

Setting the Charity Commission for Northern Ireland's strategic agenda

Feedback report

February 2019



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.

Our approach to engagement

When we engage with stakeholders we adhere to principles of:

- commitment
- honesty and integrity
- openness
- adherence to the best approach
- early involvement
- information sharing
- accessibility
- separation of functions
- evaluation
- clear communication.

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Foreword

The Charity Commission for Northern Ireland (the Commission) is the independent regulator of charities in Northern Ireland established under the Charities Act (Northern Ireland) 2008 (Charities Act). The Commission, in partnership with other key stakeholders in the charitable sector, is responsible for ensuring a dynamic and well governed charities sector in which the public can have confidence.

To date, not all sections of the Charities Act have been brought into operation. This will happen gradually through a series of Commencement Orders. During the life of the Commission's previous strategic plan more sections of the Act and the *Charities (Accounts and Reports) Regulations (Northern Ireland) 2015* (the Regulations) came into operation. The regulations introduced annual reporting for registered charities for the first time. The Commission has been developing a new strategic plan in the context of ongoing reductions in public spending, which are likely to continue during the life of this plan and perhaps beyond. Therefore, our strategic plan must address how and to what extent the Commission can fulfil its objectives effectively and efficiently.

During the development of the draft strategic plan the Commission sought the views of the charity sector, other stakeholders and the public. This report provides an analysis of the thoughtful and detailed feedback we received. We have considered these comments alongside feedback from a staff planning day and the Commission's Board. This report sets out some of the areas where this feedback will inform the finalised strategic plan.

In developing this plan we have not lost sight of the external realities, including the continuing impact on charities of difficult economic conditions. While we cannot directly mitigate the challenging situations that many charities find themselves in, we can assist by promoting a well-regulated charity sector which maintains public trust and confidence in charities. We would like to thank all those individuals and organisations who took the time to share their views with us.



Tom McGrath



Frances McCandless

Section 1: Introduction

The Commission is developing a new strategic plan outlining how we will work to deliver the statutory framework governing charity regulation in Northern Ireland. To support the Commission in setting its strategic agenda for the next three years, 2019-2022, we sought the views of the charity sector, other stakeholders and the public on the proposed draft strategic plan. During the eight week comment phase, which closed on Monday 12 November 2018, we received feedback from 20 individuals and organisations. We also received feedback from the attendees at the Commission's annual public meeting which was held on 15 October 2018. This report provides an analysis of that feedback and outlines our next steps. A list of respondents is available at [Appendix 1](#), this is not a full list as some individuals and organisations preferred not to be named.

Methodology

Information about the comment phase and the draft plan was published on the Commission's website and disseminated to stakeholders using email, twitter and the Commission's website.

Interested parties could express their views in three ways:

1. By completing an online survey
2. Downloading a copy of the questionnaire and returning it by email or post.
3. By participating in a roundtable session at the annual public meeting.

Thank you

The Commission would like to thank everyone who provided feedback during this comment phase. While we cannot document all of the feedback that we received, we have considered all comments and our substantive responses to them are noted within this report.

Next steps

We are now finalising the strategic plan and will publish this report and the strategic plan 2019-2022 on our website.

