



Financial reporting

for charitable collectors in WA

Organisations who collect donations from the public for charitable purposes are required to keep collection records and prepare financial reports under the Charitable Collections Act 1946 (the Act).

Collection records and financial reports

Licence holders must keep records of their charitable collections including:

- (a) accounts setting out the money and goods collected or received by the collector for a charitable purpose; and
- (b) statements setting out the way the money and goods collected or received by the collector have been dealt with.

These records must be kept for a minimum of seven (7) years.

Each year a licence holder must prepare a financial report that includes an income and expense (or profit and loss) statement and a balance sheet.

Reviewing and auditing

The requirement to complete a review or audit of the financial report depends on the licence holders reporting category. The categories are determined by the licence holder's annual revenue and set as follows:

Small: Less than \$250,000 in annual revenue

Medium: \$250,000 or over but less than \$1,000,000 in annual revenue

Large: \$1,000,000 or over in annual revenue.

Calculating revenue

Revenue is the income that arises in the course of the ordinary activities of the organisation before any allowance is made for any relevant tax liabilities.

The following is not included in the calculation of revenue:

- gains from the sale of non-current assets eg organisation property;
- unrealised gains (profit which has been made but not yet realised through a transaction) eg revaluation of organisation property; and
- amounts collected on behalf of third parties.

Requirements for reporting categories

Small charities

A small charity is not required to complete a review or audit of the financial report for the purposes of its Western Australian charitable collections licence.

Medium charities

A medium charity is required to complete either a review or an audit of the financial report each year.

Large charities

A large charity is required to complete an audit of the financial report each year.

Difference between a review and audit

The process of reviewing accounts is not as detailed as completing an audit. A reviewer will look over the report and advise whether anything has come to their attention to suggests that the report does not comply with the legislative requirements.

An auditor must collect evidence relating to the financial records and transactions to satisfy themselves that the report is a true and correct reflection of the association's finances. This enables them to provide a formal opinion whether the accounts meet the relevant legal requirements.

Qualifications for reviewers and auditors

Where a review or audit is required it must be conducted by an independent person who is a:

- registered company auditor;
- member of Chartered Accountants Australia & New Zealand (CA, FCA);
- member of CPA Australia (CPA or FCPA);
- member of the Institute of Public Accountants (IPA); or
- member of the Association of Taxation and Management Accountants (ATMA).

Reporting to Consumer Protection

Licence holders are required to lodge an Annual Financial Return with Consumer Protection each year, within six (6) months after the end of the organisation's financial year.

Medium and large charities are required to submit a copy of the financial report and review or audit report as part of this return.

The Annual Financial Return form can be downloaded at www.dmirs.wa.gov.au/charities. Completed returns can be lodged by email to charitiesaudits@dmirs.wa.gov.au.

Lodgement exemptions for ACNC registered charities

If a licence holder is a registered charity with the Australian Charities and Not-for-profits Commission (ACNC) it is not required to lodge an Annual Financial Return with Consumer Protection.

This exemption is only available where the licence holder:

- lodges the required Annual Information Statement (AIS) with the ACNC; and
- provides its' WA Charitable Collections Licence number as part of the AIS form (referred to as the "fundraising licence number" in this form).

Financial years ending prior to 30 June 2020

The requirements detailed in this fact sheet commenced on 1 July 2020. The changes are not retrospective and all licence holders are still required to lodge annual statements and audited accounts for financial years that ended prior to 30 June 2020 with Consumer Protection.

Contact us:

Consumer Protection | Department of Mines Industry Regulation and Safety

Charitable collections licensing

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