Business Plan 2016-17

Vision:

'A dynamic and well governed charities sector in which the public has confidence, underpinned by the Charity Commission for Northern Ireland's effective delivery of its regulatory role.'

Purpose:

'to register, regulate and report on the charity sector in Northern Ireland.'

Values:

'Independent, Accountable, Proportionate, Impartial, Transparent, Consistent, Respectful.'

Contents

Foreword

At the start of this business plan there are over 4,000 charities on the public register with a range of charitable purposes intended to deliver public benefit in Northern Ireland. The 2016/17 business plan was developed to support the Commission's Strategic Plan for 2016 to 2019, and sets out our vision and purpose. It also identifies detailed actions, milestones and measures to achieve the overall strategic themes.

Our core purpose is to register, regulate and report on the charity sector in Northern Ireland. The Commission is independent in its decision making, acting without fear or favour, in the public interest. Over the next year, the Commission will focus on building a culture of compliance within the charity sector and registering all remaining deemed organisations.

The Commission's current source of income is 100% 'Grant in Aid' from central government. Within the overall allocation of £1.7 million for 2016/17, the Commission is facing a freeze in its resource budget. As in previous years the Commission anticipates making in year bids for resourcing as needs arise. This level of spend equates to approximately £1 per person in Northern Ireland.

Constraining resources at a time of increasing the regulatory remit poses serious risks to the Commission as an effective regulator. With further powers being enacted, significant changes in ways of working are planned to enable a compliance monitoring programme of any significance to be launched. Depending on availability of resources, certain areas and levels of activity will be affected, but the Commission intends to remain a proportionate and effective regulator.

The Commission would like to acknowledge the input of various stakeholders to the formulation of the overarching strategic plan through the consultation process. The assistance of our sponsor department is also appreciated, in particular, its Staff Resource Unit which undertook a capacity review to assess resourcing needs. We note the assessment that Commission staff are already operating at a very high level of efficiency. As CCNI takes on new functions, staff flexibility and change management will form part of development of the organisation's culture.

Tom McGrath CBE   Frances McCandless
Chief Commissioner   Chief Executive

Executive summary

The Charity Commission for Northern Ireland was established in 2010, and is the independent regulator of Northern Ireland charities. The Commission has been very successful in achieving previous business plan targets. There are over 4,000 charities on the public register at the start of this 2016/17 plan. These have a range of charitable purposes intended to deliver public benefit in Northern Ireland.

The Commission has developed a strategic plan for 2016 to 2019 and identified four strategic themes which will deliver its wider statutory remit, the primary objective of which is increasing public trust and confidence in charities. The strategic themes are:
1   developing compliance regarding the use of charitable resources;
2   progressing charity registration to enhance accountability;
3   demonstrating the public benefit arising from charitable giving and activities; and
4   developing as a properly governed, transparent and independent decision making body.

During 2016/17 a range of services will be delivered with related key performance indicators. The Commission will concentrate primarily on implementing a new compliance monitoring regime focusing on basic compliance checking of approximately 950 charity annual returns this year, making decisions on around 1,800 registration applications (including calling forward all remaining 'deemed' organisations), progressing a wide range of other regulatory activities, and managing the organisation within 1% budget.

In undertaking this work there are a range of risks facing the organisation, in particular, the volume of annual charity returns around filing dates. The Commission will face serious difficulties in balancing the need to complete the register with enforcing compliance by charities, as the law requires. With an estimated 5,000 to 11,500 organisations still to be registered the process of building the Register of charities may take 10 or more years to complete due in part to limited Commission capacity in future years. This is likely to affect confidence in the Commission as a regulator and diminish confidence in the charity sector.

The Department for Communities has made a budget allocation of £1.7 million for 2016/17, in effect a resource budget freeze. Resources have been prioritised for our new monitoring and compliance regime, and moved from other key areas such as registration, casework and investigations. Accordingly, key performance targets have been adjusted down from previous years.

The Commission will continue to update and expand the range of charity sector information it publishes, with the aim of creating greater transparency and accountability to meet the Commission's primary objective of increasing public trust and confidence in charities.

1.0   Introduction

1.1   The Charity Commission for Northern Ireland's purpose is to register, regulate and report on the charity sector in Northern Ireland. At the start of this plan there are over 4,000 charities on the public register with a range of charitable purposes intended to deliver public benefit in Northern Ireland.