Section 2: The general approach to the strategic plan

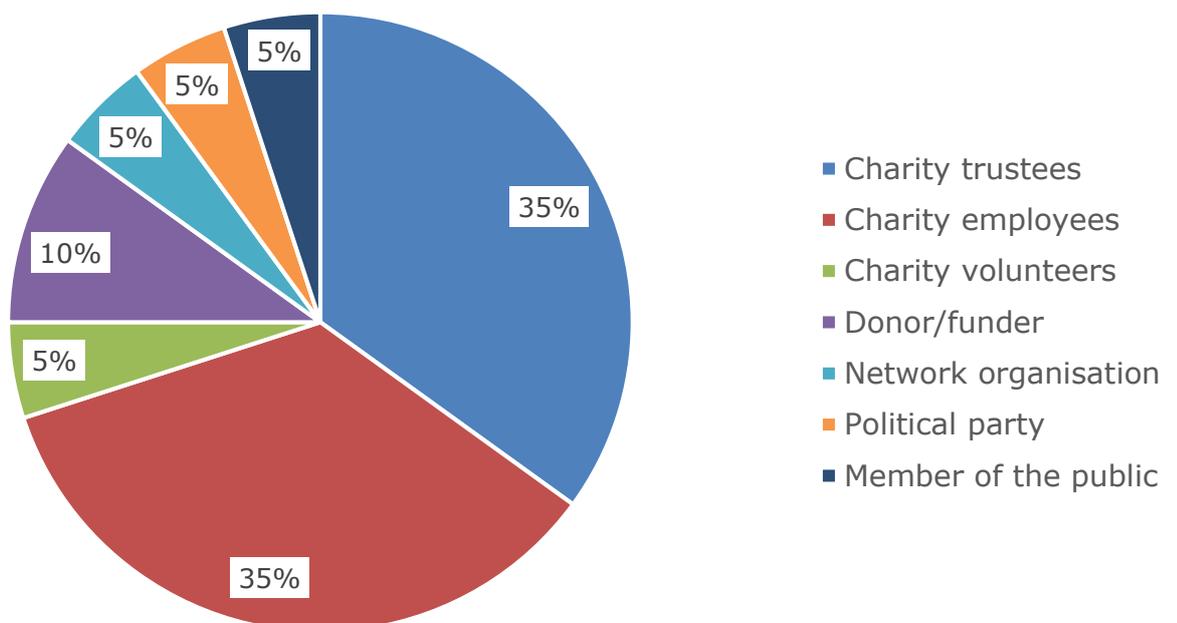
The Commission produced an engagement document which provided information on our statutory objectives, functions, powers and duties as set out in the *Charities Act (Northern Ireland) 2008*. It also highlighted the key challenges which the Commission’s strategic plan must address:

How can we adapt to the prevailing financial climate and continue to regulate charities within Northern Ireland in a proportionate and timely way?

In total 20 organisations and individuals provided responses to the comment phase on the strategic plan 2019-2022, although not all respondents answered all questions. Therefore the number of responses to any question is not large enough to be statistically significant. However, the quality of the responses has provided the Commission with enormously valuable feedback.

The roles held by respondents included charity trustees, charity employees, charity volunteers, funders, a political party and a member of the public. The breakdown is represented in the diagram below.

Figure 1: Roles of respondents



2.1 What we asked

Respondents were asked to comment on the following questions:

- On the whole do you agree with the Commission's general approach to the strategic plan 2019-2022?
- On the whole do you agree with the main goals which the Commission has proposed?
- Are there other goals which, in your view, the Commission should include?
- What impact do you think this plan, if implemented, will have on the public's confidence in the charity sector?

2.2 What you told us

Individual and organisation respondents

Of the respondents who replied to these questions 73 per cent (11) agreed with the Commission's general approach to the strategic plan 2019-2022. Respondents commented that they understood with a reducing budget the Commission had to consider cost savings options. In this context these respondents found the general approach to the strategic plan to be proportionate and one that balanced risk with a reduced level of regulation.

Of those who expressed a view 92 per cent (11) agreed with the main goals which the Commission had proposed in its draft plan. Respondents recognised the challenge of the Commission's proposed approach but some also considered that this approach may be positive for smaller charities.

While agreeing, in general terms, with the main goals set out in the draft plan some respondents expressed concern with the Commission's proposal to reduce the Commission's public engagements and delivery of workshops.

Respondents were also asked whether there were other goals which, in their view the Commission should include in this plan. 55 per cent (6) of those who answered this question suggested a number of other goals, for example not calling small organisations forward for registration.

When asked what impact this plan, if implemented, may have on the public's confidence in the charity sector, 64 per cent (7) of those who

responded thought implementation would neither increase nor reduce the public's confidence.

