⁰² by providing an overview of its investing policies. Five (5) charities provided excellent disclosure – these charities provided full financial reports in its annual report/annual review. The ADQR for this information item is (2.7), see Table 164 for this result.

²⁰¹ *Royal New Zealand Plunket Society Incorporated financial statements (201, p.7 & 13-15)* Charity register (5/1/2017)

[file:///C:/Users/dkd4/Downloads/Stamped%20and%20Signed%202015%20Full%20Financial%20Statements%20\(4\).pdf](file:///C:/Users/dkd4/Downloads/Stamped%20and%20Signed%202015%20Full%20Financial%20Statements%20(4).pdf)

²⁰² The charities were *The Fred Hollows Foundation (NZ)* and *Cystic Fibrosis Association of NZ*

Table 164: The ADQR of whether a charity discloses its policies for investing in its annual reports/annual review

0	1	2	3	ADQR
23	0	2	5	2.7
77%	0%	7%	17%	

The overall ADQR for this information item is (2.7) which is moving towards excellent disclosure, see Table 165 for this result. This result can be explained in several ways. Firstly, not all the charities may have had investing policies because the charity may not have investments. Therefore, only if a charity discloses its investment policies (and its investments) can a stakeholder know of them.

Furthermore, if a charity holds its investments in special purposes entities but does not disclose this information, there is no way for a stakeholder, as an outsider to know about this information item, but more importantly, a stakeholder cannot know the true financial position of a charity.

Table 165: The overall ADQR of whether a charity discloses its policies for investing

ADQR 1 Charity register	ADQR 2 Charity's Website	ADQR 3 Charity's Annual Report/Review	Overall ADQR
2.4	2.0	2.7	2.4
20 charities	2 charities	7 charities	

Items: 97-102

The first set of information items relates to a charity's income, including,

- Grants
- Bequests
- Government contracts
- Donations
- Any income received from another charity
- Details of any income received from an overseas entity

These information items disclose the charity's revenues for the financial period and are usually aggregated as a global figure in the main part of the income statement, with attached notes of explanation in the notes section of the financial reports.

Grants: When looking at the Charity register, (23) charities disclosed if they received grants. This information item is presented in several ways – ‘grants’ or ‘service grants’ or ‘non-government grants’ or ‘other government grants’ – these are distinguished from government contracts by the charity itself (like *Ministry of Education contract* vs. *grant* for example). Moreover, it is not unusual for a charity to use all the descriptions of grant in one set of financial reports – see *Barnardos New Zealand Incorporated* for an example of this. There is also a charity that used ‘multilateral grants’ without explanation (see *World Vision of New Zealand Trust Board’s 2015 reports*, p. 7). Seven (7) charities did not disclose this item²⁰³.

There may be several reasons for this result. Firstly, the charity may not have received any grants. However, there is no way of confirming this result. Secondly, some charities are national offices, like *The Age Concern Foundation* and *Laura Fergusson Trust Board Incorporated* for example. Therefore, there is very little disclosure about how these national offices are funded. Finally, the charity may solely focus on being a provider and therefore does not apply for grants, *IHC New Zealand* appears to be such a charity.

When looking at a charity’s website, the number of charities that disclosed if it received grants decreased to (4) of (29) charities. These charities also disclosed the prior information item. These charities are the same charities that published its financial reports (both full reports and abbreviated) on its website.

When looking at a charity’s annual report/annual review, (17) of (20) charities disclosed this information item²⁰⁴. There are (3) charities did not disclose this information; this result is explained by (2) factors. Firstly, the accounts presented in the annual report/annual review are abbreviated accounts – *The Evangelical Alliance Relief Fund* is an example of this.

Secondly, the presentation of the accounts in the annual report/annual review is different from the presentation of the accounts on the charity’s website and its statutory reports for the Charities Services. An example of this is *Save the Children New*

²⁰³ *Unicef Childrens Foundation, Lifeline Aotearoa Charitable Trust, Laura Fergusson Trust Board Incorporated, IHC New Zealand, The New Zealand General Service Board of Alcoholics Anonymous Incorporated and The Age Concern Foundation.*

²⁰⁴ Two (2) charities had no financial information in its annual report/annual review – *The Starship Foundation* and *National Heart Foundation of NZ*

Zealand. This charity places the same financial reports filed with the Charities Services in a link on its web page, however, when a stakeholder goes to its impact report – the figures are presented as percentages (see screenshot in Figure 54²⁰⁵).



Figure 54: A screenshot take from Save the Children New Zealand's webpage

Bequests: Twenty-four (24) charities disclosed this information item on the Charity register. The charities presented this information item in several ways – *bequests* or *legacies* or used both terms together²⁰⁶. Often the charity website would encourage the stakeholder to leave a 'legacy' while the financial reports listed *bequests* (See *Child Cancer Foundation Incorporated* for an example of this). The (6) charities that did not disclose this information item, also did not disclose 'grants'. Again, this can be explained by the fact these charities are national offices or simply the charity did not receive a bequest. However, there is no way for a stakeholder to check this

²⁰⁵ A screenshot take from *Save the Children New Zealand's* webpage (12/01/2017)

<https://savethechildren.org.nz/assets/annual-reports/Our-impact-2015.pdf>

²⁰⁶ See *Barnardos New Zealand Incorporated* where it uses the term *Legacies and Bequests* in its financial statements.

information. When looking at the charity's website, (2) charities disclosed this information. These were the same (2) charities that made their full financial reports available on its website. When looking at the charity's annual report/annual review (13) of charities disclosed this information. These charities had either full or abbreviated financial reports in its annual report/annual review and disclosed this information item in its financial reports filed on the Charity register.

Government Contracts: Twenty (20) charities of the charity sample disclosed this information item in its income on the Charity register. Ten (10) charities had no disclosure for this information. This result can be explained by several factors. Firstly, some of the charities do not receive any government contract fees, and several of the charities state this in its publications (*Amnesty International Incorporated* and *Lifeline Aotearoa Charitable Trust* are examples of this). Secondly, there are some charities within the charity sample where the government contracts are the bulk of its funding (*IHC New Zealand* is an example of this). Finally, there are some charities where the government funding is important but not the main source of their funding (*Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated* is an example of this).

When looking at a charity's website, only (4) of the charities disclosed this information item. Two (2) charities have got its full financial reports filed on its website. The other (2) charities have got abbreviated financial reports that disclose this information item²⁰⁷ or have brief notes filed on its website²⁰⁸ respectively.

When looking at the charity's annual report/annual review (16) charities disclosed this information item. This result can be explained in several ways. Firstly, the charities that did disclose this information item provided the same financial reports filed on the Charity register in its annual report/annual review. Secondly, even those charities that provided abbreviated financial reports still disclosed this information item. Those charities that did not disclose this information, but had previously, provided abbreviated financial reports in its annual report/annual review (*Variety - the Children's Charity Incorporated* is an example of this). Finally, the charity may be

²⁰⁷ *The Evangelical Alliance Relief Fund*

²⁰⁸ *Oxfam New Zealand* – this charity does not have financial statements filed on its website – but presents some financial information.

a national office which does not receive government contract funding (*Laura Fergusson Trust Board Incorporated* is an example of this).

Donations: Twenty-seven (27) of the (30) charities disclosed this information item in the financial reports on the Charity register. Three (3) charities did not disclose this information item. Two (2) of the charities are national offices (*The Age Concern Foundation* and *Laura Fergusson Trust Board Incorporated*). In the case of *LifeLine Aotearoa Charitable Trust*, this charity had only (2) revenue streams listed in its financial reports – *rent and interest*. The prior financial reports (2014) of this charity, had the same revenue streams – *rent and interest*.

When looking at the charity's website, (4) charities disclosed this information item. Three (3) of these charities are the same charities that have placed its full or abbreviated financial report links onto its website²⁰⁹. When looking at the charity's annual report/annual review (18) of (22) charities have disclosed this information item. However, (2) of the charities have no financial information in its annual report, as previously stated. For the other (2) charities, one charity provides abbreviated financial reports in its annual report/annual review²¹⁰, while the other is *Save the Children New Zealand* which placed some financial information on its website but not this information item.

Details of any income received from another charity: This information item is disclosed as revenue from other charitable trusts, philanthropic groups and charities. This disclosure took the form of a list – and there were few details as to whether these other charities were registered or not. Although most of the charities had affiliated or associated charities, however, few provided disclosure of income passing between the affiliated groups. For example, the *Royal New Zealand Plunket Society Incorporated* is affiliated to at least (100) other associated charitable groups – however, there is no disclosure in its financial reports.

Five (5) charities disclosed this information item on the Charity register. In the case of *The National Foundation for the Deaf Incorporated* - it lists 'grants from philanthropic trusts' - along with an associated note. This is the case for another (4)

²⁰⁹ *IHC New Zealand* is the 4th charity but does not disclose this information item

²¹⁰ *Royal New Zealand Plunket Society Incorporated*

charities. No (0) charity disclosed this information item on its website and (1) charity disclosed this in its annual report/annual review. *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* provides a page dedicated to those who provided support to the charity²¹¹.

This result can be explained in several ways. Firstly, few of the charities in this sample may get support from other charitable entities – however, a stakeholder will be unable to verify this information as the charity may label this information item as something else in the financial reports. Examples are seen in the financial reports included ‘other income’, ‘accruals’, ‘sundry income’, ‘other revenue’ and this list is not exhaustive. All these items are listed in the financial reports without an associated note or explanation. Secondly, the charity may aggregate this information item with another income item – such ‘grants’, ‘other income and grants’, ‘income’, ‘revenue’ and this list is not exhaustive. Finally, the charity may regard the income that comes from other charitable trusts that are unregistered charities – as philanthropic donations rather than receiving income from another charity. If this is the case, this information item would be aggregated in the information item ‘donations’.

Details of any income received from an overseas entity: Three charities disclosed it received income from an overseas entity – all (3) charities work internationally. In the case of *The Fred Hollows Foundation (NZ)*, this charity receives income from some of the governments in the countries in which it works and discloses this information in the notes to its financial reports. This is also the case for the *New Zealand Red Cross Incorporated* and *Oxfam New Zealand*. Only (1) charity declares this on its website – *The Fred Hollows Foundation (NZ)* which publishes its full financial reports onto its website via a .pdf link – and this is the same charity that discloses this information item in its annual report/annual review.

