

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE SUPPLEMENTARY BUDGET ESTIMATES 2011-2012

Prime Minister and Cabinet

Department/Agency: Australian National Audit Office

Outcome/Program: Performance Audit

Topic: ANAO Audit Report No.52 2010-11, *Administration of Deductible Gift Recipients (Non-profit Sector)*, Australian Taxation Office

Senator: Kroger

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Type of question: Written

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Question:

1. How were the 55 investigations of public benevolent institutions, school building funds or school libraries determined?
2. Why were these categories chosen and was consideration given to other institutions?
3. In auditing the IT systems, was consideration given to other systems that are more effective, that would provide consistent application of the legislation?

Answer:

Q 1: The 55 applications for deductible gift recipient status were selected on the basis of information obtained through interviews with key stakeholders and documentation reviews during the course of the audit.

Q 2: The sample of applications considered in the audit focused on categories that appeared, on the basis of audit analysis, to present a higher risk of inconsistent decision-making. In the three categories of school building funds, school libraries and public benevolent institutions (volunteer bushfire brigades), audit analysis found a risk that applications with similar characteristics could have different outcomes. These categories provided 31 of the 55 applications considered in the audit, with others drawn from other categories following the same general logic. The sample provided sufficient and appropriate audit evidence to reach a conclusion concerning the ATO's decision making, consistent with the objective of the assessment.

Q 3: The ATO's Client Contact – Work Management – Case Management (CWC) IT system records assessment details and case outcomes. As discussed at paragraph 3.57 of the audit report and in conclusion at paragraph 3.60, the ANAO identified an opportunity to improve the search facilities and the CWC system to allow ATO staff to search for 'like' cases.