

Transparency for charities – a double edged sword

A culture of increased transparency - Welcome to the new world for charities. However this could also be known as 'the outing of charities in the press.' Is your charity prepared?

Heard about charities in the media lately?

You may have read about Destiny Church in the Sunday papers, seen a documentary or two on the Gloriavale Christian Community on TV, or an exposé on a Brethren Church charity that successfully operates some farm businesses on a new Current Affairs TV programme that is hunting for an audience and ratings.

While my intention is not to comment on any of those particular charities specifically, there is a common denominator; the media looking for a 'sensational story.' Or more often than not a sensationalist soundbite or two.

It is now easier to find out about charities thanks to the public accountability requirements legally imposed on registered charities. This is a positive development for the sector. This level of transparency and the consistency and comparability of information will also increase as the new accounting standards charities are required to follow from 1 April 2015 take effect. Again, a positive development.

Sadly though, the vast majority of these media stories are fairly simplistic. Always appearing to be looking for the salacious details, the innuendo of something unusual and untoward. The language is often breathless. We are shown hints of smoke to insinuate that there must be fire nearby. However the 'news' tends to be delivered in sound bites and almost without exception is very short of detail, context, or in-depth analysis. There are some exceptions but in my experience these tend to be rare. And as one with a reasonable knowledge of the sector, legal and accounting framework and context within which charities function, I have recently found myself talking back to the television or the radio correcting them, berating them for only showing part of the picture, or not providing any detail or education as to the context.

DIA Charities Services politely responded to a recent primetime 'news' show's sensationalist claims via their email newsletter to charities and wider contacts. This e-cast was appropriately entitled: "We're putting the record straight." And good on them! Specifically they sought to address the TV show's scaremongering claim that "5,000 out of 27,000 charities have been deregistered." A claim apparently insinuating that DIA Charities Services was on a witch-hunt and all charities should be worried. The actual facts are far less sensationalist but actually quite interesting: DIA Charities Services has in fact proactively deregistered about 3,800 charities. However the vast majority of these have been as the charities concerned had not filed annual returns for two or more years, and after following up, over half of those had actually ceased! There had been only three charities deregistered for serious wrong-doing, and about 30 others who, after reviewing their purposes and activities, were found to not be acting charitably any more. In my view this is the sort of action we want from our charities regulator. Part of the quid pro quo for registered charities status and the benefits this provides is a requirement for charities to be appropriately transparent. Charities also need to be acting charitably. No argument there.

It is not yet clear whether the TV show in question will run a subsequent clarification in response to DIA Charities Services but I am not holding my breath. I am reminded of a line that will be familiar to anyone who has had experience being misquoted, or quoted out of context, in the media before: Never let the truth get in the way of a good story!

So what does the future hold?

Probably more of this.

On one hand all charities should expect to be in the media spotlight more. The creation of the Charities Register and the public's increasing expectation and awareness of the availability of information about charities will, I suspect, continue to increase. This in my opinion is fundamentally a good thing. There should be a high level of publicly available information about charities. As the saying goes; "Sunlight is the best disinfectant." The new financial reporting requirements will also aid this considerably by forcing a much greater consistency of financial information reported. Also the statutory requirement for service performance information should assist interested stakeholders to gain a better idea about the activities and performance of charities.

On the other hand charities need to be realistic and prepared that the media will not always treat them in a way they would like to be treated. I seriously hope for a greater degree of skill and maturity to be demonstrated by the media. But I am also a realist and won't hold my breath on this one, especially with the relentless cost cutting and restructuring going on in the media as the whole industry grapples with what the new successful media business model will look like. Hence it is important for all charities to ensure they are providing clear communication about what they are doing, and to be ready to proactively defend themselves and put their side of the story in the media if they are the subject of a sensationalist story.

The charity that is already clearly and succinctly communicating to its stakeholders and the general public why it exists, what it is seeking to deliver, and what it actually is delivering will in our view always be the best placed.



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