This result can be explained by several factors. Some charities work internationally. However, those charities that do not disclose this information item may not receive financial assistance in the form of income in the countries in which it works. The assistance may come in the form of goods or accommodation from foreign entities (but no charity within the charity sample disclosed this). For example, *Save the Children*

²¹¹ *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem's annual report (2015, p.19).*

New Zealand responded to the Ebola epidemic in West Africa –apart from a couple of lines on its website (see screenshot in Figure 55 for this²¹²) and a line in the financial notes which state ‘West Africa -- \$65,103’ – there is no other explanation of this disclosure.

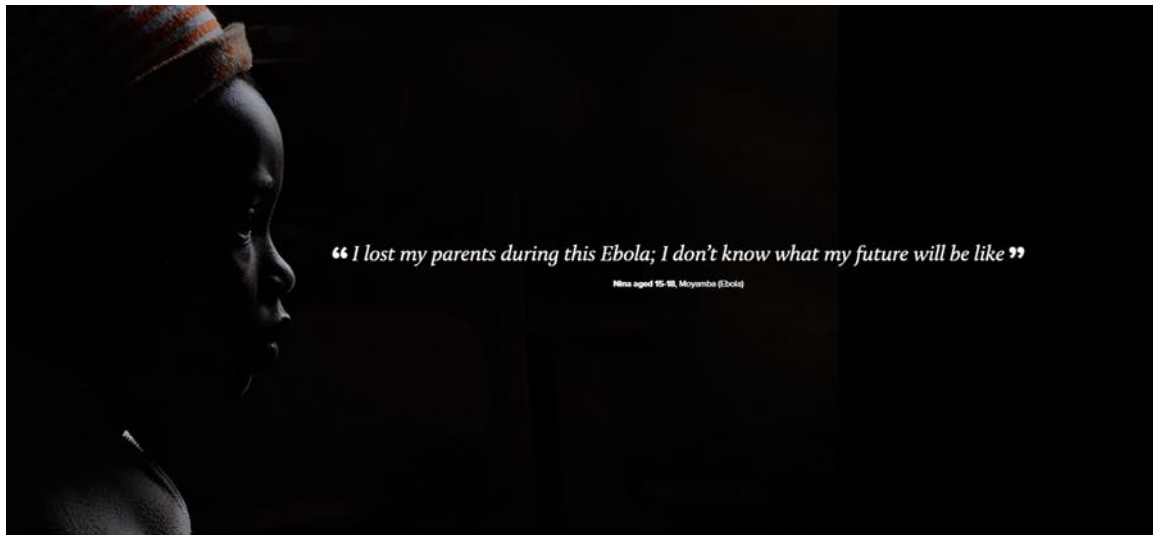


Figure 55: A screenshot take from Save the Children New Zealand’s website

Therefore, unless a charity discloses this information item, a stakeholder will be unable to determine if the charity received any income assistance from a foreign entity.

Items 103-109:

These information items looked at the expenditures of a charity, whether the charity paid tax and finally if the charity made a profit/loss. The information items are:

- The charity’s administrative costs
- The costs of each program the charity conducts
- The costs of funding raising
- The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets)
- The details of any expenditure spent overseas
- If the charity paid any tax
- If the charity made a profit/loss (surplus/deficit)

²¹² *Save the Children’s website (12/01/2017)* <https://savethechildren.org.nz/the-issues/emergencies/>

A charity's administrative costs: This information item was presented as 'administration expenses', 'operating expenditures' or 'administration'. Twenty-six (26) charities disclosed this information item on the charity register. Four (4) charities did not disclose this information for several reasons. In the case of (2) charities, these are national offices²¹³; the other (2) charities provided abbreviated financial reports.

When looking at charity's website (4) charities provided this disclosure for this information item. Three (3) of these charities provide full financial reports on its website, while (1) charity provided a snapshot of its expenditure on its website²¹⁴.

When looking at a charity's annual report/annual review, (13) charities disclosed this information item; (8) of these charities placed full financial reports in its annual report/annual review, while (5) had abbreviated financial reports. Nine (9) of charities that produced annual reports/annual review do not close this information.

This result can be explained by two factors. Firstly, (2) of the charities have no financial information in its annual report/annual review. Secondly, there is some variation of how abbreviated and full financial reports are presented. Therefore this information item is not included. Finally, the annual report/annual review is produced by the national office and includes the affiliated groups (*Royal New Zealand Plunket Society Incorporated* and *Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated* are examples of this).

The costs of each program the charity conducts: This information item is presented either as an aggregate figure with lists of the programs in the notes or as a list of programs in the main body of the financial reports. Twenty-five (25) charities disclosed this information item on the Charities website. The (5) charities that did not disclose this information item – of which (2) do not run charitable programs as such as these charities are national offices²¹⁵. Two (2) of the charities provided abbreviated financial reports and did not disclose this information item²¹⁶. One (1) charity, *The National Foundation for the Deaf Incorporated*, disclosed aggregate figures without explanation. When looking at the charity's website (4) charities disclosed this

²¹³ *Laura Fergusson Trust Board Incorporated* and *The Age Concern Foundation*

²¹⁴ This was *Oxfam New Zealand*

²¹⁵ *The Age Concern Foundation* and *Laura Fergusson Trust Board Incorporated*

²¹⁶ *Lifeline Aotearoa Charitable Trust* and *ChildFund NZ Ltd*

information, these were the same charities that provided full financial reports (3) and abbreviated financial reports (1).

When looking at a charity's annual review/annual report, (14) charities disclosed this information item. However, it is presented in a variety of ways (apart from disclosure in the charity's financial reports). For example, *Variety – the Children's Charity Incorporated*, the cost of the programs are disclosed along with the number of beneficiaries assisted throughout the publication - rather than in its abbreviated financial reports found in the annual report (2015) (see screenshot in Figure 56 for an example of this²¹⁷). In contrast, the *New Zealand Red Cross Incorporated* provides a narrative that includes all the figures for each of its programs²¹⁸.



Figure 56: A screenshot from Variety – the Children's Charity Incorporated's annual report (2015, p.23)

²¹⁷ A screenshot taken from *Variety – the Children's Charity Incorporated's annual report (2015, p.13)* <http://www.variety.org.nz/UserFiles/Variety/File/VAR%20-%202014%20Annual%20Report-Web.pdf>

²¹⁸ *New Zealand Red Cross Incorporated's annual report (2015, p.23)* [file:///C:/Users/dkd4/Downloads/2015%20\(6\).pdf](file:///C:/Users/dkd4/Downloads/2015%20(6).pdf)

The costs of fundraising: This item is presented as ‘fundraising’ or ‘fundraising costs’. Twenty-five (25) charities disclosed this information. Five (5) charities did not disclose this information item for a number of reasons. Two (2) charities which are the national offices that do not disclose this information item, another (2) charities provided abbreviated financial reports that do not include this information: these (4) are the same charities that did not provide disclosure for the costs of each program. Finally, (1) charity, *The New Zealand General Service Board of Alcoholics Anonymous Incorporated* has no fundraising expenditure in its accounts – instead, this charity has education and literature expenditure. This charity also collects membership fees.

When looking at a charity’s website, (4) charities disclosed this information item – these were the same (4) charities that disclosed the other (2) information items in this section. When looking at the charity’s annual review/annual report (14) charities disclosed this information item. Even if the charity had abbreviated financial reports, this information item is often disclosed as ‘fundraising’ in the expenditure section. Eight (8) charities did not disclose this information item.

This finding can be explained by several factors. Abbreviated financial reports often present aggregated figures called ‘operating expenses’²¹⁹. Two (2) of the charities presented no financial information in its annual report/annual review. Finally, the charity did not engage in fundraising because it is a service provider for the government (*Royal New Zealand Plunket Society Incorporated* and *IHC New Zealand* are examples of this).

The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets): This information item could be presented in a variety of ways in the financial reports, or associated notes. Such as a fee paid to a parent organisation, a material transfer from one charity to another (between affiliated charities for example), a material transfer of supplies between one charity to another and this list is not exhausted.

²¹⁹ *World Vision New Zealand Trust Board’s annual report (2015, p. 22)* is an example of this.

When looking at the charity register, (17) charities disclosed this information item. This finding is not surprising because most of the charities within the sample have affiliated charities or are part of a group of charities. For example, *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* - the transfer of assets (like health shuttles for example) between the affiliated groups seems to be the norm rather than the exception.

However, when looking at a charity's website, (2) charities disclosed this information²²⁰. These (2) charities also placed its full financial reports on its website (there is only (4) charities in the sample that do this). When looking at the charity's annual report/annual review (9) charities disclosed this information item. Nine (9) charities disclosed this information item in its financial reports (whether these were abbreviated or full financial reports) rather than in the body of the annual report/annual review.

The details of any expenditure spent overseas: This information item is presented as a list of the programs the charity conducted abroad, a transfer to an affiliated charity abroad, the repayment of a foreign loan or a transfer to another charity with which the charity shared the costs of a foreign program.

Twelve (12) charities disclosed this information item on the charity register. In the case of charities such as *New Zealand Red Cross Incorporated*, *The Evangelical Alliance Relief Fund* and *World Vision of New Zealand Trust Board* – these are just some of the charities that operated programs abroad. In the case of *The Fred Hollows Foundation (NZ)* – much of their operations are run outside of New Zealand. In the case of *Amnesty International Incorporated*, it owes funds to its international affiliations.

Those charities that did not disclose this information item tended to be nationally based organisations, like *Royal New Zealand Plunket Society Incorporated*, *The Starship Foundation* and *Variety – the Children's Charity Incorporated* for example. Therefore, this result is not unexpected. When looking at a charity's website, (4) charities disclosed this information – these were the same charities that had full or abbreviated financial reports on its website. When looking at the annual report/annual

²²⁰ *The Fred Hollows Foundation (NZ)* and *Save the Children Fund New Zealand*.

review (7) charities disclosed this information. This information item continued to be found in the charity's financial reports section of the annual report/annual review.

