

Issue two, autumn 2015

## Annual reporting - next steps for registered charities

**Marking the next chapter for Northern Ireland's charities, the new Charities (Accounts and Reports) Regulations will launch on 1 January 2016.**

The regulations, currently being finalised by the Department for Social Development following a consultation, will ultimately affect every registered charity in Northern Ireland.

To support those charities, the Commission is busy developing a suite of guidance which will help guide and advise charities of all sizes on how they can meet their duties under the regulations.

Fiona Muldoon, the Commission's monitoring and compliance manager, commented: "The introduction of the new accounting and reporting regulations is a key moment in the history of charity regulation in Northern Ireland.

"All registered charities must submit their accounts and reports to the Commission annually. The new regulations will set out the form and content requirements for these accounts as well as the trustees' annual report and a requirement for all accounts to be independently reviewed.

"These are essential requirements for charities, and will help ensure the charity sector is open and accountable and, in turn, promote public trust and confidence in charities amongst the general public."

The draft guidance, a suite of documents covering all aspects of the regulations for charities, will be published soon on the Commission's website as part of a public



consultation on the guidance.

This consultation will offer an opportunity to review the guidance, provide feedback and help the Commission produce final guidance which is clear and accessible.

Fiona (pictured, centre, with the accounting and reporting guidance team) added: "We will be announcing details on our accounting and reporting guidance public consultation very soon.

"The guidance is aimed at providing information on how to comply with the new accounting and reporting obligations and the consultation is a unique opportunity to have your say and support us in producing guidance which meets your needs."

### Annual reporting top tip

Ensure you understand the definition of gross annual income - this determines the type of accounts you must prepare and the level of review they must have.

## The future of fundraising

**With charity fundraising having hit the headlines in recent months, we asked the Commission's policy and research manager Aoife Morrison (pictured), for an overview of the situation\*.**

### **So, why is fundraising such a hot topic at the moment?**

As you would expect, fundraising is an essential tool for charities to raise money. However, in recent months certain fundraising practices used by, or on behalf of, some charities in England and Wales have come under public criticism.

As a result, the system of self-regulation is being reviewed in order to restore public confidence and develop a less complex and more effective system for addressing issues.

### **How is fundraising regulated?**

At present, fundraising is largely regulated by the sector itself, a system known as 'self-regulation'. There are three main bodies involved in the self-regulatory system:

- The Institute of Fundraising
- The Fundraising Standards Board
- The Public Fundraising Association

It is voluntary for charities to subscribe as members of these organisations.

Ultimately, it is the responsibility of trustees to ensure that they understand their duties and put arrangements in place to make sure their fundraising complies with the relevant standards.

### **What role does the Commission play?**

The Charities Act (Northern Ireland) 2008 sets out legislative provisions for the



statutory regulation of some elements of fundraising. However, most of these provisions have not yet been brought into force. This means the system of self-regulation has been maintained.

While the Commission does not have responsibility for the day-to-day regulation of charity fundraising, we do receive concerns which include fundraising issues.

### **So, what does the future hold?**

The recent Etherington Review into self-regulation of charity fundraising recommended a 'co-regulatory' approach. This would involve enhanced self-regulation overseen by a new, independent regulator working with other regulators such as the Commission.

Once a new fundraising regulator is in place, the Commission would urge charities that engage in fundraising to register with the regulator. Regardless of whether they have registered with the new fundraising regulator, charities would be liable for investigation if a complaint is raised against them.

The Commission would also continue to play a role where there is a serious breach of a trustee's duties.

*\*The Commission will publish an update on fundraising soon, with fuller guidance available in the new year.*

## Charity Commission - news in brief

### Research company appointed

The Commission has appointed market research company Ipsos Mori to conduct research on the levels of public trust and confidence in the charity sector in Northern Ireland.

The research will act as a benchmark against which future levels of public trust and confidence in Northern Ireland's charities, and the impact of the Commission, can be measured.

As well as providing important data on Northern Ireland's charity sector, the research has been designed to enable comparison with that in the other UK jurisdictions.

The results of the research will be made available on the Commission's website [www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk).

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### International Charity Regulators Meeting

The Commission, together with the Charities Regulatory Authority of Ireland, is hosting the 2015 meeting of the International Charity Regulators in Belfast and Dublin this week.

The meeting, taking place from 24 to 26 November 2015, will provide an opportunity for charity regulators and tax authorities from across the globe to share experiences and discuss hot topic issues.

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### New Commissioners

The Commission has this year welcomed two new Commissioners, Mr Seamus Magee and Mr Stephen Cockcroft, to the Board.

Mr Magee has been appointed as Charity

Commissioner for a three year term from 1 June 2015, with Mr Cockcroft appointed as Legally Qualified Commissioner as of 2 November 2015.

Welcoming Messrs Magee and Cockcroft to the Board, Chief Commissioner Tom McGrath also paid tribute to outgoing Board members, Mr Philip McDonagh and Ms Rosemary Connolly.

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### Registration update and Q&A

On Thursday 12 November 2015 the Commission marked another milestone, with the announcement that it had registered 3,000 charities (1st Banbridge B Brownies was number 3,000).

With more charities registered on a weekly, often daily basis, the milestone is another step towards the target of having 3,800 charities on Northern Ireland's *register of charities* by 31 March 2015.

The Commission will also be hosting a live charity registration Q&A on Twitter, from noon to 1.30pm on Tuesday 8 December 2015. Join in the discussion or ask a registration question by tweeting @CharityCommNI using #NIcharities.

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### Commission thanks helper groups

The Commission would like to thank its helper groups, the volunteer groups which provide invaluable, practical support to individual organisations going through the registration process.

"These groups provide a wide range of support, from access to computers to assistance with the online application," explained Punam McGookin, head of charity services at the Commission.

## Guidance and updates

### Electoral Commission guidance

The Electoral Commission has published guidance to help non-party campaigners understand and comply with campaigning rules at the May 2016 Northern Ireland Assembly election.

It's important that campaigners understand and follow the rules, with the guidance helping by clearly explaining what the rules are and how to comply.



### Business rates review

The Department of Finance and Personnel has launched a consultation as part of the review of business rates in Northern Ireland.

In 2014-15, £592m was raised through business rates while a further £221m was forgone through various exemptions and reliefs.

The review will consider the continued relevance and affordability of those exemptions. Some of the areas being considered include:

- a land tax proposed for derelict or brownfield sites
- removing the exemption for residential homes
- larger charities may be asked to make some contribution towards their rates.

The 12 week consultation opened on 26 October 2015 and will close at 5pm on 25 January 2016.



### New guidance for charities

New charity guidance now available on the Commission's website includes:

- Schools and charity registration in Northern Ireland
- Monitoring and compliance guidance
- Equality guidance for charities
- Access to information
- Making payments to trustees

### Gift Aid claim declaration

HMRC has drawn up a new Gift Aid declaration for one-off donations, which charities and community amateur sports clubs must begin using by April 2016.

The revised wording includes a warning that if they pay less tax in a year than the amount of Gift Aid claimed on all of their donations it is their responsibility to pay the difference.

HMRC said charities should begin using the new wording, which applies only to new donations, as soon as possible and by 5 April 2016 at the latest.

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