

Charity reporting and accounting: overall summary

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



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 arrangements and the annual monitoring return

You should read this guidance if your charity was registered before 1 January 2016 and you are required to report on a financial period that started before this date. It covers the reporting requirements for registered charities before 1 January 2016, prior to full accounting and reporting regulations coming into effect, and provides details about the 2014/15 annual monitoring return.

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

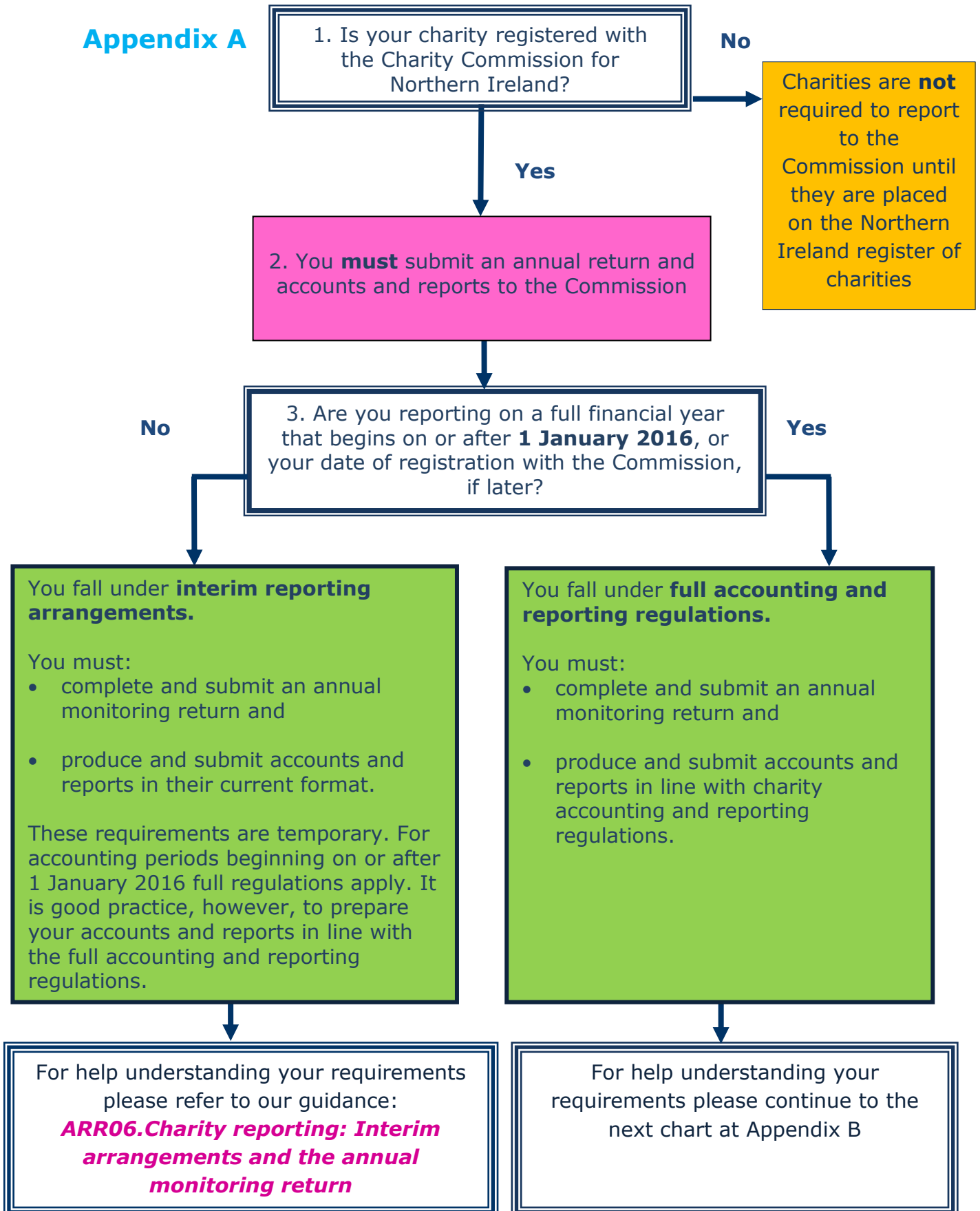
Charity trustees should read this guidance when preparing the trustees' annual report. The guidance sets out how trustees can meet the requirements and includes some practical examples of the information they can provide. All charities must read the statutory guidance on public benefit reporting. This 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.