If the charity paid tax: this information is presented in the financial reports as a declaration statement. Examples of this statement are:

*'These accounts do not include an income tax position for the current statement period.'*²²¹

Or the statement could be more comprehensive:

*'The charity is exempt from income tax as it is a registered charity under the Charities Act 2005.'*²²²

When looking at the Charity register, (29) charities made this disclosure – the exception was *IHC New Zealand* which submitted abbreviated accounts, these accounts did not include notes. When looking at charity's website, (2) charities made this declaration – these were the (2) charities that uploaded their full financial reports to its website. When looking at the charity's annual report/annual review (10) charities made this declaration. All (10) charities had either full or abbreviated accounts in its annual report/annual review.

There is no (0) charity which disclosed in all three publications that disclosed it had paid tax. While the tax position of charities is beyond the scope of this investigation, tax is payable by charities which run commercial operations within New Zealand but uses some of its business income for charitable purposes outside New Zealand²²³. This appears to be the position of at least (6) charities within the sample.

²²¹ *The Age Concern financial statements, (2015, p.2)*

²²² *The National Foundation for the Deaf Incorporated (2015, p. 7)*

²²³ Only the New Zealand part of the business income is exempt from tax – see Charitable and donee organisations, IRD (NZ)
<https://www.ird.govt.nz/resources/8/2/820319004ba3d849841dbd9ef8e4b077/ir255.pdf>

If the charity made a profit/loss (surplus/deficit): All (30) charities that produced financial reports disclosed this information item on the charity register. As statutory requirements demand that charities file financial reports – this finding is not surprising. When looking at the charity’s website – (2) charities disclosed this information item – these had full financial reports available on its website. When looking at the charity’s annual report (14) charities disclosed this information item. These charities had either full or abbreviated financial reports on its website. It was noted that even if a charity produced financial information in its annual report/annual review – this could be a snapshot of the charity’s finances (see screenshot in Figure 57 taken from *ChildFund NZ Ltd* for an example of this²²⁴).

SUMMARISED STATEMENT OF ACCOUNTS* Year ending 30 June 2015

Income in \$000s	This year	2014	2013	2012
Child Sponsorship				
Total received	9217	9821	10,467	10,166
Remitted overseas	7374	7857	8,374	8,133
Gifts specifically pledged for children - 100% sent overseas	712	742	802	830
Donations and Other Income				
Special appeals/bequests	1598	1406	1057	1539
Project Liberty/Child Essentials/Global Neighbour	563	502	506	480
Government/other grants	1766	2806	3284	1431
Total	3926	4,714	4,847	3,450
Remitted overseas	3062	3951	4,174	2,566
Other funding designated to be spent in New Zealand				
Grants	0	0	268	113
Other donations	1060	1109	1157	1106
Investment and sundry	376	296	265	156
Total	1,436	1,405	1,690	1,375
Total income	15,291	16,682	17,806	15,821
Net income available for expenditure in New Zealand	4,144	4,132	4,456	4,292
Expenditure				
Administration	608	597	565	653
Operating expenses	271	270	388	271
ChildFund International	162	176	160	166
Supporter communications	93	81	84	72
Fundraising/Programme development	2894	2394	2,998	3,178
Total	4,028	3,518	4,195	4,340



Figure 577: Screenshot taken from ChildFund NZ Ltd.’s annual report.

²²⁴ *ChildFund NZ Ltd’s annual report (2015, p. 4)*

https://static.childfund.org.nz/files/CFNZ_AnnualReport2015_Web.pdf

Items 110-127:

These information items are from the balance sheet. The first section looks at the assets section of the balance sheet, specifically:

- Buildings
- Land
- Long-term investments
- Long-term reserves
- Number of motor vehicles
- Computer and IT assets
- Collections of works of arts, historical treasures or similar assets
- Cash at bank
- Short-term investments
- Accounts receivables
- Inventory
- Prepaid expenses

Buildings & Land: These information items are presented together in most financial reports, therefore it is expedient to present the analysis together. These information items are presented either as a disclosure in the main body of the financial reports or as a note to the financial reports. When looking at the charity register, (13) charities disclosed it owned buildings and land. The buildings and land portfolio held by *Society of St Vincent de Paul in New Zealand* is an extensive list of prime real estate (37 properties) held across most major cities in New Zealand; an address is provided for each property. However, the charity holds these assets at cost²²⁵ and does not provide a fair value for these properties. This charity does not lodge its financial reports on to its website or produce an annual report/annual review.

When looking at the charity's website, no (0) charity disclosed these information items. However, (4) charities disclosed both these information items in its annual reports/annual reviews. All (4) charities placed full financial reports in its annual report/annual review. In comparison to *Society St Vincent de Paul in New Zealand*,

²²⁵ *Society of St Vincent de Paul in New Zealand Area Council financial statements, p.8.*

none of these charities disclosed the addresses of the properties, nor disclosed the market value of its land and buildings.

Long-term investments: This information item is found in the main body of a charity's financial reports or the notes. This can be presented as 'bonds and equities', 'long-term investments', 'assets held for resale', 'tradeable assets' and this list is not exhaustive. Twenty-six (26) charities disclosed this information item on the charity register. For the other, (4) charities that did not disclose this information item, (3) were national offices and therefore had no long-term investments, and (1) was *IHC New Zealand* which produced very brief financial reports. Two (2) charities disclosed this information on its website²²⁶, which is very low disclosure. When looking at a charity's annual report/annual review, (11) charities disclosed this information item. These were also the same charities that produced full or abbreviated financial reports in its annual report/annual review.

Long-term reserves: This information item is different from the prior item in that it is presented in the financial reports as accumulated funds held in reserves. Therefore, this item could be presented as 'reserves', 'accumulated funds' and this list is not exhausted. Twenty-five (25) charities disclosed this information item on the charity register. The (5) charities - (3) of those were national offices and therefore did not hold any long-term reserves, (1) was *IHC New Zealand* which presented very brief financial reports and finally (1) was *Unicef Children's Foundation* which does not hold any long-term investments or long-term reserves. Two (2) charities disclose this information on its website²²⁷ - the same (2) charities which disclosed the last information item (Long-term investments), which again is very low disclosure. When looking at the charity's annual report/annual review, (10) charities disclosed this information item. These were also the same charities that produced full or abbreviated financial reports in its annual report.

Number of motor vehicles: This information item is found in the notes to the financial reports in the property, plant and equipment note. No, (0) charity placed this

²²⁶ *The Fred Hollows Foundation (NZ) and Save the Children New Zealand*

²²⁷ *The Fred Hollows Foundation (NZ) and Save the Children New Zealand*

information item in the main body of its financial reports. Seventeen (17) charities disclosed it had motor vehicles – the other (13) did not disclose this information item.

This finding can be explained in several ways. Firstly, the charity simply did not own any motor vehicles – *The Starship Foundation* may be an example of this. Secondly, if the charity presented an aggregated figure for its fixed assets, a stakeholder is unable to determine if the charity owns any motor vehicles – *The Salvation Army New Zealand* is an example of this. When looking at the charity's website, (1) charity, *The Fred Hollows Foundation (NZ)* disclosed this information item – this charity places its full financial reports on to its website. When looking at the charity's annual report/annual review (6) charities disclosed this information item. All these charities produced full or abbreviated financial reports in its annual report/annual review.

Computer and IT Assets: This information item is also another item that is found in the notes to the financial reports in the property, plant and equipment note. Sixteen (16) charities disclosed its computer and IT assets on the Charity register. While the charities did not disclose the number of computers it's owned – it was not unusual for the charity to disclose its hardware as well as its software (see *Amnesty International Incorporated* for an example of this²²⁸). When looking at the charity's website, (2) charities disclosed this information item. Both these charities provided its financial reports on its website. When looking at the charity's annual report/annual review (4) charities disclosed this information item; (1) of these charities disclosed in all three publications²²⁹.

This finding can be explained by several factors. Firstly, a charity might not have any computer or IT technology. Therefore there would be no disclosure. Secondly, some of the charities aggregated the property, plant and equipment note so, therefore, it impossible to know if the computer and IT assets are included. Finally, charities produced full financial reports for the Charity register and abbreviated financial reports for the other publications – therefore disclosure by a charity may not be in all (3) publications.

²²⁸ *Amnesty International Incorporated financial statements, (2015, p. 7-8)*

²²⁹ *The Fred Hollows Foundation (NZ)*

Collections of works of art, historical treasures or similar assets: There are (2) charities that disclosed this information item²³⁰. Both these charities hold valuable paintings and both charities disclose this information item in the notes to their financial reports. However, they do not disclose this information item in any of the other (2) publications.

This finding can be explained by one main reason for this finding. If the other charities own any collections of works of art, historical treasures or similar assets, there is no way for a stakeholder to know this information unless the charity discloses this information item. Finally, a charity may not own any collections of works of art, historical treasures, or similar assets.

Cash at bank: This information item is found either in the main part of the financial reports or the notes. It could be presented as ‘cash at bank’, ‘cash on hand’ ‘bank balances, deposits and cash’ or ‘cash’. Twenty-seven (27) charities disclosed this information on the charity register. It is a surprising that (3) charities did not disclose this information item. However (1) charity was *IHC New Zealand* which provided very brief financial reports. One, (1) was *Laura Fergusson Trust Board Incorporated* which does not appear to be a working charity and (1) was *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* which did not disclose this information item.

When looking at the charity’s website, (2) charities disclosed this information – these (2) placed their full financial reports on its website. When looking at the charity’s annual report/annual review (10) charities disclosed this information item. This finding can be explained in several ways. Firstly, those charities which produced full financial reports on to the charity register as part of its statutory obligation disclosed this information item, however not all charities placed full reports in its annual report/annual review. Rather abbreviated financial reports were placed there instead. Thus, aggregated figures are presented without explanation.

Short-term investments: This information item is found in the main part of the financial reports or the notes. Some charities aggregated this information item together

²³⁰ *Orphan’s Aid International Charitable Trust* and *Oxfam New Zealand*.

with ‘cash at bank’ (see *Barnardos New Zealand Incorporated* for an example of this²³¹). Despite this, the information item was presented as ‘short-term investment’, ‘short-term equities and bonds’ and this list is not exhaustive.

