

# Charity reporting and accounting: overall summary

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A summary of the suite of accounting and reporting guidance for charities in Northern Ireland



The Charity Commission for Northern Ireland is the regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Social Development.

## Our vision

To deliver in partnership with other key stakeholders in the charitable sector “a dynamic and well governed charities sector in which the public has confidence, underpinned by the Commission’s effective delivery of its regulatory role”. Further information about our aims and activities is available on our website [www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)

## Equality

The Charity Commission for Northern Ireland is committed to equality and diversity in all that we do.

## Accessibility

The Commission’s website has been designed to **W3C standards** of accessibility and includes a number of features to enhance accessibility for a wide range of individuals. These include colour contrast and resize options. Materials may be made available in alternative formats on request. If you have any accessibility requirements please contact us.

## Online or in print

Please check our website [www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk) to make sure you’re using the latest versions of forms and guidance.

# Section 1: The Overview

## 1.1 Overview

The Department for Social Development (DSD) (now Department for Communities) published The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 which are applicable to the financial years of registered charities beginning on or after 1 January 2016 or their date of registration with the Commission, if later. All charities must be aware of their legal requirements when preparing the charity's financial statements, the trustees' annual report and having these documents independently examined or audited.

The Charity Commission for Northern Ireland (the Commission) has developed a suite of guidance to help charities understand their legal requirements under the Charities Act (Northern Ireland) 2008 and the new regulations.

This overview document provides you with a brief summary of the guidance available and includes flowcharts to direct you to the guidance that is applicable for your charity.

## 1.2 Summary of the suite of guidance available

### *ARR02. Charity reporting and accounting: the essentials*

**All charities should read this guidance. It covers the new accounting and reporting framework for registered charities from 1 January 2016, providing an overview of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.**

### *ARR03. Receipts and payments accounts*

You should read this guidance if you are a small, non-company charity and you qualify to prepare receipts and payments accounts. Generally, this applies to charities with gross income of £250,000 or less. It provides detailed guidance on the new legal requirements and suggested formats for receipts and payments accounts.

### *ARR04. Accruals accounts*

You should read this guidance if you are required to prepare accruals accounts. Generally, this applies to you if your gross income is more than £250,000, or you are a charitable company. You should also read this document if your governing document, a funder, or any other legislation requires your charity to prepare accruals accounts. It provides guidance on the legal format for accruals accounts.

*ARR05. How to complete the annual monitoring return*

**All charities should read this guidance. It provides practical assistance to charities when completing the annual monitoring return online, a compulsory requirement for all charities.**

*ARR06. Charity reporting: Interim annual reporting arrangements* - this guidance is no longer in use.