2.3 What we will do

The Commission appreciates the degree to which respondents understand the financial context in which it is drafting its strategic plan 2019-2022. We also appreciate the time respondents took to suggest other goals which the Commission should include in its new plan. Unfortunately most of these suggestions are beyond the powers of the Commission, for example not calling smaller charities forward for registration. Other suggestions for example making the Charitable Incorporated Organisation legal structure available to charities in Northern Ireland, would require a legislative change which can only be taken forward by the devolved Assembly. Nor has the Commission the resources to develop, even in shadow form, the systems, procedures and forms that would be required to take this forward.

In response to the feedback above the Commission has revisited its proposals to reduce its public engagements. More details are available in Section 4, which deals more specifically with public engagement.

Section 3: The proposed approach to Commission processes

The engagement document which accompanied the draft strategic plan set out proposals by which the Commission would streamline some of its processes.

3.1 What we asked

Respondents were asked to comment on the following questions:

- Do you agree with the Commission's proposal to streamline the process of charity registration?
- Do you agree with the Commission's proposal to streamline casework decisions?
- Do you agree with the Commission's proposal to streamline and introduce a de minimus level into some consent processes?

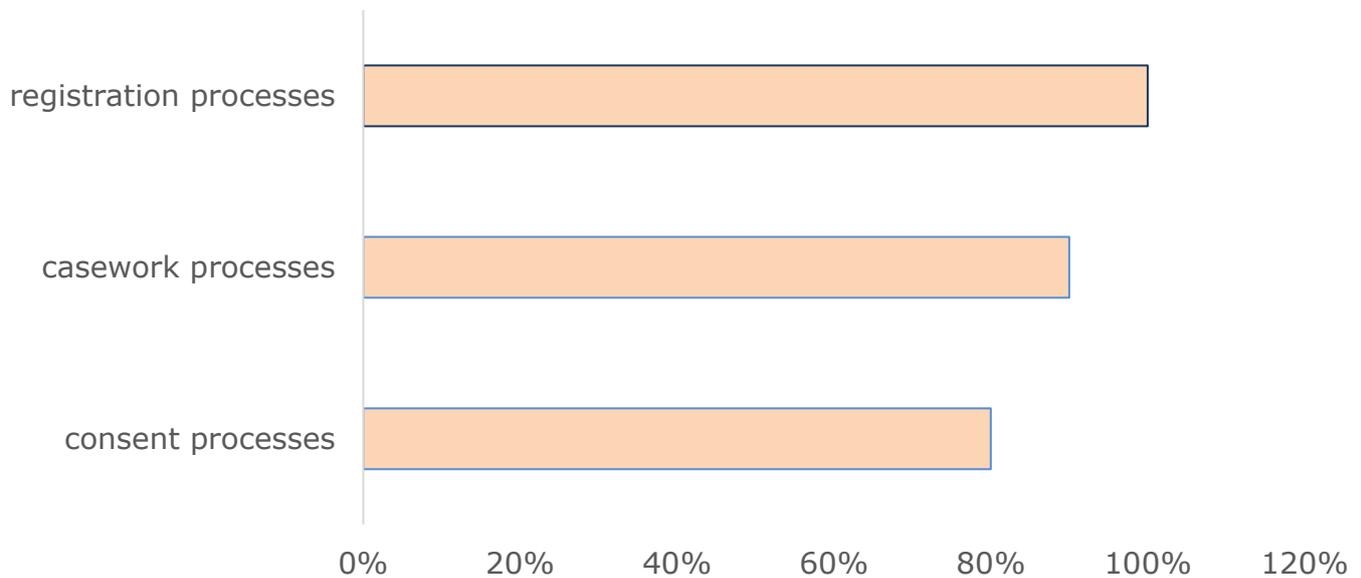
3.2 What you told us

Individual and organisation respondents

Of those who expressed a view 100 per cent (11) agreed with the proposal to streamline some registration processes while 90 per cent (9) and 80 per cent (8), respectively, agreed with the proposals to streamline some of casework and consent processes.

The table below illustrates the different levels of agreement with each of these proposals.