Twenty-five (25) charities disclosed this information item on the charity register, however, (2) charities disclosed this information on its website, and (9) disclosed it in its annual report/annual review. This finding can be explained by several factors; the charity register has full financial reports, those (5) charities that did not disclose are the same charities that did not disclose the prior items in this section.

This indicates that most of the charities are undertaking short-term investments. The (2) charities that disclose on its website are the same two charities that have full financial reports on its website. Twelve (12) charities did not disclose this information in its annual report/annual review – (2) of which have no financial information in its report anyway, the other (10) produced aggregated figures without notes for explanation.

Accounts receivables: This information item is found in the main body of the financial reports and is presented as ‘receivables’, ‘debtor’s’, ‘sundry debtors and others’ and this list are not exhaustive. Twenty-five (25) charities disclosed this information item on the Charity register. However (2) charities disclosed this on the charity’s website, and (8) charities disclosed this in its annual report/annual review.

This finding can be explained by several factors. Firstly, this information item is usually found in full financial reports, and therefore those charities that submitted full financial reports to the Charities Services disclosed this information item. There were (5) charities that did not disclose this information item – these are the same charities which have abbreviated accounts and are either national offices or the charity that submitted global figures in abbreviated financial accounts (*IHC New Zealand*). The (2) charities which disclosed this information item on its website are the same (2) charities that have full accounts on its website. Finally, (13) charities did not disclose this information in its annual report/annual review because these charities either placed

²³¹ *Barnardos New Zealand financial statements (2015, p. 4)*

global figures in its financial reports or did not disclose this information item in its annual report/annual review.

Inventory: This is an unusual information to connect with a charity. However, there are some charities that sell material to its members. For example, *The New Zealand General Service Board of Alcoholics Anonymous Incorporated* sells relevant literature to its members for example. Other charities provide a service which the users pay for (*The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* provides first aid courses and other services which require consumables for example). Also, some charities run commercial operations as part of its operations (*The Fred Hollows Foundation (NZ)* holds large inventories of eye related products for its operations for example). Fourteen (14) charities disclosed this information item on the charity register, (2) charities disclosed this information item on its website and (3) disclosed this in its annual report/annual review. *The Fred Hollows Foundation (NZ)* was the only charity that disclosed this information item on all (3) publications. While *Barnardos New Zealand Incorporated* and *Royal New Zealand Plunket Society Incorporated* were the only (2) charities that disclosed this information item both on the Charity register and in its annual report/annual review.

This finding can be explained by a number of factors. Firstly, some the charities within the charity sample may not hold inventories. The researcher believes that for some of the charities in the sample, this is an obvious conclusion to arrive at – for example, *Deaf Aotearoa Ltd* and *Cystic Fibrosis Association of NZ* don't appear to do anything other than providing services. However, it is not obvious for other charities such as *Variety – the Children's Charity Incorporated* where one of their main operations is to provide laptops and bikes. However, this charity has no disclosure for this information item. Secondly, the charities provided full financial reports to the Charities Services which included this information item but failed to included it in the other (2) publications. *The Fred Hollows Foundation (NZ)* disclosed this information in all (3) publications while the *Royal New Zealand Plunket Society Incorporated* disclosed this information in (2) publications – the Charity register and its annual report/annual review.

Prepaid Expenses: This information is found in the main body of the financial reports and can be presented as 'prepayments', 'pre-paid expenses' and this list is not

exhaustive. Twenty-one (21) charities disclosed this information item on the charity register, (1) on a charity's website and (7) in its annual report/annual review.

This finding can be explained in several ways. Firstly, the other (9) charities that did not disclose this information item may not have any prepayments. This appears to be the case for the *Laura Fergusson Trust Board Incorporated* and *The Age Concern Foundation* – both charities are national offices and have very brief financial reports. *The Fred Hollows Foundation (NZ)* is the only charity that disclosed this information item on its website, the other charities which had financial reports on its website did not disclose this item. Finally, the (7) charities which disclosed this information item in its annual report/annual review also placed full or abbreviated financial reports in that publication and included this information item.

Mortgages: This information item is related to the purchase of land and buildings and is found either in the main body of the financial reports or the associated notes. Three (3) charities disclosed this information item on the Charity register, while (0) charities disclosed it on the charity's website and (1) disclosed this information in its annual report.

Barnardos New Zealand Incorporated was the only charity of the (3) that disclosed this information item in (2) publications – the other (2) charities disclosed only on the Charity register. This finding can be explained by several factors. Firstly, not many charities own land and buildings, and therefore this information item is irrelevant to them. Or alternately those charities that hold real estate may hold it debt-free. This is the case of *Society of St Vincent de Paul in New Zealand* which has an extensive real estate portfolio – it appears that none of these properties has mortgages (they are held freehold). Secondly, rather than own land and buildings, the charities have chosen to lease the property.

Loans: This information item is found in either the main body of the financial reports or the associated notes. This information item can present as a loan from the charity's national body or international body (*Amnesty International Incorporated* is an example of this), a finance loan (*Child Cancer Foundation Incorporated* is an example of this), or 'bank loan' (*Royal New Zealand Foundation of the Blind* is an example of this) and this list is not exhaustive. Fourteen (14) charities disclosed this

information item on the Charity register, (1) on the charity's website and (5) in its annual report/annual review.

This finding can be explained by several ways. Firstly, not all the charities may have loans, and therefore there are no disclosures for the other (16) charities. Secondly, the national bodies have abbreviated reports with very little disclosure, and those charities with aggregated figures do not disclose this information item. (*The Age Concern Foundation* and *IHC New Zealand* for examples of this).

Long-term leases: This information item is found in either the main body of the financial reports or in the associated notes. The information item is presented as an 'operating lease', 'non-cancellable finance lease', 'lease commitments', 'leaseholds' and this list is not exhaustive. Twenty (20) charities disclosed this information item on the Charity register, (1) on the charity's website and (7) charities disclosed this information item in its annual report/annual review.

This finding can be explained in several ways. Firstly, charities will often lease premises for its offices (*The Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated* is an example of this), charities can lease vehicles for its use (*Cystic Fibrosis Association of NZ* is an example of this), charities can lease office equipment, such as copying machines (*Save the Children New Zealand* is an example of this) and this list is not exhaustive. Furthermore, it is not unusual for a charity to have more than one type of lease (*Amnesty International Incorporated* is an example of this). *The Fred Hollows Foundation (NZ)* is the only charity that disclosed this information item on all (3) publications – the other (6) charities disclosed this information item in (2) publications, the annual report/annual review and the Charity register.

Accounts Payable: This information item is found in the main body of the financial reports or the associated notes. The information item is presented as 'accounts payable', 'payables', 'Other payables' and this list is not exhaustive. Twenty-four (24) charities disclosed this information item on the Charity register, (2) charities disclosed it on its website and (8) charities disclosed this information item in its annual report/annual review.

This finding can be explained by several factors. Those charities that did not disclose this information on the Charity register ((6) charities) are either national offices, or presented abbreviated accounts (*IHC New Zealand*), or the charity did not have any accounts payable (*The Salvation Army New Zealand* and *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem*). In the case of the (2) charities which appeared to have no accounts payable – the section in which information item is usually disclosed contained aggregate figures, and there are no associated notes which include accounts payable.

Superannuation liabilities: This information item is usually found in the notes to the financial reports, but on occasion can be a line item in the main body of the financial reports. This information item is presented as ‘employee entitlements’, ‘employee benefits’, ‘personnel costs’ and this list is not exhaustive. Four (4) charities disclose this information item on the Charity register, (0) charities disclosed this on its website and (3) charities disclosed this information item in its annual report/annual review.

This result can be explained in several ways. Firstly, some of the national bodies do not appear to have any active employees (*Laura Fergusson Trust Board Incorporated* is an example of this). Secondly, some charities may be run mostly by volunteers (*Society of St Vincent de Paul in New Zealand* is an example of this – its charity shops are operated mostly by volunteers).

However, this does not explain why charities with large numbers of employees have not disclosed this information item. For example, *The Priory in NZ of the Most Venerable Order of the Hospital of St John Jerusalem* has 1,734 full-time employees and 668 part-time employees; *New Zealand Red Cross Incorporated* has 206 full-time employees and 91 part-time employees – yet neither of these charities disclosed any employee liabilities. The (3) charities that disclosed this information item on the Charity register are also (3) of the (4) charities that disclosed this information item in its annual report²³².

²³² *Barnardos New Zealand Incorporated, Child Cancer Foundation Incorporated and Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women’s refugees Incorporated.*

Unearned revenue/revenue in advance: This information item can be found in the main body of the financial reports or the associated notes. This item is presented as ‘unearned revenue’, ‘grants received in advance’, ‘government grants received in advance’, ‘revenue(s) received in advance’, and this list is not exhaustive. Fourteen (14) charities disclosed this information item on the Charity register, (2) charities disclosed on its website and (5) disclosed in its annual report/annual review.

This finding can be explained in several ways. Firstly, those charities that are not service providers or have government contracts to deliver a program will be unlikely to receive revenues in advance (*The Royal NZ Society for the Prevention of Cruelty to Animals Incorporated* is an example of this). Secondly, many of the national offices within the charity group have no apparent source of revenues, much less revenues in advance. Therefore, these charities will not disclose this information item (*Laura Fergusson Trust Board Incorporated* is an example of this). Finally, charities that have commercial operations or run services are more likely to have unearned revenue/revenue in advance (*Barnardos New Zealand Incorporated* is an example of this).

Items 128 -131:

These items come from the cash flow statement. Eleven (11) charities produced a cash flow statement²³³. All (11) presented the cash flow in the standard GAAP format showing

- The movement between the cash balances at the beginning and the end of the year
- The charity’s operating cash flows
- The charity’s investing cash flows
- The charity’s financing cash flows

Cash flow statement: One (1) charity also disclosed its cash flow statement on its website. Interestingly this was *IHC New Zealand* – however, there were no notes associated with the cash flow statement. Despite this, *IHC New Zealand* disclosed its

²³³ (19) Charities did not produce a cash flow statement.

cash flow statement for all (3) publications. Six (6) of the (11) charities also disclosed its cash flow statement in its annual report/annual review.