1.2   The Commission is a non-Departmental Public Body (NDPB), established by Royal Assent to deliver the statutory provisions of the Charities Act (Northern Ireland) 2008, the "Act". We are sponsored by the Department for Communities (DfC), with a board of seven Commissioners, who were appointed by the Minister for Social Development (DSD).

1.3   As an NDPB the Commission is independent in its decision making, acting without fear or favour, in the public interest. Various decisions of the Commission are appealable to the Charity Tribunal or the Courts. The Commission welcomes the opportunity to test and clarify charity law as opportunities arise.

1.4   The Commission has five statutory objectives under the Act:
    1. *to increase public trust and confidence in charities.*
    2. *to promote awareness and understanding of the operation of the public benefit requirement.*
    3. *to promote compliance by charity trustees with their legal obligations in exercising control and management of the administration of their charities.*
    4. *to promote the effective use of charitable resources.*
    5. *to enhance the accountability of charities to donors, beneficiaries and the general public.*

2.0   Strategic Vision, Purpose and Values

2.1   The Commission's Vision is:
    '*A dynamic and well governed charities sector in which the public has confidence, underpinned by the Charity Commission for Northern Ireland's effective delivery of its regulatory role.*'

2.2   Our Mission is:
    '*to register, regulate and report on the charity sector in Northern Ireland.*'

2.3   The Commission works with its various stakeholders and provides services which reflect our Corporate Values of being:
    '*Independent, Accountable, Proportionate, Impartial, Transparent, Consistent, Respectful.*'

3.0 Strategic Themes and Risk Framework for 2016/17

3.1 The Commission's 2016-19 strategic plan details the organisation's strategic themes and priorities for the period of this business plan as:
1 developing compliance regarding the use of charitable resources;
2 progressing charity registration to enhance accountability;
3 demonstrating the public benefit arising from charitable giving and activities; and
4 developing as a properly governed, transparent and independent decision making body.

3.2 The Commission's corporate risk framework includes a range of threats that the organisation will have to manage while implementing this business plan including:
1 not having necessary resourcing leads to ineffective delivery, policies, and performance monitoring - restricting the Commission in holding charities to account. Severe pressure on resources will ultimately impact on ability to act as an effective regulator.
2 there are an estimated 5,000 to 11,500 organisations still to be registered. These figures are based on those that are already known to the Commission (circa 5,000) plus an estimated 6,500 based on an extrapolation of the Commission's experience to date of Expressions of Intent and potential grouped registrations until 2020. Therefore the process of building the *Register of charities* may take 10 or more years to complete (due to limited Commission capacity in future years, time taken by charities to respond, incomplete or difficult applications) diminishing confidence in the charity sector and undermining accountability.
3 building the charity register will become more challenging if remaining organisations do not come forward voluntarily and resources are required to use legal processes to ensure Trustees register.
4 lack of appropriate resources leads to low awareness of accounting regulations, incomplete annual reporting and limited Commission analysis of information submitted - resulting in poor practice going undetected and the charity sector being less accountable.
5 poor quality annual monitoring returns mean a culture of compliance fails to develop, requiring high levels of resources in future years.
6 Increased number and complexity of investigations stretches available resources resulting in other compliance objectives not being met.
7 Ineffective publication and communication of information about charities (from annual returns, enquiries etc) makes it more difficult for the public and other stakeholders to hold charities to account.
8 Court and tribunal judgements may negatively affect the Commission's reputation and impact on processes and procedures, decreasing public trust in the Commission and diversion of resources from planned work.
9 increased political, media and individual interest in CCNI work will require staff time and resourcing to respond and deal with information requests and complaints.

10 Weak oversight and poor governance arrangements could put the Commission at risk of not meeting its legal obligations as a public body.

11 new functions arising from commencement orders would require resourcing to develop guidance/processes/ICT systems, and carry out the work.

12 concerns over fundraising methods of charities may create new legislative developments, with any lag providing the opportunity for unregulated poor practice to continue in Northern Ireland.

4.0 Business Results and Key Performance Indicators for 2016/17

4.1 The Commission aims to achieve a range of business results and key performance indicators (KPI) in 2016/17. The main key performance indicators which will be reported quarterly are:

External KPIs
- continue to build the charity register by processing 1,800 cases to closure by year end (based on an assumption of receiving the requisite number of complete applications);
- process 60% of registration applications to decision within 4 months of receiving a 'complete' application;
  - implement a compliance monitoring programme involving basic compliance check of 958 annual returns (based on an assumption of checking 100% of submissions and two core staff plus some reallocations);
- process 60% of self regulatory and regulatory enquiries to closure within 4 months of full risk assessment;
- achieve satisfaction with public benefit guidance above 75%;
- produce six reports on the findings of our regulatory work;
- ensure 90% of concerns about charities will have their initial enquiry risk assessments completed within 30 days;
- produce 4 pieces of guidance for charities and the public; and
- achieve 100,000 hits on our website.

