

Public trust and confidence in charities in Northern Ireland

Snapshot report 3: How charities can apply learning from the research.



The Charity Commission for 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 Communities.

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

Equality

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

Accessibility

If you have any accessibility requirements please contact us.

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Section 1: Introduction

In November 2020, the Charity Commission for Northern Ireland (the Commission) contracted Cognisense Ltd to conduct research to explore the public's views of the charitable sector in Northern Ireland. This is the second time the Commission has carried out extensive research into levels of public trust and confidence in charities and charity regulation. As the current research was conducted during the COVID-19 crisis it was not possible to completely replicate the earlier research. However, the online survey was designed to, as far as possible, allow comparison with the research conducted in 2016 and benchmarking with similar research carried out by other regulators in Britain, the Republic of Ireland and internationally. The research, which was carried out in January 2021, provides crucial information for the charity sector and the public.

Snapshots

In June 2021, the Commission published the first of three snapshot reports to accompany the publication of the full research report. These snapshots are designed to provide a more focussed and accessible overview of a specific element of the research. The [first snapshot](#) looked at the overall level of public trust and confidence in charities and in charity regulation. It also looked at the public's perceptions of charities at that point in time. The [second snapshot](#) report provided an overview of the main factors which influence the public's trust and confidence in charities, as identified by the research.

Knowing what impacts the public's trust and confidence in charities, both positively and negatively, can help both charities and the Commission to review their practices and communications to ensure they support the public's trust and confidence and do not undermine it. This third snapshot report suggests practical ways in which charities can apply what we have learned from this research to uphold and perhaps increase the public's trust and confidence in the sector.

The full research report, including in-depth analysis of the findings and details of the methodology and questions asked, is available in the [Research](#) section of the Commission's website.

We would like to thank those members of the public who gave their time to participate in the research.

1.1 Methodology

In order to conduct the research in an efficient and safe manner, Cognisense Ltd administered an online survey.

- 1,500 online surveys were conducted with a representative sample of the population of Northern Ireland in terms of age, sex, social class and geographic location.
- Fieldwork was conducted between 18 January 2021 and 14 February 2021.

1.2 Overall perception of charities

Almost half of the participants (49%) reported knowing very little about how charities are managed. While 59 per cent of respondents trust charities to spend their funds appropriately 58 per cent thought too much was spent on salaries and administration and 45 per cent felt that some fundraising methods made them feel uncomfortable. A clear majority (86%) think charities must show how they benefit the public and 88 per cent agreed that proper regulation of charities is important to them.

The overall perception of charities arising from responses to the research is set out below:

Overall perception of charities:



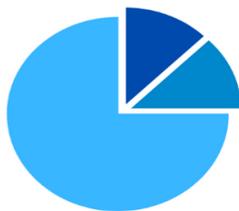
88% of people think that proper regulation of charities is important



86% think charities must show how they benefit the public



59% trust charities to spend their funds appropriately



58% of people perceive that charities spend 'too much' of their funds on salaries and administration



45% of people perceive that fundraising methods used by charities make people 'uncomfortable'



49% of people know very little about how charities are actually run

1.3 Key Drivers of trust and confidence in charities

Members of the public were asked to identify the factors that are most important to them when making a decision on whether to trust charities in Northern Ireland. The key findings are illustrated in the infographic below.

Most important factors for the public when deciding whether to trust charities



32% spent donations/funds they receive properly



18% charities have a positive impact on the causes they represent



16% how transparent charities are about the way they spend donations/funds



16% charities do what they say they will do

For a third of respondents (32%) the factor that was most important when deciding whether to trust charities was that donations/funds raised by charities are used properly. The next most important factor was that charities have a positive impact on the causes they represent (18%), followed by how transparent charities are about the way they spend donations/funds (16%) and that charities do what they say they will do (16%).

Drawing on the range of responses provided by the research participants some key drivers of overall trust and confidence in charities can be identified. These include:

- greater openness and transparency about what charities do and how they are managed
- having an ethical approach to fundraising and adopting fundraising activities that the public find less intrusive
- informing the public of how they are regulated.

This report aims to provide practical suggestions for how charities can apply the findings of this research to their own practice and governance.

Section 2: Openness about what you do and how you are managed.

Charities have a range of ways in which they keep their supporters up-to-date with their charity, what it is doing and what would help it improve and grow. Many charities use social media accounts, reports in the local press and links between beneficiaries, volunteers and the wider public.

However when responding to this research only 34 per cent of the public said they knew where to find information about how charities spend their money, while only 42 per cent said they knew where to find information about how charities are managed. These findings suggest that charities could benefit by directing the public to their entry on the *register of charities*.

They also suggest that the public would benefit from knowing what information is on the register and how they can search it. In response the Commission will republish updated *Using the register of charities* guidance later in 2022.

2.1 Using your entry on the *Register of charities*

The Charities Act places responsibilities on both the Commission and charity trustees to ensure the register is created, available to the public and its accuracy maintained. Below is a list of the key information about a charity which is displayed on the *register of charities* and freely available to the public.

About your charity	How to contact your charity
Charity's name.	Contact details (including contact name, address and telephone number).
Date of registration.	Names of your charity trustees.
Northern Ireland charity number.	Public email address.
What your charity does.	The charity's website address.
Who your charity benefits through its work.	The financial year end date of your charity.
How your charity does its work.	Financial history (from when your first annual monitoring return has been submitted).
Where your charity works.	
How your charity meets the public benefit requirement.	