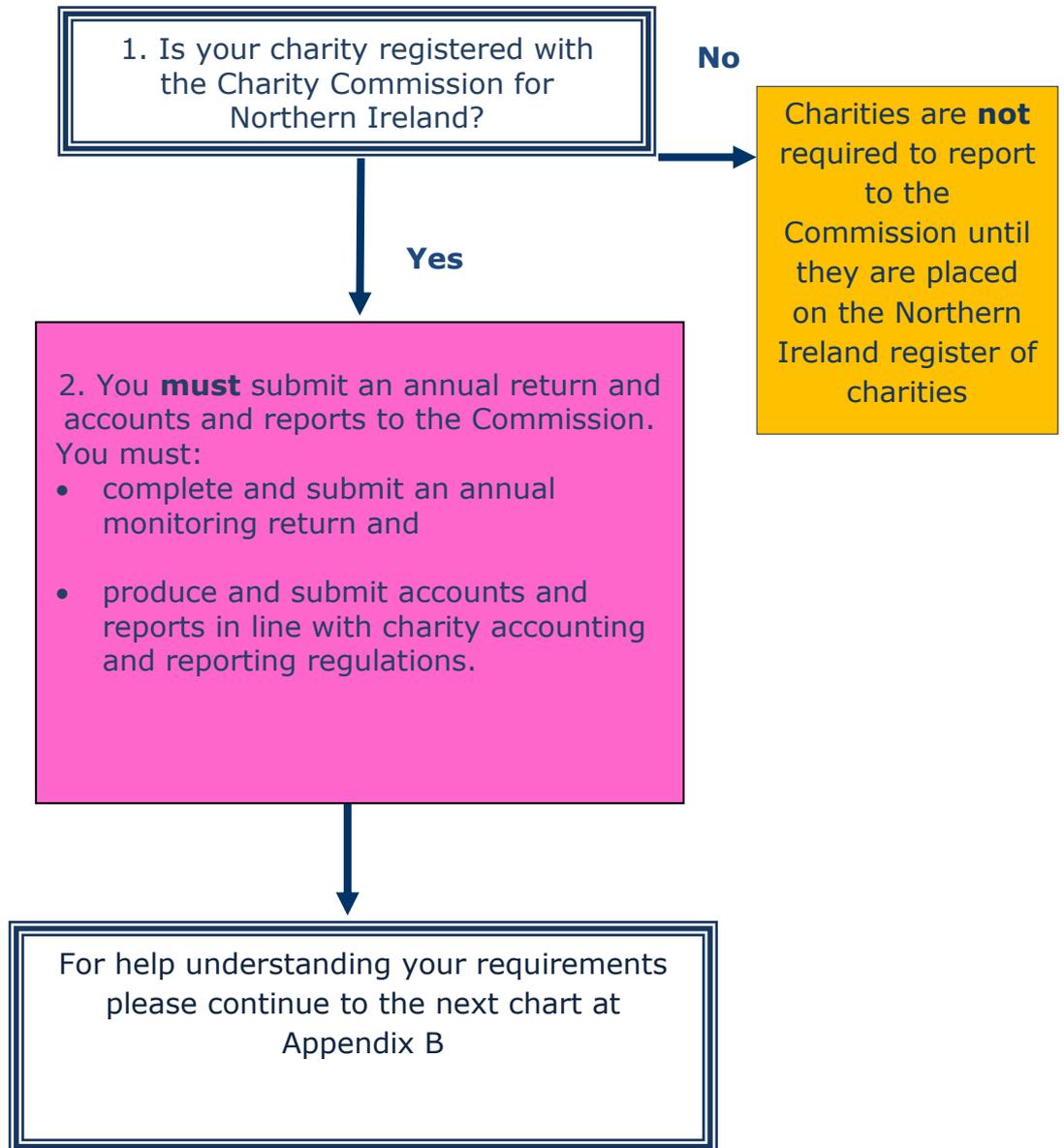
***ARR07. Independent examination of charity accounts: examiner's guide***

This guidance explains the role and duties of independent examiners in examining the accounts of a charity, and identifies which charities can opt for an independent examination instead of an audit. It sets out who may undertake an independent examination, what is involved, the matters which must be included in the independent examiner's report to the charity trustees, and the Charity Commission for Northern Ireland's Directions to independent examiners which must be followed in any examination.