Internal KPIs
- manage the organisation within 1% budget;
- progress business plan actions and meet 95% of milestones;
- manage staff sickness absence within 8%; and
- pay 90% of suppliers within 10 days.

4.2 This plan also details key priorities that will be progressed to deliver the four strategic themes during 2016/17. The plan omits a range of regular and routine work that is carried out by the Commission, particularly in relation to operating as a public body and its own governance. The actions needed to deliver the strategic themes and priorities, the related milestones and service related measures are set out below.

5.   Actions, Milestones and Measures

Strategic Aim 1 - Developing compliance regarding the use of charitable resources	Actions	Milestones and measures
Priority - we will support compliance by charity trustees with their legal obligations and address non compliance by: a) developing a positive regulatory framework based on accounting and reporting regulations being put into effect by Government from 2016	• Develop/operate a compliance monitoring framework • Develop/operate ICT systems and processes for annual return reporting. • Internal training for staff. • Develop and communicate new guidance. • Public communications programme.	• Implement thresholds arising from January 2016 Regulation. • Update on line Annual return form We will publish performance information on • How many complied/failed to comply on time. • How many provided the correct information. • Number of concerns about charity accounts
b) using compliance and enforcement powers to take proportionate and robust action to protect NI's charities from mismanagement and abuse	• Operate compliance and enforcement procedures • Operate statutory Enquiry processes • Develop procedure to effect powers re audits and Serious Incident Reports • Develop compliance lessons learned from each time we use a power.	• level of compliance with our regulatory advice, orders and directions. • 2 meetings/year with CCEW & OSCR to discuss joint working. We will publish performance information on • Number of instances of regulatory advice being

	• Sharing of experiences and compliance cases with CCEW/OSCR.	offered. • Publishing our orders & directions, opening of statutory inquiry, thematic reports resulting from actions taken in enquiries.
c) verifying that trustees have properly discharged their legal obligations in terms of closed charities	• Develop/operate closure programme • Promptly communicate with Trustees and risk assess responses. • Communicate with relevant authorities. • Pursue those who have not followed correct procedures.	• Review guidance on closing your charity. • Develop internal targets. We will publish performance information on • Timeliness of closures processed. • Frequency and type of closures
d) acting robustly when charities do not respond to regulatory requirements, or whenever there is doubt about information provided	• Develop/operate procedures in place for each circumstance • Develop compliance procedures • Review of enquiries procedures • Develop on line services to highlight failure to respond	• Start court proceedings/stronger action on identification of false information We will publish thematic reports on • instances of false/inaccurate information. We will make the public aware of irregular activity.
e) working closely with other government agencies and funders dealing with charities to become the primary hub for identifying	• Build and develop relationships with funders. • Consider IT resources; possible amalgamations/linking/flagging	Delivery of evidence to FATF review review and test of what we have done

risks, lessons learnt and charity regulatory data.	of similar concerns or enquires. • Review of our own IT capabilities. • Collate FATF evidence • Participate in Organised crime task force • Develop procedures for showing trends on risk analysis • Communication of lessons learned	Database populated to identify trends. We will publish thematic reports on • instances of false/inaccurate information. We will make the public aware of irregular activity. We present a good evidence bundle to FATF.

Business Results
1) Number of Annual Monitoring Returns submitted to the Commission subject to basic compliance checks (target n=958).
2) Process 60% of self regulatory and regulatory enquiries to closure within 4 months of full risk assessment.
3) 95% of overdue Annual Monitoring Returns reviewed within 6 months of their third default notice and next course of action considered.
4) 50% of initial compliance assessments within 30 days.
5) Pre-registration closures – review and take action to address 75 pre-registration closure cases.
6) Make a decision on 95% of complete waiver applications within 30 working days.
7) Number of failure to submit cases actioned.