Figure 2: Expressed agreement with the Commission's proposal to streamline some of it's:



Those who answered these questions also provided reasons as to why they agreed with these proposals. These reasons included:

- Commission can only operate within the resources with which it is provided.
- Casework needs to be seen to be continuing.
- The introduction of appropriate thresholds would be helpful in general.
- Reducing the number of further information chases for each registration application will help manage resources but not prevent any organisation that experiences difficulties with the application contacting the Commission.

One respondent reported that, while they agreed with streamlining casework processes, they did so cautiously and on the basis that low and high risk cases could be clearly differentiated. This respondent also suggested making the risk assessment more robust by regularly sampling those applications which were assessed as low risk.

A respondent who agreed with the proposal to streamline some consent processes also reported doing so with some hesitation. Their agreement rested on cases receiving consistent treatment and the avoidance of errors.

One respondent raised the issue of how the Commission's proposed approach to consent processes would address the potential risk of multiple de minimus transactions being carried out by the same charity.

3.3 What we will do

The Commission will take steps to streamline its registration and casework processes as set out above. The Commission is confident that it has developed a robust risk based approach to these changes but will monitor their introduction for any potential improvements.

In reflecting on these responses and the strategic plan in general, the Commission also identified a change in approach which it hopes will reduce the lengthy waiting times experienced by organisations that have not yet been called forward.

This approach involves reducing the period of time between call forward and date by which an application for registration has to be submitted, from three months to one month. The Commission will also reduce the number of chases for further information required to enable us to assess a registration application. If this information is not provided within the allotted timeframe the application will be suspended and the organisation will be placed at the bottom of the call forward list.

It is anticipated that these changes will enable the Commission to focus on processing complete applications and those which provide any additional information sought by the Commission in a timely manner. Thereby increasing the number of registrations which the Commission can process and reducing the waiting time for those who have not yet been called forward.

Section 4: Focus of public engagement

The comment document also set out proposals for the Commission to refocus its engagement with the public.

4.1 What we asked

Respondents were asked to comment on the following questions:

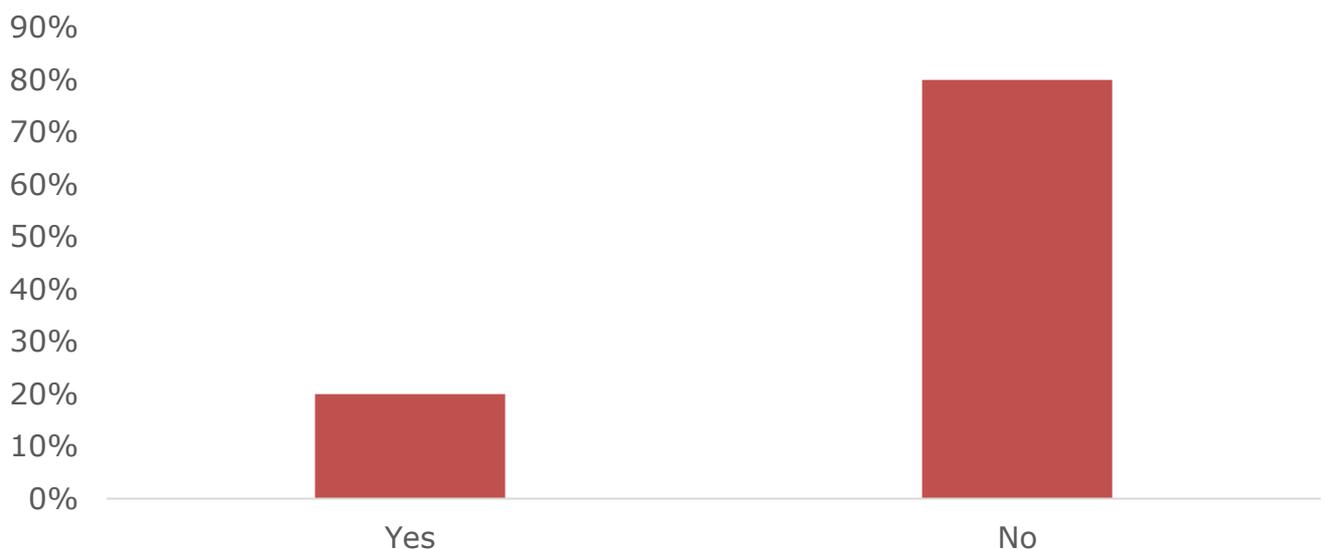
- Do you agree with the Commission’s proposal to reduce its engagement with public events, research and guidance?
- Do you agree with the Commission’s proposal to introduce workshops for those submitting their annual return for the first time?