After registration charities receive a *Welcome Pack* which sets out what the charity can expect as a registered charity and what is expected of its charity trustees. This includes information on how to keep your entry on the register up-to-date. By ensuring your entry on the register is accurate you are also demonstrating to the public and other stakeholders that you are willing to be open about how your charity is run and that you are complying with your trustee responsibilities.

Directing your supporters, volunteers and prospective funders to your charity's entry on the register is a cost effective and efficient way of disseminating information about your charity.

It may be helpful for charity trustees to consider how many people who are in contact with your charity, or who attend your AGM or premises, have ever seen your entry on the *register of charities*?

Why not include a link to the register on your website, email straplines and newsletter.

2.2 Using your registered charity number

Once registered a charity must use its charity number on certain documents issued by, or on behalf of, the charity. These include:

- all notices, advertisements and other documentation issued by, or on behalf of, the charity and for soliciting money, such as collection tins, ballot tickets, collection baskets, collection envelopes or other property for the benefit of the charity
- all written orders for money or goods, such as bills of exchange, promissory notes, endorsements, cheques to be signed on behalf of the charity
- all bills, invoices, receipts and letters of credit.

The Commission recommends the use of the following statement:

- 'Registered with The Charity Commission for Northern Ireland
NICXXXXXX'

By using this statement you are not only directing your supporters and the public to where they can find more information, but you are also demonstrating that you are complying with this part of charity law.

Section 3: Expenditure and fundraising

The research results show that the public have mixed views about expenditure and fundraising, with 58 per cent of people saying that charities spend too much of their funds on salaries and administration. Yet 59 per cent saying they trust charities to spend their funds appropriately. These views can be influenced by negative stories in the media.

Despite the impact of the pandemic on fundraising and the methods of fundraising used by charities, 45 per cent of respondents reported that some fundraising methods used by charities make them feel uncomfortable. The strong feelings that these issues can provoke are reflected in comments such as:

- *I don't like being badgered by phone or email to increase donations. I don't like cold calling on my doorstep. (Male, aged 45-64).*
- *The stories in the news of CEOs of charities earning way more than they should (lead to a decrease in trust in charities: Female, aged 25-44).*
- *The salaries of some charity senior operatives are well above what seems a reasonable income and put beside the language of the fundraising campaign they sometimes seem obscene. (Male, aged 65+).*

To address these concerns charities could undertake to review their fundraising activities and adopt those the public find less intrusive.

Many charities also try to explain why salaries are set at a certain level and the need for a well-run charity to have good administration. They may also review the salaries and bonuses given to senior employees and try to demonstrate how they provide good value for money.

However charities can find it difficult to get these messages out to the public and supporters.

Two practical ways in which charities can try to address these concerns are by:

- Explaining how salaries are set and what they are benchmarked against.
- Registering with the Fundraising Regulator.

3.1 Using the annual monitoring return and Trustees' annual report

The annual reporting process provides an opportunity for registered charities to publish their accounts and their *Trustees' annual report*. Although this is a legal requirement for registered charities, it is also a very cost effective way for charities to highlight how they have used their funds through the year, including any need to justify salaries.

The *Trustees' annual report* is an opportunity to tell the stories behind the numbers and to paint a picture of the activities that the charity has carried out to meet its charitable purposes. It is also a good place to publicise the impact which the charity has had on its beneficiaries. In the *Trustees' annual report* charities can also explain to their supporters and funders challenges which the charity has faced and how it has overcome them, or continues to address them.

The public's feedback to the research conducted in January 2021 shows a clear cross over between what the public says increases their trust and confidence in charities and the information asked for in the annual report.

Charities may consider highlighting on their website, email straplines, twitter or newsletters when they have submitted their annual monitoring return and directing supporters to read it.

3.2 Registering with the Fundraising regulator

As we have seen above fundraising is an emotive subject for the public and often the focus of negative stories in the media. Another practical way in which charities can demonstrate their commitment to ethical fundraising is to register with the [Fundraising Regulator](#) and sign up to the *Code of Fundraising Practice*. You will also appear on the Fundraising Directory, which lists all organisations who have registered with the regulator.

Registering with the Fundraising Regulator is currently a voluntary choice, but by doing so charities can demonstrate their commitment to openness and transparency and to following best practice in fundraising. Supporters and potential donors will know of this commitment through the charity's use of the Fundraising Regulators badge.



Conclusion

These are challenging times for charities and we hope that they will use the findings from this research to gain further insight into the factors that drive trust and confidence among the general public. We encourage charities to apply this feedback to their future development as they strive to build back stronger and smarter from the impact of COVID-19.

Charities can use this information to identify more practical ways in which they can show the public that they are:

- doing what they say they will do
- providing an important benefit to the public
- addressing negative stories that appear in the media
- highlighting their regulation by the Commission
- being transparent and demonstrating that they have effective processes and procedures for running the charity, regardless of its size.

As we have seen in this report, registered charities can make use of the *register of charities* to achieve many of these practical steps by highlighting and directing beneficiaries, donors and the public to their entry.

For an in-depth analysis of the research findings, and details of the methodology and questions asked, please refer to the [full research report](#), prepared by Cognisense Ltd, which is available on the Commission's website.

The sector can be assured that the Commission too will use the results of this research to inform and assist us to shape our future planning and delivery.

Further information on our activities is available from:

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