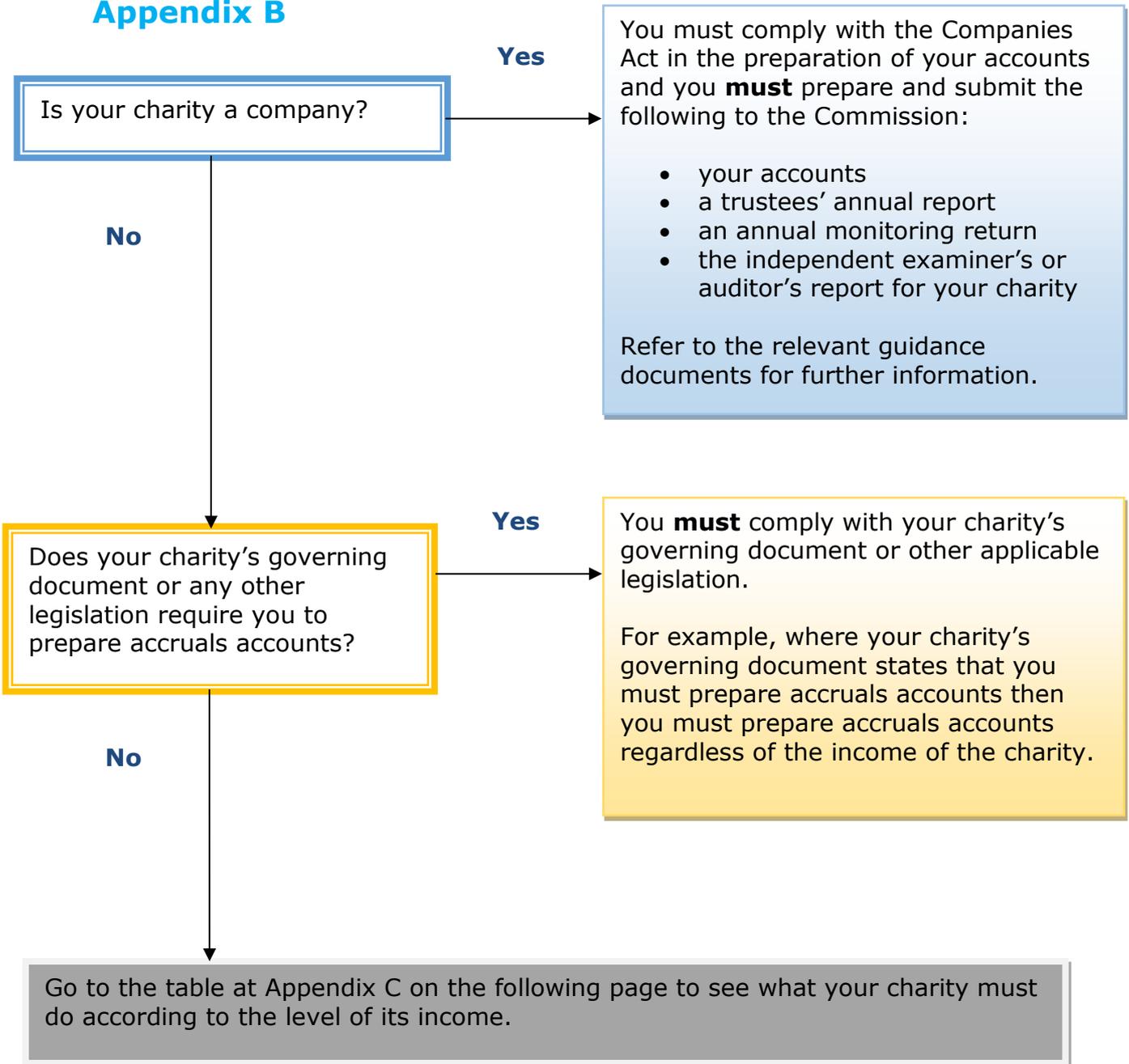
*ARR08. The trustees' annual report and public benefit reporting*

Charity trustees should read this guidance when preparing the trustees' annual report. The guidance sets out how trustees can meet the requirements and includes some practical examples of the information they can provide. All charities must read the statutory guidance on public benefit reporting. This has also been included as a new section in the Commission's *Public benefit requirement* statutory guidance. Public benefit reporting is a key element within the trustees' annual report and requires trustees to have regard to the Commission's guidance.

## Appendix A



## Appendix B



## Appendix C

Your charity's income level	What your charity must do	Relevant guidance
<p><b>Less than or Equal to £250,000</b></p>	<p><b>Accounts</b> You <b>must</b> prepare accounts and can choose to prepare your accounts on a <b>receipts and payments</b> basis rather than an accruals basis.</p> <p>You may also choose to prepare your accounts on an accruals basis, or you may be obliged to do so through your governing document.</p> <p><b>Scrutiny of accounts</b> You <b>must</b> have your accounts independently examined but you can choose who undertakes the examination. This will be someone who the charity trustees have assessed as being capable of independently examining the accounts. 'Being capable' means having the requisite ability and practical experience to comply with the Commission's Directions. The examiner must be independent of the trustees.</p> <p><b>Trustees' annual report</b> You <b>must</b> complete a trustees' annual report that also reports on how your charity has met the public benefit requirement.</p> <p><b>Annual monitoring return</b> You <b>must</b> complete an annual monitoring return (parts A &amp; B)</p>	<p>See <i>ARR03. Receipts and Payments accounts</i></p> <p>See <i>ARR04. Accruals accounts</i></p> <p>See <i>ARR02. Charity reporting and accounting: the essentials</i> for an overview of the requirements.</p> <p>The Commission has also produced guidance for independent examiners.</p> <p>See <i>ARR08. The Trustees' annual report and public benefit reporting</i></p> <p>See <i>ARR05. How to complete the Annual Monitoring Return Guidance</i></p>

