

Issue six, summer 2016

New accounting and reporting guidance a "vital support"

Registered charities preparing to meet their annual reporting duties for the first time are being urged to prepare in advance using new Commission accounting and reporting guidance.

The Commission has published a suite of guidance, available under the *Annual reporting* section of www.charitycommissionni.org.uk, on all aspects of annual reporting.

"Under the law, all registered charities must report annually to the Commission on their activities, governance and resources," explained Commission Chief Executive, Frances McCandless.

"This is a new development, and for many charities will be the first time they are required to report annually to a regulator as well as the first time their accounts and reports will be made public.

"That's why our accounting and reporting guidance is a vital support, as it will help guide charities to submit accounts and reports within deadline, and in the right format."

The Charities (Accounts and Reports) Regulations 2015, which commenced at the beginning of the year, mark the final phase of annual reporting and apply to registered charities with financial years beginning on or after 1 January 2016, or their date of registration if later.

All accounts and reports submitted under annual reporting are published on the charity's register entry, opening this information up to public scrutiny as well as supporting the Commission's compliance work.



In addition to publishing a suite of accounting and reporting guidance for registered charities, the Commission has also finalised and published new *Directions for Independent Examiners*.

Under the new regulations, all registered charities in Northern Ireland must have an external scrutiny of their accounts, namely an audit or, for smaller charities, an independent examination.

An independent examination provides an external check on a charity's accounts, with the twelve Directions detailing what, under the law, examiners must do when reviewing charity accounts.

To view the guidance and the *Directions for Independent Examiners* in full visit the Commission's website.

Top tip

Be prepared - ensure you are aware of, and meet, your reporting deadline.

If a charity fails to submit their online annual return on time, the status of the charity on the public *register of charities* will be shown as in default.

Reflecting on 2015 - 16

The Commission's full *Annual report and accounts for 2015-16*, alongside a summarised version of the annual report, is now available.

The report, which has been published on www.charitycommissionni.org.uk, highlights the Commission's progress during the financial period.

Speaking in the introduction, Commission Chief Executive, Frances McCandless, and Chief Commissioner, Tom McGrath, note that a number of key targets were met and a major registration target surpassed during the year.

"It has been just over seven years since legislation establishing Northern Ireland's Charity Commission was commenced on 27 March 2009," they commented.

"As we reflect on those seven years and, in particular, the past year, we are proud to report the significant progress which has been made in implementing a new regulatory regime for Northern Ireland's charities."

Key highlights

Some notable highlights from the report include the following.

During 2015-16, 2,680 charities were registered, bringing the total number of charities registered by 31 March 2016 up to 4,017 (as at the end of August over 5,000 charities had been registered).

The Commission received 100 concerns about charities in 2015-16, and closed 121, leaving 37 concerns in progress at year end.

42 charities submitted accounts and reports in accordance with their annual reporting requirements during the year, with 76% passing basic compliance checks.



Just over 19,500 telephone and email queries were dealt with during the year, with the Commission's website receiving 148,182 visits (based on a cumulative monthly total).

Public meeting

Hard copies of the full report and the summary document will also be available at the Commission's forthcoming annual public meeting 2016.

Members of the public are invited to attend this event, which will be held on Monday 19 September 2016, from 3pm to 5pm (registration opens at 2.30pm), at the Island Arts Centre, The Island, Lisburn, BT27 4RL.

Senior lecturer in law at University College Dublin, Dr Oonagh Breen, will be the guest speaker at the meeting, discussing the topic *What does good governance in a charity look like?*

To book a seat, email admin@charitycommissionni.org.uk or telephone 028 3832 0220, providing your name, company and job role (if applicable), contact email address and telephone number.

Please also outline if you have any accessibility requirements.

Charity Commission - news in brief

Have your say - customer service survey

Keep an eye out for the Commission's customer service survey, which will be launching next month.



The online survey will offer all stakeholders who have used the Commission's services with an opportunity to share their views, comments and experiences.

Further information on the survey, including how to take part, will be on www.charitycommissionni.org.uk soon.

Research on public trust and confidence in Northern Ireland charities

The Commission will be launching research into *Public trust and confidence in Northern Ireland's charities* at the Long Gallery, Stormont on 6 September 2016.



The full report, as well as snapshot reports, will also be published on the Commission's website following the launch event.

As an additional note, the public consultation on the reporting of matters of material significance by auditors and independent examiners is still open. For more information see the Commission's website.

New guidance

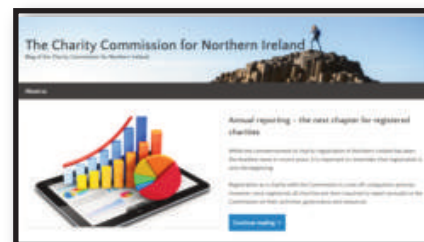
New guidance for Northern Ireland charities, now available on the Commission's website, includes:

- [Rural or urban regeneration guidance](#)
- [Charity reporting and accounting overall summary](#)
- [Charity reporting and accounting the essentials guidance](#)
- [Receipts and payments accounts guidance](#)
- [Accruals accounts guidance](#)
- [Annual monitoring return guidance](#)
- [Guidance for independent examiners](#)
- [Template examiners reports - supporting document for independent examiners](#)
- [The trustees' annual report and public benefit reporting](#)

Read it online - new Commission blog

The Commission has launched a new blog charitycommissionniblog.com, to offer information and updates from the Commission's management team.

Welcoming the publication, Commission Chief Executive Frances McCandless commented: "Working alongside our website and newsletter, this new blog will provide a new way to keep updated on our work and charity regulation news."



The blog launched on 19 August 2016, with the Commission's first post focussed on new annual reporting requirements for registered charities.

News and updates

State of the Sector

NICVA (the Northern Ireland Council for Voluntary Action) will present key findings from its latest *State of the Sector* survey at a launch event on 28 September 2016.

The research provides information on the size, scope and finances of the Northern Ireland voluntary, community and social enterprise sector.

According to the survey results, the constituency with the highest proportion of voluntary, community and social enterprise organisations was Belfast South (10.62%) followed by Belfast North (7.56%).

The top three areas of work identified by respondents were community development, education and training, and health and well being.



Register of people with significant control

It is now a legal requirement for companies, including charitable companies, their subsidiaries and other not for profit companies, to establish and maintain a register of individuals or legal entities that have control over them, known as people with significant control (PSC) and relevant legal entities (RLEs).

Even if a company believes that it does not have any people with significant control, it must still maintain the PSC register including a relevant statement to that effect.

Further information will be available on the Commission's website soon.

HMRC consultation

HMRC (Her Majesty's Revenue and Customs) has published a summary of responses to its consultation on the Gift Aid Small Donations Scheme (GASDS).

One of the biggest reliefs available to charities is Gift Aid, which allows charities to reclaim from HMRC the basic rate of income tax deducted from donations by UK taxpayers.

This means that, where a basic rate taxpayer claims Gift Aid on a £10 donation, the charity can reclaim £2.50 from HMRC on the tax paid.

Introduced in April 2013, GASDS supports the charity sector by providing top-up payments in circumstances where it would not be feasible or practical to obtain a Gift Aid declaration for small donations, such as a bucket collection.

GASDS allows charities to claim Gift Aid-style top-up payments on up to £8,000 of small cash donations of £20 or less each year.

The HMRC consultation, which closed in July, included proposals aimed at simplifying the scheme rules to ensure as many eligible charities as possible could claim the relief.

See HMRC's website for a full summary of the responses received.

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