4.2 What you told us

Unlike the responses to all other questions in the comment document, the proposal to reduce the Commission’s engagement with public events, research and guidance elicited a strong negative response. Of those who responded to this question 20 per cent (2) agreed and 80 per cent (8) disagreed with the Commission’s proposals in this area.

The table below illustrates these responses.

Figure 3: Views on proposals to reduce engagement with public events, research and guidance



Respondents provided a number of comments including:

- A reduction in public events may be necessary but research and guidance should be continued.
- The loss of public engagement and research will have a detrimental impact on the future development of the Commission.
- The Commission must retain a high profile increasing cooperation with network organisations and helper groups may enable the Commission to maintain this profile.

In contrast 80 per cent (8) of those who expressed a view, agreed with the proposal to introduce workshops for those submitting their annual return for the first time.

Respondents felt that the annual reporting process can be daunting and that workshops would encourage compliance. One respondent suggested that these workshops could improve the quality of annual reporting and thereby save staff time in processing the returns. However another respondent offered the opposite view, that introducing these workshops would undermine the Commission's goal of reducing its public engagement. Working in partnership with others to provide these workshops was suggested as a possible solution.

4.3 What we will do

In light of the response to the comment phase the Commission has now decided to, as long as resources allow, continue with registration workshops and deliver a number of information sessions designed to support charity trustees to complete the annual monitoring return.

Section 5: Compliance and investigatory priorities

The engagement document also set out proposals by which the Commission would prioritise parts of its Compliance and Investigatory functions.

5.1 What we asked

Respondents were asked to comment on the following questions:

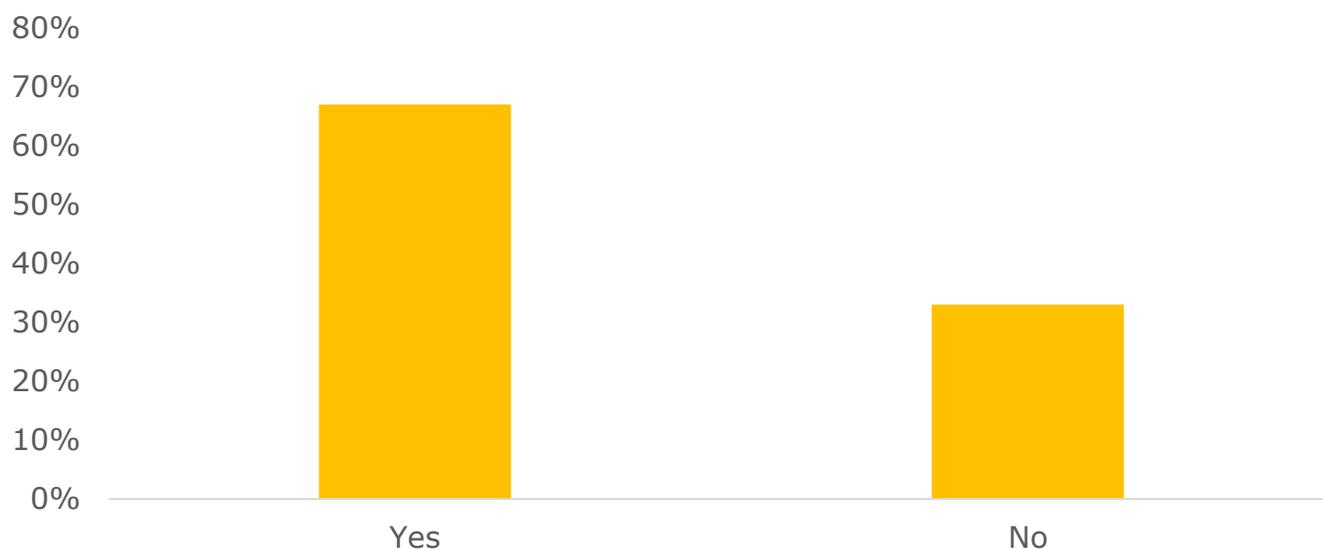
- Do you agree with the Commission's proposal to automate the checking of SORP accounts, which are prepared under the mandatory framework for charity accounts?
- Do you agree with the Commission's proposal to focus on investigating the highest risk concerns only?