Strategic Aim 2 - **Progressing charity registration to enhance accountability.**	Actions needed	Milestones and measures
We will increase charity transparency by progressing the definitive public list of Northern Ireland charities by: a) operating an efficient and	• Review of OLAR/CRM interface to evaluate the questions asked at registration with CRM decision making.	We publish performance information on • registration activity levels.

accessible registration process that reflects the definition and norms of charity under the law	• Implement the outstanding religious designation provisions and linking of associated charities. • Implement process for including relevant schools on the register.	
b) providing accurate and timely information about charities freely available and accessible globally through the internet	• Create feedback functionality on the website accessibility. • Display date stamp on charity webpage.	We publish performance information on • feedback from users of the register. • downloads of the register. • on-line search activities. • research strategy information and reports. • complaints about data errors.
c) publishing information from charities and statutory decisions the Commission has made about them	• Continue to expand charity footprint on web pages (register). • Develop standard re time-lines for updating details and compliance check. • Thematic reports on refusals.	We publish performance information on • Frequency of updating of the register by charities.
d) identifying and taking action against those who have failed to register	• Implement failure to apply step out. • Take court action re failure to apply.	We include in our annual report • the number of failures to apply from deemed organisations. • details of action against those who have not complied with the law in regard to registration.
e) giving information about purposes or financial or regulatory concerns	• Communicate key messages to stakeholders.	Feedback in surveys on • the register.

that enlightens the public and donors when making decisions about whether or not to support specific charities		• attitudes to charitable giving.

Business Results
1) Number of Registration decisions made by the Commission (target n=1800).
2) Number of new applications for charitable status received.
3) % Registration applications processed within 4 months of receiving a 'complete' application.
4) % Registration applications processed to a decision within 75 working days.
5) Number of organisations that have failed to apply.
6) Number of casework applications received by the Commission.
7) Number of casework decisions made by the Commission.

Strategic Aim 3 - **Demonstrating the public benefit arising from charitable giving and activities.**	Actions needed	Milestones and measures
Priority - We will encourage the public to play a key role in holding registered charities accountable by: a) developing public awareness of what charity regulation means and the operation of public benefit	• Comms plan to include use of social media, e-zines, blogs and set out key messages and topics e.g. use of poverty exemption, closed group • Update guidance on public benefit reporting. • Development of 'bitesize' guidance	We will publish performance information on • public benefit related concerns from the public. • issuing of regulatory guidance on improved public benefit reporting.
b) providing a resource where the public can raise concerns about charities and/or obtain guidance.	• Develop inquiry processes and risk profile to include public benefit failings.	Thematic report on risk patterns and trends.

	• Train all staff on how to advise the public about making a concern and common problems we want to hear about. • Produce thematic reports on public benefit concerns.	We will publish performance information on • website hits on guidance page. • public benefit concerns.
c) undertaking a programme of research, including identifying best practice	• Implement relevant parts of the research strategy • Identify partner research bodies/universities to progress research priority areas/issues	Publication of research reports.
d) publishing a range of open data and research reports reflecting the size, diversity, operations and funding of the charity sector	• Make data open and accessible. • Assess complex cases for lessons learnt • Produce thematic reports after tribunal decisions.	Develop web site open data Publish thematic casework reports We will publish • Information on downloads. • search criteria. • Number of requests for data.
e) working with umbrella bodies dealing with charities to develop strategies to widen the opportunities for others to hold registered charities accountable, while retaining our independence.	• Identifying helper groups to progress broader range of issues • Develop programme of helper groups workshops/training • Implement process of quality testing/monitoring helper groups	Helper group strategy developed 12 helper group events per year. Annual stakeholder survey.

Business Results
1) % of concerns received about charities have an initial enquiry risk assessed within 30 days
2) Number of Telephone / email general enquiries processed by the Commission.
3) Number of concerns received / enquiries opened/closed.
4) Number of Thematic reports published.
5) Number of Statutory inquiry reports.
6) Number of pieces of guidance published.

Strategic Aim 4 - **Developing as a properly governed, transparent and independent decision making body.**	Actions Needed	Milestones and measures
Priority - We will manage our business and deliver services to our customers in an efficient and effective way while promoting a positive internal organisational culture by: a) maintaining a focus on organisational governance, culture and values	• Review of Governance Framework • Implement Culture development action plan • Undertake staff survey • Audit reviews • Measure Customer charter standards. • Undertake staff survey	Internal & External Audit fieldwork Team Development Days Publish information on • Audit opinions. • Reports to Board on compliance. • Results of staff survey. • People Strategy Implementation.
b) reporting reliable information on performance against targets and standards, and on the use of all available statutory powers	• Quarterly updates on progress • Regular month end performance reporting including quarterly • Lessons learned from Tribunal decisions. • Implement Assurance checks framework	Quarterly reports to Board and sponsor Department We will publish a • range of corporate performance and service information against targets. • robust data assurance mechanism.
c) developing the capacity to manage change effectively and identify	• Undertake a programme of change management training	Revision of/completion of Policy Development Plan