This finding can be explained by several factors. Firstly, all (11) charities received government grants or are a service provider for the New Zealand government, and as part of the accountability for this revenue – the charity must produce a cash flow statement. Furthermore, the reporting requirements of service providers or government grants must meet the GAAP²³⁴ standards, and a cash flow statement is one of these requirements. Secondly, if a charity is a service provider, and provides a cash flow statement to meet the accountability requirements determined by a government provider/grant – it does not mean that the charity has to file this statement with Charities Services (*Nga Whare Whakaruruhau o Aotearoa National Collective of Independent Women's refuges Incorporated* is an example of this). This could explain why the charities who receive government grants/contracts do not disclose a cash flow statement on any of the publications (12 other charities could produce a cash flow statement. However, this cannot be verified by a stakeholder unless the charity discloses it).

Items 132-133:

These information items looked at whether a charity had its financial reports audited, and if the auditor is an independent accountant.

Financial reports are audited: Twenty-six (26) charities in the charity sample had its financial reports audited and presented an audit certificate along with its financial reports on the Charity register. Four (4) charities did not have audited accounts, (1) was *IHC New Zealand* and (2) were national bodies (*The Age Concern Foundation* and *Laura Fergusson Trust Board Incorporated*). The final charity is *Save the Children New Zealand* which did not present an audit certificate; it was stamped with a KPMG Wellington stamp²³⁵. However, this did not constitute an audit. One (1) charity provided an audit certificate on its website – this was *The Fred Hollows Foundation (NZ)*. However, (14) charities provided audit certificates in its annual report/annual review (*Variety – the Children's Charity Incorporated* is an example of this). The charities which provided abbreviated financial reports did not always

²³⁴ Generally accepted accounting principles

²³⁵ A firm which provides audit, tax and advisory services

provide an audit certificate in its annual report/annual review (*Royal New Zealand Foundation of the Blind* is an example of this).

The auditor is an independent accountant: The results for this information item are identical to the prior information item. Twenty-six (26) charities of (26) charities with audited accounts, had its financial reports audited by an independent auditor on the Charity register, (1) on its website and (14) in its annual report/annual review. There are some qualified opinions issued after an audit, indicating that the financial information provided to the auditor was limited in scope or the charity did not maintain GAAP accounting principles. However, this is beyond the scope of this investigation.

Item 134:

This information item records the timeliness of a charity's reporting. Specifically, a charity could publish its financial reports;

- Within (3) months of balance date
- Within (3- 4) months of balance date
- Within (4-5) months of balance date
- Within (5-6) months of balance date
- More than (6) months or more after balance date

Timeliness of a charity's financial reporting:

Timeliness of a charity's financial reporting	Number of Charities
Within 3 months of balance date	6
Within 3- 4 months of balance date	0
Within 4-5 months of balance date	6
Within 5-6 months of balance date	15
More than 6 months or more after balance date	3

Twenty-four (24) charities filed their financial reports within (6) months of its balance date (the statutory requirement, with the majority filing its reports within (5-6) months of balance date. There were (3) charities that filed late²³⁶.

Items 135-139:

These information items relate to a charity's use of social media. Specifically, these items sought to establish if the charities had social media icons on any of the publications. This investigation did not include all social media – only the following;

- Facebook
- Twitter
- Instagram
- LinkedIn
- YouTube

When looking at the Charity register, very few charities disclosed these information items, see Table 166 for a summary of these results. This finding may be explained by the recent changes which Charities Services have undergone. The space for this disclosure has been added to the charity register in the last (6) months. Regardless, Facebook and Twitter are the most commonly used social media found on the Charity register.

Table 166: The social media found on the Charity register.

Social Media Use		
Facebook	3	10%
Twitter	3	10%
Instagram	0	0%
LinkedIn	1	3%
Youtube	0	0%

²³⁶ Child Cancer Foundation Incorporated, The Evangelical Alliance Relief Fund, Unicef Children's Foundation.

When looking at the charity's website, nearly all the charities were using some form of social media, see Table 167 for a summary of these results. The icons for the social media were placed either at the top of the website page or the bottom. Three (3) charities did not use any form of social media on its website²³⁷. Facebook (27) and Twitter (25) were the most common social media platforms used by the charities, followed by YouTube (18). Instagram (11) and LinkedIn (12) were the least popular forms of social media used by the charities on its website.

Table 167: The social media used by the charities on its website.

Social Media Use		
Facebook	27	90%
Twitter	25	83%
Instagram	11	37%
LinkedIn	12	40%
Youtube	18	60%

When looking at the charity's annual report/annual review, much fewer charities disclosed social media icons, see Table 168 for this result. The social media icons are usually found on the last page of the annual report/annual review, or next to a donation tag. Facebook and Twitter were again the most common social media tags in a charity's annual report/annual review – followed by Instagram and LinkedIn.

Table 168: The social media found in the charity's annual report/annual review

Social Media Use		
Facebook	6	20%
Twitter	6	20%
Instagram	3	10%
LinkedIn	3	10%
Youtube	2	7%

²³⁷ Unicef's Children's Foundation, Laura Fergusson Trust Board Incorporated and The New Zealand General Service Board of Alcoholics Anonymous Incorporated

Appendix Seventeen: Copy of IHC New Zealand's financial reports

Financial Statements

The summarised financial statements on the following two pages have been extracted from the audited Group Financial Statements.

INCOME STATEMENT for the year ended 30 June 2015

	2015	2014
SERVICES	\$000	\$000
Revenue		
Government contracts	255,717	253,688
Sleepover settlement funds	-	-
Fees charged for services	26,822	24,917
Other revenue	3,573	1,885
	286,112	280,490

Expenses		
Personnel	218,355	212,010
Sleepover settlement expenses	308	-
Accommodation	43,777	42,713
Other	16,899	21,399
	279,339	276,122
Net surplus from Services	5,578	6,368

PROPERTY DIVISION

Revenue	12,370	15,956
Expenses	11,822	10,624
Net surplus from Property Division	6,098	5,332

MEMBERS CONTRIBUTION

Revenue		
Fundraising revenue	7,700	7,554
Legacies received	1,219	2,534
	8,919	10,088

Source: IHC New Zealand

Expenses		
Fundraising expenses	3,287	2,508
IHC Programme expenses	2,410	2,573
Service development programmes	1,415	2,096
	7,112	7,177
Net surplus from Fundraising	1,807	2,910
Gain on sale of property	2,444	2,754
Government property grants	10,604	3,369
Other non-operating	685	-
IHC foundation Trust Gift	213	2,384
NET SURPLUS	22,003	23,393

BALANCE SHEET as at 30 June 2015

ASSETS

Current Assets	10,975	21,636
Non Current Assets	204,506	184,833
TOTAL ASSETS	215,481	206,469

LIABILITIES

Current Liabilities	26,146	46,615
Non Current Liabilities	29,673	19,795
TOTAL LIABILITIES	55,819	66,410
NET ASSETS	159,662	139,059

EQUITY	170,062	143,059
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STATEMENT OF CASH FLOWS for the year ended 30 June 2015

Net Cash Inflow from Operating Activities	27,072	31,336
Net Cash Outflow from Investing Activities	(14,260)	(26,558)
Net Cash Outflow from Financing Activities	9,390	(5,444)
	(22,183)	(666)
Add Opening Cash Brought Forward	1,852	2,518
Ending Cash Carried Forward	24,635	1,852



IHC Annual Report Highlights

2014/15 Financial Year
Go to IHC online for the full report.
ihc.org.nz

ihc
IN YOUR COMMUNITY

Appendix Eighteen: The top-ranking information items on the Charity register

Information item	Charity Register	
	<i>No of charities</i>	<i>Percentage</i>
A charity's formal registered name	30	100%
The charity's physical address	30	100%
A working daytime telephone number	30	100%
Email address	30	100%
Mailing address	30	100%
The objectives of a charity	30	100%
The beneficiaries a charity expects to assist	30	100%
The sector that the charity operates in (for example, the health sector or the religious sector)	30	100%
The location where the charity operates (this includes national regions as well as international locations)	30	100%
The charity's registration number (Charities Services Register) is made available to stakeholders	30	100%
The public benefit of each program is published by the charity	30	100%
To have access to a charity's current financial reports	30	100%
To have access to a charity's financial reports from prior years	30	100%
If the charity made a profit/loss (surplus/deficit)	30	100%

Information item	Charity Register	
Financial reports should be published 3 months after Balance date	30	100%
The name of each charity board member	29	97%
The duration of appointment of each charity board member	29	97%
The full name of each charity board member	29	97%
A charity provides a full set of financial reports with associated notes of explanation	29	97%
The charity explicitly states its accounting policies	29	97%
The charity discloses any material explanations in their financial notes (like a contingent liability or a law suit for example)	29	97%
If the charity paid any tax	29	97%
Website address	28	93%
Donations	27	90%
Cash at bank	27	90%
The charity's administration costs	26	87%
Long-term investments	26	87%
The charity's financial statements were audited/reviewed	26	87%
The charity's financial statements were audited/reviewed by an independent accountant	26	87%
The costs of each program the charity conducts	25	83%
The costs of fund-raising	25	83%
Long-term reserves	25	83%

Information item	Charity Register	
Short-term investments	25	83%
Accounts receivables	25	83%
The number of full-time paid staff employed by a charity	24	80%
The number of part-time paid staff employed by a charity	24	80%
The number of volunteers engaged by a charity	24	80%
Bequests	24	80%
Accounts payable	24	80%
Stakeholders can get access to a charity's deed	23	77%
The number of charity board members required by the charity deed	23	77%
Grants	23	77%
If there are recruitment provisions in the charity's founding deed	22	73%
The charity's legal structure	21	70%
Prepaid expenses	21	70%
How a charity appoints a board member	20	67%
The charity discloses its policies for investing	20	67%
Government contracts	20	67%
Long-term leases	20	67%
A charity's working name	19	63%
A link on the Charity Service's search engine between a charity's formal registered name and its working name.	18	60%
How a charity recruits a board member	18	60%

Information item	Charity Register	
How a charity removes a board member	18	60%
If a charity has a relationship with another related party or entity	17	57%
The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets)	17	57%
Number of motor vehicles	17	57%
If a charity has a relationship with another charity(s)	16	53%
Computer and IT assets	16	53%
If the charity is listed on other public registers (like the Company's register for example)	15	50%
If there are any arm's length procedures established for the charity board members	15	50%
Inventory	14	47%
Loans	14	47%
Unearned revenue/revenue in advance	14	47%
If a charity worked with another charity(s) to deliver a program	13	43%
If a charity worked with another entity to deliver a program	13	43%
Buildings	13	43%
Land	13	43%
How compensation/benefits for each board member is approved	12	40%