Your charity's income level	What your charity must do	Relevant guidance
<p><b>More than £250,000 but less than or equal to £500,000</b></p>	<p><b>Accounts</b> You <b>must</b> prepare <b>accruals</b> accounts.</p> <p><b>Scrutiny of accounts</b> You <b>must</b> have your accounts independently examined and this <b>must</b> be by a member of the bodies listed in Section 65(4) of the Charities Act.</p> <p><b>Trustees' annual report</b> You <b>must</b> complete a trustees' annual report that also reports on how your charity has met the public benefit requirement.</p> <p><b>Annual monitoring return</b> You <b>must</b> complete an annual monitoring return (parts A, B &amp; C)</p>	<p>See <i>ARR04. Accruals accounts</i></p> <p>See <i>ARR02. Charity reporting and accounting: the essentials</i> for an overview of the requirements. The Commission has also produced guidance for independent examiners.</p> <p>See <i>ARR08. The Trustees' annual report and public benefit reporting</i></p> <p>See <i>ARR05. How to complete the Annual Monitoring Return Guidance</i></p>
<p><b>Greater than £500,000</b></p>	<p><b>Accounts</b> You <b>must</b> prepare <b>accruals</b> accounts.</p> <p><b>Scrutiny of accounts</b> You <b>must</b> have your accounts audited and this <b>must</b> be in compliance with Section 65(2) of the Charities Act</p> <p><b>Trustees' annual report</b> You <b>must</b> complete a trustees' annual report that also reports on how your charity has met the public benefit requirement.</p> <p><b>Annual monitoring return</b> You <b>must</b> complete an annual monitoring return (parts A, B &amp; C)</p>	<p>See <i>ARR04. Accruals accounts</i></p> <p>See <i>ARR02. Charity reporting and accounting: the essentials</i> for an overview of the requirements. The Commission has also produced guidance for independent examiners.</p> <p>See <i>ARR08. The Trustees' annual report and public benefit reporting</i></p> <p>See <i>ARR05. How to complete the Annual Monitoring Return Guidance</i></p>

# Freedom of information and data protection

## Data Protection

The Charity Commission for Northern Ireland is responsible for registering, regulating and reporting on the charity sector in Northern Ireland. As the charity regulator, we are lawfully required to collect and process personal data in order to achieve our statutory objectives, functions and general duties.

Any personal data you give us will be held securely and in accordance with data protection rules and principles. Your personal details will be treated as private and confidential, and will only be retained for as long as is necessary in line with our [retention policy](#). The information will be safeguarded and will not be disclosed to anyone not connected to the Commission unless:

- you have agreed to its release,
- the Commission is legally bound to disclose the information
- the Commission regards disclosure as necessary in order to properly carry out its statutory functions

The Commission may also disclose information or personal data to other relevant public authorities where it is lawful to do so and where, for the purposes of national security, law enforcement, or other issues of overriding public interest, such disclosure is necessary.

We will ensure that any disclosure made for this purpose is lawful, fair, considers your right to privacy and is made only to serve the Commission's statutory objectives as a regulator.

When you provide the Commission with information used to carry out its functions, you are obliged to comply with section 25 of the *Charities Act (Northern Ireland) 2008* which means that it is an offence to provide information which is false or misleading. In respect of your personal data we expect any data which you give us to be truthful, accurate and up-to-date.

For further information, you may wish to read the Commission's [Privacy notice](#) which details what to expect when the Commission collects and processes personal information, including your rights in relation to that processing if we hold your information.

## **Freedom of Information**

*The Freedom of Information Act 2000* gives members of the public the right to know about and request information that we hold. This includes information received from third parties. If information is requested under the Freedom of Information Act we will release it, unless there are relevant exemptions. We may choose to consult with you first. If you think that information you are providing may be exempt from release if requested, please let us know.

**Further information on our activities is available from:**

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