5.2 What you told us

80 per cent of respondents, who offered a view, agreed with the Commission's proposal to automate the checking of SORP accounts. One respondent expressed concern that, if implemented, this could be an additional burden on smaller charities. Another respondent felt this would be a sensible use of technology.

There was less consensus among those who responded to the Commission's proposal to investigate high risk concerns only. Two thirds of those who responded to this question (67%, 6) agreed with this proposal while a third (33%, 3) disagreed. The diagram below illustrates these results.

Figure 4: Do you agree with the Commission's proposal to focus on investigating the highest risk concerns only?



One of those who agreed expressed concern that by using the word 'only' in this proposal the Commission seemed to be implying that none of the concerns that were evaluated as 'low risk' would be investigated. This respondent felt that, if this understanding was accurate, the process should be extended to include a sample of those concerns in the low risk category.

Another respondent suggested that only investigating high risk concerns could prove frustrating to whistle-blowers who reported concerns about a charity, only to find it would not be investigated by the Commission. While another suggested that organisations about whom concerns were in the low risk category could be sign-posted to guidance or referred to a helper group for assistance.

5.3 What we will do

The Commission conducted a separate eight week consultation on the actions which it proposes to take on annual monitoring returns which fail basic compliance checks.

These proposed actions include some of those suggested by the respondents above, including issuing self-regulatory guidance to charities who's AMR has failed basic compliance checking due to minor errors. AMR's which fail compliance due to more significant reasons will be provided with regulatory guidance and a timeframe in which to demonstrate the charity has complied with this guidance.

More details on how the Commission will deal with AMR's which fail basic compliance testing see will soon be published on the Commission's website. For details on how the Commission will deal with concerns and investigations see the [Concerns page](#) of the Commission's website.

Section 6: Focus on safeguarding

The engagement document also identified emerging risks to charities and how the Commission should respond to them.

6.1 What we asked

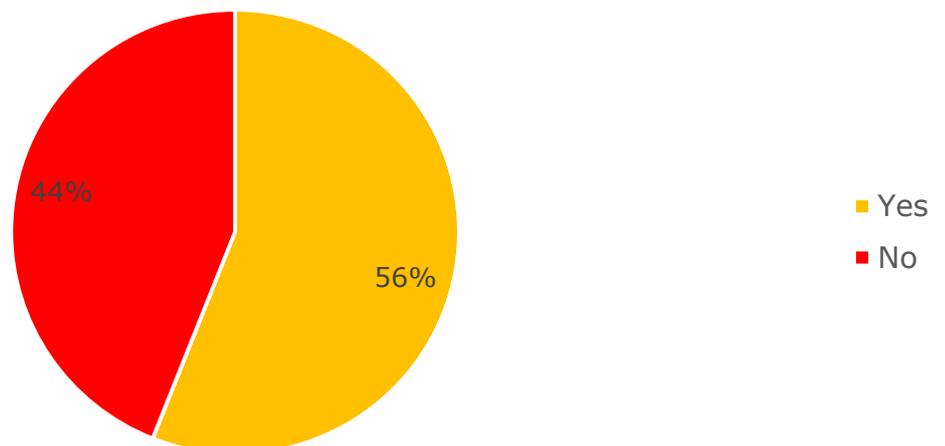
Respondents were asked to comment on the following question:

- Recent public interest and media coverage has highlighted the risk to charities of not having appropriate policies and procedures in place to deal with safeguarding issues. In this context do you agree with the Commission's proposal to focus on new risks such as safeguarding?