1.3 Interim Reporting

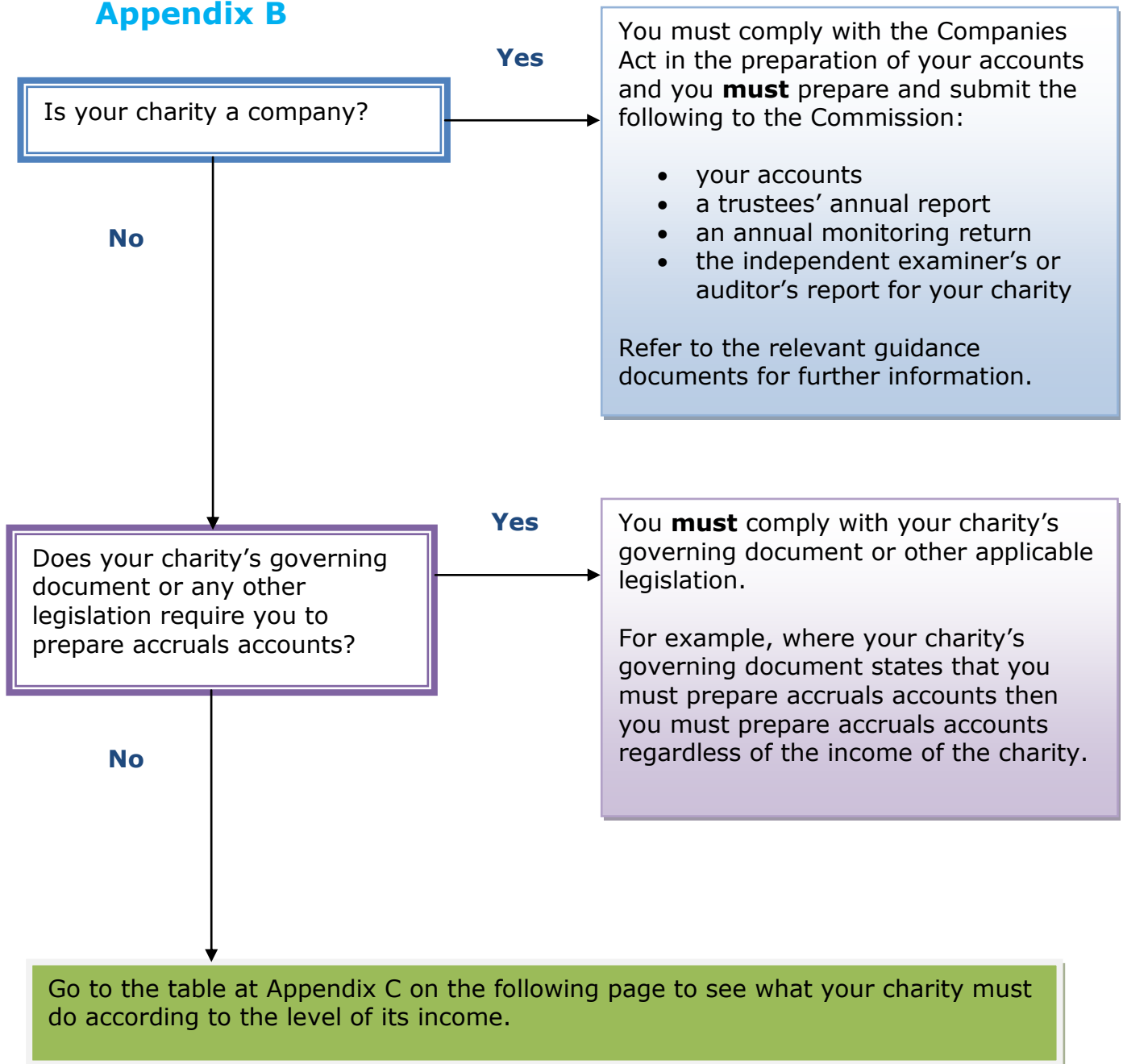
Charities that are registered with the Commission, and are reporting on a year that commenced **before** 1 January 2016, may apply the interim reporting arrangements to that year. However, the full accounting and reporting requirements will apply to all financial years **beginning on or after 1 January 2016**. We recommend, therefore, that even if your reporting period falls within the interim arrangements, you consider applying the full regulations to help you in preparing for subsequent reporting years.

To determine whether this applies to your charity, a flowchart has been provided at Appendix A.

Appendix A



Appendix B



Appendix C

Your charity's income level	What your charity must do	Relevant guidance
<p>Less than or Equal to £250,000</p>	<p>Accounts You must prepare accounts and can choose to prepare your accounts on a receipts and payments 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>Scrutiny of accounts You must 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>Trustees' annual report You must complete a trustees' annual report that also reports on how your charity has met the public benefit requirement.</p> <p>Annual monitoring return You must complete an annual monitoring return (parts A & 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>More than £250,000 but less than or equal to £500,000</p>	<p>Accounts You must prepare accruals accounts.</p> <p>Scrutiny of accounts You must have your accounts independently examined and this must be by a member of the bodies listed in Section 65(4) of the Charities Act.</p> <p>Trustees' annual report You must complete a trustees' annual report that also reports on how your charity has met the public benefit requirement.</p> <p>Annual monitoring return You must complete an annual monitoring return (parts A, B & 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>Greater than £500,000</p>	<p>Accounts You must prepare accruals accounts.</p> <p>Scrutiny of accounts You must have your accounts audited and this must be in compliance with Section 65(2) of the Charities Act</p> <p>Trustees' annual report You must complete a trustees' annual report that also reports on how your charity has met the public benefit requirement.</p> <p>Annual monitoring return You must complete an annual monitoring return (parts A, B & 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>

Equality

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

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If you have any accessibility requirements please contact us.

Further information on our activities is available from:

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