Information item	Charity Register	
The charity disclosed the revenues and expenditures for each program conducted in the last 12 months	12	40%
The details of any expenditure spent overseas	12	40%
To know if the charity is part of a group	11	37%
The movement between cash balances at the beginning and at the end of the year	11	37%
The charity's operating cash flows	11	37%
The charity's investing cash flows	11	37%
The charity's financing cash flows	11	37%
The compensation/benefits provided to each charity board member	10	33%
If a charity worked with a government agency	10	33%
If the charity has local chapters, branches or affiliates	9	30%
That if a charity does work with another charity/government agency/entity, it reveals the nature of the work it does in the partnership	9	30%
To have access to consolidated accounts if the charity is part of a group	8	27%
Each program the charity has conducted in the last 12 months	7	23%

Information item	Charity Register	
If the charity board has made significant changes to the charity deed in the last 12 months	6	20%
For the charity to disclose its policies in selecting its programs	5	17%
To have access to the financial reports of any investment subsidiary(s) the charity may have	5	17%
Details of any income received from another charity	5	17%
If the charity lists any commercial operations/subsidiaries	4	13%
The disclosure of the 10 highest paid staff salaries (this includes small charities)	4	13%
Superannuation liabilities	4	13%
Charity discloses other registration numbers if it is registered elsewhere	3	10%
If any of the decisions by the charity board are subject to approval by a person(s) not on the charity board	3	10%
If the charity employs staff/agents outside of New Zealand	3	10%
Details of any income received from an overseas entity	3	10%
Mortgages	3	10%
Facebook	3	10%
Twitter	3	10%
For the chairman of the charity to publish an annual statement	2	7%

Information item	Charity Register	
A narrative description was provided for each program conducted in the last 12 months	2	7%
The charity discloses the number of beneficiaries helped by each program	2	7%
The charity discloses if it has made any material changes to its accounting policies in the last 12 months	2	7%
Collections of works of art, historical treasures or similar assets	2	7%
If there are material differences among the voting rights of the charity board members	1	3%
If any of the charity board members serve on any other charity boards/entities	1	3%
An entity of which a current or former charity board member (or a family member) was an officer or indirect owner of that entity	1	3%
To an individual charity board member or related party	1	3%
The number of contractors employed by the charity	1	3%
For the charity to disclose any future/forward-looking information about future programs	1	3%
A comparative between the planned budget against the actual costs is disclosed for each program	1	3%
LinkedIn	1	3%
If the charity has multiple websites	0	0%

Information item	Charity Register	
If the charity board has delegated authority to an executive committee or similar body	0	0%
The qualifications/special expertise that each charity board member has	0	0%
A contact email address for each charity board member	0	0%
A telephone contact for each charity board member	0	0%
A contact address for each charity board member	0	0%
The date of birth of each charity board member	0	0%
How compensation/benefits for each board member is reviewed	0	0%
The compensation/benefits provided to each charity board member from other related organisations	0	0%
If the charity conducts a search for banned or disqualified persons before an appointment is made	0	0%
For a charity to publish an annual charity board report	0	0%
For the charity to publish its strategic plans for the next 12 months (and future)	0	0%
For a charity to publish any deviations/changes made to the strategic plans in the last 12 months	0	0%
A family member of a current or former charity board member	0	0%
A current or former charity board member	0	0%

Information item	Charity Register	
To a family member of a charity board member	0	0%
A current or former staff member	0	0%
A family member of a current or former staff member	0	0%
An entity of which a current or former charity employee (or a family member) was an officer or indirect owner of that entity	0	0%
A current or former employee	0	0%
An entity controlled by a current or former employee or related party	0	0%
A family member of a current or former employee	0	0%
Involved in any other material matter	0	0%
Involved in an accident of some kind	0	0%
Involved in a criminal investigation	0	0%
Involved in fraud	0	0%
A victim of fraud	0	0%
Instagram	0	0%
Youtube	0	0%

Appendix Nineteen: The top-ranking information items on the Charity's website

Information item	Charity's website	
	<i>No of charities</i>	<i>Percentage</i>
General Information Disclosures: Charity Name		
A charity's working name	29	97%
A working daytime telephone number	29	97%
The objectives of a charity	29	97%
The beneficiaries a charity expects to assist	29	97%
The sector that the charity operates in (for example, the health sector or the religious sector)	29	97%
The public benefit of each programme is published by the charity	29	97%
Email address	28	93%
Website address	28	93%
Mailing address	28	93%
The location where the charity operates (this includes national regions as well as international locations)	28	93%
The charity's physical address	27	90%
If the charity has local chapters, branches or affiliates	27	90%
Each programme the charity has conducted in the last 12 months	27	90%
A narrative description was provided for each programme conducted in the last 12 months	27	90%
Facebook	27	90%
Twitter	25	83%
If a charity has a relationship with another charity(s)	22	73%
If a charity has a relationship with another related party or entity	22	73%
The name of each charity board member	21	70%
The full name of each charity board member	21	70%
If the charity has multiple websites	18	60%

Information item	Charity's website	
Youtube	18	60%
The charity's registration number (Charities Services Register) is made available to stakeholders	17	57%
If a charity worked with another entity to deliver a programme	16	53%
That if a charity does work with another charity/government agency/entity, it reveals the nature of the work it does in the partnership	16	53%
The qualifications/special expertise that each charity board member has	14	47%
If a charity worked with another charity(s) to deliver a programme	14	47%
A charity's formal registered name	13	43%
The number of full-time paid staff employed by a charity	12	40%
If a charity worked with a government agency	12	40%
LinkedIn	12	40%
For the charity to disclose its policies in selecting its programmes	11	37%
Instagram	11	37%
The charity's legal structure	10	33%
If any of the charity board members serve on any other charity boards/entities	10	33%
For the charity to publish its strategic plans for the next 12 months (and future)	10	33%
If the charity employs staff/agents outside of New Zealand	10	33%
For the charity to disclose any future/forward looking information about future programmes	9	30%
The charity discloses the number of beneficiaries helped by each programme	9	30%
The number of volunteers engaged by a charity	8	27%
The number of part-time paid staff employed by a charity	7	23%
How a charity recruits a board member	6	20%
Stakeholders can get access to a charity's deed	5	17%
If the charity is listed on other public registers (like the Company's register for example)	5	17%
If the charity lists any commercial operations/subsidiaries	5	17%
The number of charity board members required by the charity deed	5	17%

Information item	Charity's website	
How compensation/benefits for each board member is approved	5	17%
If there are any arm's length procedures established for the charity board members	5	17%
If there are recruitment provisions in the charity's founding deed	5	17%
How a charity appoints a board member	4	13%
How a charity removes a board member	4	13%
To have access to a charity's current financial reports	4	13%
Grants	4	13%
Government contracts	4	13%
Donations	4	13%
The charity's administration costs	4	13%
The costs of each programme the charity conducts	4	13%
The costs of fund-raising	4	13%
The details of any expenditure spent overseas	4	13%
For the chairman of the charity to publish an annual statement	3	10%
The number of contractors employed by the charity	3	10%
The charity disclosed the revenues and expenditures for each programme conducted in the last 12 months	3	10%
To have access to a charity's financial reports from prior years	3	10%
The duration of appointment of each charity board member	2	7%
The compensation/benefits provided to each charity board member	2	7%
To know if the charity is part of a group	2	7%
A charity provides a full set of financial reports with associated notes of explanation	2	7%
The charity explicitly states its accounting policies	2	7%
The charity discloses any material explanations in their financial notes (like a contingent liability or a law suit for example)	2	7%
The charity discloses its policies for investing	2	7%
Bequests	2	7%
The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets)	2	7%
If the charity paid any tax	2	7%
If the charity made a profit/loss (surplus/deficit)	2	7%
Long-term investments	2	7%

Information item	Charity's website	
Long-term reserves	2	7%
Computer and IT assets	2	7%
Cash at bank	2	7%
Short-term investments	2	7%
Accounts receivables	2	7%
Inventory	2	7%
Accounts payable	2	7%
Unearned revenue/revenue in advance	2	7%
Charity discloses other registration numbers if it is registered elsewhere	1	3%
If any of the decisions by the charity board are subject to approval by a person(s) not on the charity board	1	3%
A contact email address for each charity board member	1	3%
To an individual charity board member or related party	1	3%
A comparative between the planned budget against the actual costs is disclosed for each programme	1	3%
To have access to consolidated accounts if the charity is part of a group	1	3%
Details of any income received from an overseas entity	1	3%
Number of motor vehicles	1	3%
Prepaid expenses	1	3%
Long-term leases	1	3%
The movement between cash balances at the beginning and at the end of the year	1	3%
The charity's operating cash flows	1	3%
The charity's investing cash flows	1	3%
The charity's financing cash flows	1	3%
The charity's financial statements were audited/reviewed	1	3%
The charity's financial statements were audited/reviewed by an independent accountant	1	3%
A link on the Charity Service's search engine between a charity's formal registered name and its working name.	0	0%
If the charity board has made significant changes to the charity deed in the last 12 months	0	0%
If there are material differences among the voting rights of the charity board members	0	0%

Information item	Charity's website	
If the charity board has delegated authority to an executive committee or similar body	0	0%
A telephone contact for each charity board member	0	0%
A contact address for each charity board member	0	0%
The date of birth of each charity board member	0	0%
How compensation/benefits for each board member is reviewed	0	0%
The compensation/benefits provided to each charity board member from other related organisations	0	0%
If the charity conducts a search for banned or disqualified persons before an appointment is made	0	0%
For a charity to publish an annual charity board report	0	0%
For a charity to publish any deviations/changes made to the strategic plans in the last 12 months	0	0%
An entity of which a current or former charity board member (or a family member) was an officer or indirect owner of that entity	0	0%
A family member of a current or former charity board member	0	0%
A current or former charity board member	0	0%
To a family member of a charity board member	0	0%
The disclosure of the 10 highest paid staff salaries (this includes small charities)	0	0%
A current or former staff member	0	0%
A family member of a current or former staff member	0	0%
An entity of which a current or former charity employee (or a family member) was an officer or indirect owner of that entity	0	0%
A current or former employee	0	0%
An entity controlled by a current or former employee or related party	0	0%
A family member of a current or former employee	0	0%
Involved in any other material matter	0	0%
Involved in an accident of some kind	0	0%
Involved in a criminal investigation	0	0%
Involved in fraud	0	0%
A victim of fraud	0	0%

