

29 May 2012 1:36 p.m.

The following data were submitted to the Feedback Form on the Ministry of Economic Development site:

Name: A H Biss

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Feedback is about: This page

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Current URL: <https://www.med.govt.nz/business/business-law>

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Current Breadcrumbs: Home > Business > Business law

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My feedback is:

Q1 Paragraphs 13 -16 assume that GAAP is an appropriate reporting framework for charities, despite its obvious bias towards profits, issuers and the interests of investors. Lack of compliance with GAAP may be largely due to its being irrelevant and inappropriate in many respects, and to a lack of proper standards to comply with.

Q2 Agree, subject to my comments on Q1.

Q3 Assuming the 'examiner' must be qualified, an examination seems little different from a NZ review engagement. More and better promotion of reviews may be needed.

Q4 Yes

Q5 Yes

Q6 Operating expenditure seems the best measure, but possibly excluding grants which may overstate the size and complexity of a charity. Assets as a measure is problematic as land and buildings tend to overstate wealth; in the case of churches they are hard to sell, costly to maintain, have a negligible earning capacity and now face seismic issues; thus their values are highly subjective.

Q7 I prefer Option B for the confidence that can be placed in qualified accountants.

Q8 Agree, subject to possible exclusion of grants from expenditure.

Q9 Yes.

Q10 Yes, agree with the logic.

Q11 yes, if reviews are better promoted and understood among charities.

Q12 No other comments.

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