6.2 What you told us

Respondents to this question were almost evenly split with 59 per cent (5) agreeing with the Commission's proposal and 44 per cent (4) disagreeing with the proposal. The diagram below illustrates these responses.

Figure 5: Views on proposals to focus on new risks such as safeguarding.



Those who agreed with this proposal based their view on this being in the public interest and their belief that this has been a priority in the community sector and should be given high priority within the Commission.

A respondent who disagreed suggested the Commission address safeguarding as an integral part of good governance rather than as a separate topic.

6.3 What we will do

The Commission will adopt a focus on issues such as safeguarding during the course of its strategic plan 2019-2022. In doing so the Commission will not minimise or side-line other areas of good governance. In preparation for this the Commission followed up its safeguarding seminar for charities which work abroad (held on 24 May 2018), with a seminar, for charities working locally on 11 December 2018. The Beyond Safeguarding event aimed to raise awareness of broader governance issues including the responsibility of charities to ensure that each charity's values are reflected in everything it does. This includes how a charity safeguards all stakeholders, beneficiaries, staff, volunteers, donors and members of the public. We will continue to gather information from organisations relating to safeguarding and other risks at the point of registration.

We will also highlight the need for charities to inform the Commission of serious incidents which arise in relation to safeguarding or other areas of good governance. These other areas include, but are not limited to: data breaches, fundraising issues, fraud, theft or unverifiable donations. See the *Commission's Serious incident reporting: a guide for charity trustees*, which is available on the Commission's website.

Section 7: Additional comments

Respondents also had the opportunity to submit any additional comments they had concerning the strategic plan of the Commission.

7.1 What we asked

Have you any additional comments on the Commission's strategic plan proposals?

7.2 What you told us

A number of respondents submitted a number of comments. These included:

- Expanding the role of helper groups to assist with guidance and annual reporting.
- Publishing the Expression Of Intent (EOI) list separately to the Combined list
- Prioritise calling forward those organisations which need registration to access funding or rates relief.

7.3 What we will do

The Commission appreciates the additional comments and suggestions provided by respondents to this comment phase.

One respondent suggested prioritising calling forward organisations which need registration to access funding or rates relief. There is a misunderstanding that an organisation must be a registered charity to avail of rates relief. At present any organisation can apply for rates relief to Land Property Services, who base their decisions on the activities of the organisation. The Commission currently encourages those organisations awaiting call forward to inform us if there are any special circumstances which would warrant them being called forward quicker than others on the list. This information and a link to an email box is provided in the six monthly updates to those awaiting call forward and to any organisations which queries when they will be called forward. If contacting the Commission about call forward dates charity trustees are asked to explain and provide evidence to support why their organisation should be prioritised over and above other organisations awaiting call forward.

The Commission has decided not to accept the suggestion that the Expression of Intent (EOI) list is published separately on the

Commission's website. The Commission does and will however publish a list of organisations awaiting call forward which it anticipates calling forward over the next financial year. This will allow organisations time to prepare for registration.

The Commission greatly appreciates the support provided by helper groups to charities applying for charity registration or submitting an AMR and intends to continue and develop this work with helper groups. We also appreciate the feedback to guidance and materials, while they are still in the development stage, which we receive from critical friends, many of whom are helper groups too.

Appendix 1: Respondents

Below is a list of organisations and individuals who responded to this comment phase. Note that a number of respondents chose to remain anonymous therefore their details are not listed below.

Community Foundation for Northern Ireland

Hope03

Northern Ireland Council for Voluntary Action (NICVA)

North West Animal Welfare Group

Positive Futures

Rural Community Network NI

Sinn Féin

Supporting Communities

Voluntary Arts Ireland