Information item	Charity's website	
To have access to the financial reports of any investment subsidiary(s) the charity may have	0	0%
The charity discloses if it has made any material changes to its accounting policies in the last 12 months	0	0%
Details of any income received from another charity	0	0%
Buildings	0	0%
Land	0	0%
Collections of works of art, historical treasures or similar assets	0	0%
Mortgages	0	0%
Loans	0	0%
Superannuation liabilities	0	0%
Financial reports should be published 3 months after Balance date	0	0%

Appendix Twenty: The top-ranking information items in the charity's annual report/annual review

Information item	Charity's annual report/annual review	
	<i>No of charities</i>	<i>Percentage</i>
General Information Disclosures: Charity Name		
The beneficiaries a charity expects to assist	22	73%
The sector that the charity operates in (for example, the health sector or the religious sector)	22	73%
Each programme the charity has conducted in the last 12 months	22	73%
The public benefit of each programme is published by the charity	22	73%
A charity's working name	21	70%
The objectives of a charity	21	70%
A narrative description was provided for each programme conducted in the last 12 months	21	70%
The location where the charity operates (this includes national regions as well as international locations)	20	67%
To have access to a charity's current financial reports	20	67%
Website address	19	63%
For the chairman of the charity to publish an annual statement	19	63%
A working daytime telephone number	18	60%
Email address	18	60%
The charity discloses the number of beneficiaries helped by each programme	18	60%
Donations	18	60%
If a charity has a relationship with another charity(s)	17	57%
If a charity has a relationship with another related party or entity	17	57%
Grants	16	53%
Government contracts	16	53%
A charity's formal registered name	14	47%
Mailing address	14	47%
If the charity has local chapters, branches or affiliates	14	47%
The costs of each programme the charity conducts	14	47%

Information item	Charity's annual report/annual review	
The costs of fund-raising	14	47%
If the charity made a profit/loss (surplus/deficit)	14	47%
The charity's financial statements were audited/reviewed	14	47%
The charity's financial statements were audited/reviewed by an independent accountant	14	47%
The charity's physical address	13	43%
The name of each charity board member	13	43%
The full name of each charity board member	13	43%
If a charity worked with a government agency	13	43%
Bequests	13	43%
The charity's administration costs	13	43%
The number of volunteers engaged by a charity	12	40%
If a charity worked with another entity to deliver a programme	12	40%
That if a charity does work with another charity/government agency/entity, it reveals the nature of the work it does in the partnership	12	40%
To have access to a charity's financial reports from prior years	12	40%
For the charity to disclose its policies in selecting its programmes	11	37%
If a charity worked with another charity(s) to deliver a programme	11	37%
Long-term investments	11	37%
For the charity to publish its strategic plans for the next 12 months (and future)	10	33%
The charity disclosed the revenues and expenditures for each programme conducted in the last 12 months	10	33%
A charity provides a full set of financial reports with associated notes of explanation	10	33%
The charity explicitly states its accounting policies	10	33%
If the charity paid any tax	10	33%
Long-term reserves	10	33%

Information item	Charity's annual report/annual review	
Cash at bank	10	33%
The charity's legal structure	9	30%
The charity discloses any material explanations in their financial notes (like a contingent liability or a law suit for example)	9	30%
The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets)	9	30%
Short-term investments	9	30%
Accounts receivables	9	30%
For the charity to disclose any future/forward looking information about future programmes	8	27%
To know if the charity is part of a group	8	27%
Accounts payable	8	27%
The number of full-time paid staff employed by a charity	7	23%
If the charity employs staff/agents outside of New Zealand	7	23%
To have access to consolidated accounts if the charity is part of a group	7	23%
The details of any expenditure spent overseas	7	23%
Prepaid expenses	7	23%
Long-term leases	7	23%
The charity's registration number (Charities Services Register) is made available to stakeholders	6	20%
If the charity lists any commercial operations/subsidiaries	6	20%
Number of motor vehicles	6	20%
The movement between cash balances at the beginning and at the end of the year	6	20%
The charity's operating cash flows	6	20%
The charity's investing cash flows	6	20%
The charity's financing cash flows	6	20%
Facebook	6	20%
Twitter	6	20%

Information item	Charity's annual report/annual review	
The qualifications/special expertise that each charity board member has	5	17%
The number of part-time paid staff employed by a charity	5	17%
Loans	5	17%
Unearned revenue/revenue in advance	5	17%
Buildings	4	13%
Land	4	13%
Computer and IT assets	4	13%
If the charity is listed on other public registers (like the Company's register for example)	3	10%
The duration of appointment of each charity board member	3	10%
The compensation/benefits provided to each charity board member	3	10%
The number of contractors employed by the charity	3	10%
Inventory	3	10%
Superannuation liabilities	3	10%
Instagram	3	10%
LinkedIn	3	10%
If there are any arm's length procedures established for the charity board members	2	7%
To have access to the financial reports of any investment subsidiary(s) the charity may have	2	7%
The charity discloses its policies for investing	2	7%
Details of any income received from an overseas entity	2	7%
Financial reports should be published 3 months after Balance date	2	7%
Youtube	2	7%
A link on the Charity Service's search engine between a charity's formal registered name and its working name.	1	3%
Stakeholders can get access to a charity's deed	1	3%
Charity discloses other registration numbers if it is registered elsewhere	1	3%
If any of the decisions by the charity board are subject to approval by a person(s) not on the charity board	1	3%
How a charity appoints a board member	1	3%

Information item	Charity's annual report/annual review	
If there are recruitment provisions in the charity's founding deed	1	3%
An entity of which a current or former charity board member (or a family member) was an officer or indirect owner of that entity	1	3%
A comparative between the planned budget against the actual costs is disclosed for each programme	1	3%
Details of any income received from another charity	1	3%
Mortgages	1	3%
If the charity has multiple websites	0	0%
If the charity board has made significant changes to the charity deed in the last 12 months	0	0%
The number of charity board members required by the charity deed	0	0%
If there are material differences among the voting rights of the charity board members	0	0%
If the charity board has delegated authority to an executive committee or similar body	0	0%
If any of the charity board members serve on any other charity boards/entities	0	0%
A contact email address for each charity board member	0	0%
A telephone contact for each charity board member	0	0%
A contact address for each charity board member	0	0%
The date of birth of each charity board member	0	0%
How compensation/benefits for each board member is approved	0	0%
How compensation/benefits for each board member is reviewed	0	0%
The compensation/benefits provided to each charity board member from other related organisations	0	0%
How a charity recruits a board member	0	0%
How a charity removes a board member	0	0%
If the charity conducts a search for banned or disqualified persons before an appointment is made	0	0%
For a charity to publish an annual charity board report	0	0%

Information item	Charity's annual report/annual review	
For a charity to publish any deviations/changes made to the strategic plans in the last 12 months	0	0%
A family member of a current or former charity board member	0	0%
A current or former charity board member	0	0%
To a family member of a charity board member	0	0%
To an individual charity board member or related party	0	0%
The disclosure of the 10 highest paid staff salaries (this includes small charities)	0	0%
A current or former staff member	0	0%
A family member of a current or former staff member	0	0%
An entity of which a current or former charity employee (or a family member) was an officer or indirect owner of that entity	0	0%
A current or former employee	0	
An entity controlled by a current or former employee or related party	0	0%
A family member of a current or former employee	0	0%
Involved in any other material matter	0	0%
Involved in an accident of some kind	0	0%
Involved in a criminal investigation	0	0%
Involved in fraud	0	0%
A victim of fraud	0	
The charity discloses if it has made any material changes to its accounting policies in the last 12 months	0	0%
Collections of works of art, historical treasures or similar assets	0	0%

Appendix Twenty-One: The overall top-ranking information items for the investigation

Information item	Overall Disclosure	From highest to lowest ranking
General Information Disclosures: Charity Name	No of charities over (3) Publications	Percentage
The beneficiaries a charity expects to assist	81	90%
The sector that the charity operates in (for example, the health sector or the religious sector)	81	90%
The public benefit of each programme is published by the charity	81	90%
The objectives of a charity	80	89%
The location where the charity operates (this includes national regions as well as international locations)	78	87%
A working daytime telephone number	77	86%
Email address	76	84%
Website address	75	83%
Mailing address	72	80%
The charity's physical address	70	78%
A charity's working name	69	77%
The name of each charity board member	63	70%
The full name of each charity board member	63	70%
A charity's formal registered name	57	63%
If a charity has a relationship with another related party or entity	56	62%
Each programme the charity has conducted in the last 12 months	56	62%
If a charity has a relationship with another charity(s)	55	61%
To have access to a charity's current financial reports	54	60%
The charity's registration number (Charities Services Register) is made available to stakeholders	53	59%
If the charity has local chapters, branches or affiliates	50	56%

Information item	Overall Disclosure	From highest to lowest ranking
General Information Disclosures: Charity Name	No of charities over (3) Publications	Percentage
A narrative description was provided for each programme conducted in the last 12 months	50	56%
Donations	49	54%
If the charity made a profit/loss (surplus/deficit)	46	51%
To have access to a charity's financial reports from prior years	45	50%
The number of volunteers engaged by a charity	44	49%
The number of full-time paid staff employed by a charity	43	48%
Grants	43	48%
The charity's administration costs	43	48%
The costs of each programme the charity conducts	43	48%
The costs of fund-raising	43	48%
If a charity worked with another entity to deliver a programme	41	46%
A charity provides a full set of financial reports with associated notes of explanation	41	46%
The charity explicitly states its accounting policies	41	46%
If the charity paid any tax	41	46%
The charity's financial statements were audited/reviewed	41	46%
The charity's financial statements were audited/reviewed by an independent accountant	41	46%
The charity's legal structure	40	44%
The charity discloses any material explanations in their financial notes (like a contingent liability or a law suit for example)	40	44%
Government contracts	40	44%
Bequests	39	43%
Long-term investments	39	43%
Cash at bank	39	43%
If a charity worked with another charity(s) to deliver a programme	38	42%