ongoing improvements to systems and processes	• Develop programme team governance • Implement guidance on programme team working	We will publish information on • Clearance of issues on programme team logs. • Feedback from pilot schemes and critical friends on systems.
d) monitoring and responding to customer needs and satisfaction	• Undertake customer surveys • Assurance checks of service standards.	Quarterly assurance checks We will publish • Feedback from surveys.
e) having a commitment to promoting equality of opportunity and good relations.	• Implement the scheme action plan commitments • Undertake screening as part of policy development • Gather equality assurance information	Publish Annual Report on scheme implementation We report on • Achievement of the action plan. • equality issues identified through project and program teams. • No of scheme complaints. Staff survey results.

Business Results
1. Number of website hits.
2. Number of engagement meetings.
3. Number of complaints received about the Commission.
4. Number of information requests (FoI, DPA, EiR) received and responded to.
5. % Staff absence levels.
6. % budget spend revenue (projected).
7. % budget spend capital (projected).
8. % Creditors' invoices paid within 10 working days (year to date).

6.   Resources
`

6.1   The Commission's current source of income is 100% 'Grant in Aid' from the Sponsor Department.

Item	2015/16 Baseline	2016/17
Commissioners Remuneration	£20,700	£20,700
Staffing Costs	£1,130,366	£1,191,522
Staff/Commissioner Non-Remuneration Costs	£48,600	£52,400
IT Costs	£94,200	£94,500
Premises Costs	£64,098	£92,875
General Running Costs	£35,820	£31,600
Programme Delivery Costs	£197,547	£107,734
TOTAL REVENUE COSTS	**£1,591,331**	**£1,591,331**
Capital Costs		
Total Capital Costs	£0	£100,000
Overall Total	**£1,591,331**	**£1,691,331**

Budgeting Assumptions

6.2   Baseline resource budget unchanged from 2015/16. The overall capital allocation for InITs project ended in 2014/15. A budget allocated to the overall ICT strategy of piggy backing CCEW ICT developments will be progressed and CCNI will be included in CCEW's "updated charity register" at proportionate cost. This has been estimated at £100k, with approximately £80k spent in 2015/16 and the balance £20k in 2016/17. Further capital spend in 2016/17 is anticipated on online annual return system estimated at £35k, plus £25k for enhancements to compliance requirements on CRM and £20k for further enhancements to on line registration system and CRM.

Commissioner costs	There will be no provision for annual increase in Commissioners or related costs.
Staff Remuneration	25 staff (Light Touch Review full compliment). Seconded staff (casework) to November 2016. No additional staff for Compliance Monitoring work but redeployment to undertake compliance work of 1 FTE Casework Officer and 1 FTE Enquiries Support Officer, and 0.5 FTE Corporate Services resources redeployed from registration support work.
Staff/Commissioners non-remuneration costs	Migration to HR connect assumed. Training budget to reflect investment for temporary staff and all staff to provide compliance monitoring capacity to deal with peaks around bottlenecks.
IT costs	ICT budget decreased reflecting reduced CCEW and IT Assist hosting charges.
Facilities/Premises costs	Sizeable increase in rent and rates costs anticipated. Sponsor department's lease for Loughview expires Sept 2016. Possible medium term extension may be put in place at increased rental cost or CCNI may be re located to different premises in light of NICS estate efficiency programme.
General running costs	Stationery and postage decreasing to reflect emphasis on electronic communications and telecoms decreasing to reflect expected increase in IT Assist costs not being incurred.
Programme Costs (excl legal and professional costs)	Legal spend reduced to £110.5k compared to £161k in 2015/16. No change to investigation and interviewee costs.
Legal and professional costs	In year 1 assume spend for legal cases begun in previous year or legal opinion for ongoing advice (retained Counsel), Investigation Tribunal cases, Casework Tribunal cases, High Court appeal following on from Tribunal actions, forensic accountancy support for major investigations, first use of powers in Act, research strategy.

Staff

6.3   The Commission's largest area of expenditure is on staffing, with £1,192k spent in 2015/16 on permanent, seconded and temporary staff. No change is anticipated in the overall staff structure which is made up of Charity Services, Compliance and Enforcement, and Corporate Services.