Information item	Overall Disclosure	From highest to lowest ranking
General Information Disclosures:	No of charities over (3)	
Charity Name	Publications	Percentage
That if a charity does work with another charity/government agency/entity, it reveals the nature of the work it does in the partnership	37	41%
Long-term reserves	37	41%
The number of part-time paid staff employed by a charity	36	40%
Short-term investments	36	40%
Accounts receivables	36	40%
Facebook	36	40%
If a charity worked with a government agency	35	39%
The duration of appointment of each charity board member	34	38%
Accounts payable	34	38%
Twitter	34	38%
Financial reports should be published 3 months after Balance date	32	36%
Stakeholders can get access to a charity's deed	29	32%
The charity discloses the number of beneficiaries helped by each programme	29	32%
Prepaid expenses	29	32%
The number of charity board members required by the charity deed	28	31%
If there are recruitment provisions in the charity's founding deed	28	31%
The details of any material transfers from the charity to another person/charity/entity (e.g. cash or assets)	28	31%
Long-term leases	28	31%
For the charity to disclose its policies in selecting its programmes	27	30%
How a charity appoints a board member	25	28%
The charity disclosed the revenues and expenditures for each programme conducted in the last 12 months	25	28%

Information item	Overall Disclosure	From highest to lowest ranking
General Information Disclosures: Charity Name	No of charities over (3) Publications	Percentage
How a charity recruits a board member	24	27%
For the chairman of the charity to publish an annual statement	24	27%
The charity discloses its policies for investing	24	27%
Number of motor vehicles	24	27%
If the charity is listed on other public registers (like the Company's register for example)	23	26%
The details of any expenditure spent overseas	23	26%
If there are any arm's length procedures established for the charity board members	22	24%
How a charity removes a board member	22	24%
Computer and IT assets	22	24%
To know if the charity is part of a group	21	23%
Unearned revenue/revenue in advance	21	23%
For the charity to publish its strategic plans for the next 12 months (and future)	20	22%
If the charity employs staff/agents outside of New Zealand	20	22%
Youtube	20	22%
A link on the Charity Service's search engine between a charity's formal registered name and its working name.	19	21%
The qualifications/special expertise that each charity board member has	19	21%
Inventory	19	21%
Loans	19	21%
If the charity has multiple websites	18	20%
For the charity to disclose any future/forward looking information about future programmes	18	20%

Information item	Overall Disclosure	From highest to lowest ranking
General Information Disclosures: Charity Name	No of charities over (3) Publications	Percentage
The movement between cash balances at the beginning and at the end of the year	18	20%
The charity's operating cash flows	18	20%
The charity's investing cash flows	18	20%
The charity's financing cash flows	18	20%
How compensation/benefits for each board member is approved	17	19%
Buildings	17	19%
Land	17	19%
To have access to consolidated accounts if the charity is part of a group	16	18%
LinkedIn	16	18%
If the charity lists any commercial operations/subsidiaries	15	17%
The compensation/benefits provided to each charity board member	15	17%
Instagram	14	16%
If any of the charity board members serve on any other charity boards/entities	11	12%
The number of contractors employed by the charity	7	8%
To have access to the financial reports of any investment subsidiary(s) the charity may have	7	8%
Superannuation liabilities	7	8%
If the charity board has made significant changes to the charity deed in the last 12 months	6	7%
Details of any income received from another charity	6	7%
Details of any income received from an overseas entity	6	7%
Charity discloses other registration numbers if it is registered elsewhere	5	6%
If any of the decisions by the charity board are subject to approval by a person(s) not on the charity board	5	6%

Information item	Overall Disclosure	From highest to lowest ranking
General Information Disclosures: Charity Name	No of charities over (3) Publications	Percentage
The disclosure of the 10 highest paid staff salaries (this includes small charities)	4	4%
Mortgages	4	4%
A comparative between the planned budget against the actual costs is disclosed for each programme	3	3%
An entity of which a current or former charity board member (or a family member) was an officer or indirect owner of that entity	2	2%
To an individual charity board member or related party	2	2%
The charity discloses if it has made any material changes to its accounting policies in the last 12 months	2	2%
Collections of works of art, historical treasures or similar assets	2	2%
If there are material differences among the voting rights of the charity board members	1	1%
A contact email address for each charity board member	1	1%
If the charity board has delegated authority to an executive committee or similar body	0	0%
A telephone contact for each charity board member	0	0%
A contact address for each charity board member	0	0%
The date of birth of each charity board member	0	0%
How compensation/benefits for each board member is reviewed	0	0%
The compensation/benefits provided to each charity board member from other related organisations	0	0%
If the charity conducts a search for banned or disqualified persons before an appointment is made	0	0%

Information item	Overall Disclosure	From highest to lowest ranking
General Information Disclosures:	No of charities over (3)	
Charity Name	Publications	Percentage
For a charity to publish an annual charity board report	0	0%
For a charity to publish any deviations/changes made to the strategic plans in the last 12 months	0	0%
A family member of a current or former charity board member	0	0%
A current or former charity board member	0	0%
To a family member of a charity board member	0	0%
A current or former staff member	0	0%
A family member of a current or former staff member	0	0%
An entity of which a current or former charity employee (or a family member) was an officer or indirect owner of that entity	0	0%
A current or former employee	0	0%
An entity controlled by a current or former employee or related party	0	0%
A family member of a current or former employee	0	0%
Involved in any other material matter	0	0%
Involved in an accident of some kind	0	0%
Involved in a criminal investigation	0	0%
Involved in fraud	0	0%
A victim of fraud	0	0%
General financial information disclosures	0	0%
To have access to the financial reports on the Charities Services website	0	0%
To have access to the financial reports on the charity's own website	0	0%
Access to a charity's publications	0	0%
To have access to the latest charity financial statements	0	0%
To have access to a charity's annual report	0	0%

Appendix Twenty-two: The invitation email to charity stakeholder for feedback and the executive summary

Email:

Dear [xxxx]

In October (2016) you were asked to participate in my PhD study which was looking at the improving the accountability of New Zealand's charities, by meeting the needs of charity stakeholders through information disclosure. As one of the participants, at the completion of the survey, you confirmed that you would also like to participate in the feedback process.

Due to time constraints of my PhD submission date – this is an invitation for you to comment on the findings of the investigation. An executive summary of the investigation findings has been attached to this email for comment.

Your comments are important

Your feedback is an important step in developing the recommendations that are made in this investigation. The comments will remain confidential and anonymous. If you have any further questions, please don't hesitate to ask.

Finally, thank you very much for your contribution to my research – it is much appreciated.

Kind regards

Dara

The Accountability of New Zealand's Charities

Meeting the needs of charity stakeholders through information disclosure

Executive Summary of the findings

Study objectives and scope of the study:

The overall objective of this investigation was to create a qualitative disclosure index with the involvement of charity stakeholders so that the extent and the quality of the information disclosures from (30) charities could be evaluated across (3) publications. The information items found in the disclosure index are those that are considered essential if a charity is to discharge its accountability to charity stakeholders adequately.

The (30) charities were randomly selected charities from New Zealand's Charity register. The (3) publications included in this investigation included the Charity register, the charity's website and the charity's annual report/annual review. (106) charity stakeholders participated in the construction of the disclosure index, and this resulted in the identification of (139) information items which the stakeholders considered to be *moderately important, very important or extremely important* if a charity is to discharge its accountability adequately.

- For each charity, there were (4) disclosure index calculations made:
- One for each publication (Charity register, charity's website and charity's annual report/annual review)

Overall total index score

For each publication, there was an overall publication index score calculated (Charity register, charity's website and charity's annual report/annual review)

Summary of the Findings

- No charity within the sample managed to achieve 50% information disclosure for any of the publications nor as an overall score. The best performing charity managed to achieve an overall score of (43%) with the next best performing charity achieving (38%). The median of the charity sample sat at (24%) which indicates very low information disclosure
- The best performing information items in the disclosure index are the mandated (regulated) information items. The voluntary best practice information items were either missing or inadequately disclosed. Best practice disclosures that were consistently missing or inadequately

disclosed included a charity's organisational structure, charity board disclosures, board reports, strategy reports, staff [management] disclosures, relevant program disclosures (both financial and non-financial), charity affiliations and relationships and serious incident reports.

- The best performing publication was the Charity register. This publication contained mandated financial and non-financial information disclosures. It was found the annual return (the main source of non-financial information on the Charity register) lacked sufficient detail in the disclosures to be meaningful for a charity stakeholder. Therefore the best performing charity managed to achieve an individual score (49%) – the next best charity achieved (41%). It was found the financial reports (the main source of financial information on the Charity register) were presented in a wide variation. Notwithstanding the introduction of the (2015) accounting standards, some of the charities in the sample presented full accounting reports with associated notes, abbreviated and abridged financial reports and special purpose reports. This meant that some charities scored well while others scored poorly. The overall publication index score for the Charity register is (30%) indicating that overall the information disclosure was not great.
- The charity's annual report/annual return was the next best publication. However only (22) of the (30) charities produced an annual report/annual review - this is an unregulated document in New Zealand. The best performing information items continued to be mandated. The charities tended to provide abbreviated snapshots of their financial reports, charity board and staff disclosures and its programs. However, there were significant gaps in the information provided in this publication, so the best performing charity managed to achieve an individual score of (47%) – the next best charity achieved (42%). The overall publication index score for this publication was (27%) indicating low disclosure.
- The charity's website was the poorest performing publication achieving an overall publication index score of (21%). Again, this is an unregulated publication. However, the best performing information items tended to be mandated. It was found that the charities used their websites to showcase their programs and for limited stakeholder engagement (to provide a portal for donations and allow stakeholders to purchase products). The best performing charity achieved an individual score of (36%) – the next performing charity achieved (34%), so disclosure for this publication was not great.

The overall findings found that the charities in the sample did not provide sufficient information disclosure to discharge the accountability owed to charity stakeholders.