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DEPARTMENT FOR COMMUNITIES INDEPENDENT REVIEW OF CHARITY REGULATION IN NORTHERN IRELAND

SURVEY REPORT



Northern Ireland
Statistics & Research Agency

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Executive summary

- A total of 135 survey responses were received to the online survey, 97 (72%) on behalf of organisations and 38 (28%) responding as an individual.
- Just over three-fifths (61%) of respondents believe that there should continue to be a statutory requirement that all charities register.
- Both organisations and individuals were in agreement in believing that the registration process could be improved (74% for each).
- More than a third of respondents (37%) viewed the current reporting system positively, whilst almost a quarter (24%) viewed it negatively.
- Over two-thirds (68%) of respondents agreed that reporting arrangements for charities with an annual income of over £500,000 were sufficiently proportionate.
- Over half (51%) of all respondents who had engaged with the Charity Commission advised they had a positive experience of engagement, however, just under a fifth rated the experience negatively.
- The most commonly used resource was the Charity Commission website guidance (82% of respondents).
- Almost two-thirds (64%) of respondents believe that elements of the Charity Commission's compliance procedures could be improved.
- Individuals (21%) were almost twice as likely as organisations (12%) to say that they had raised, or assisted a charity to raise, a concern with the Charity Commission about a charity.
- Almost two-thirds (65%) of respondents believed that the Charity Commission should be given the power to remove a trustee (and thereby disqualify him or her), even if the trustee resigns before being removed.
- Four-fifths (80%) of respondents thought that it was appropriate to delegate some decisions to Commission staff.
- Almost three-fifths (58%) felt that the regulatory burden needs to be reduced.
- Over a quarter (28%) of respondents felt that the commencement of section 167 is a matter that the Department should prioritise.
- Just over half (52%) of respondents felt that the commencement of provisions relating to Charitable Incorporated Organisations is a matter that the Department should prioritise.

1. Introduction

- 1.1. The Minister for the Department for Communities (the Department) commissioned an Independent Review of Charity Regulation in NI on 25 January 2021. The purpose of the review is to consider the Charities Act (NI) 2008 (the Act), and the roles of the Charity Commission and the Department. In particular, it will examine whether the Commission's performance within the existing legal framework strikes the right balance, in light of best practice, between supporting charities to do the right thing and deterring, or dealing with, misconduct. It will make recommendations on changes that can be made to improve the delivery of services and the operation of the regulatory framework.
- 1.2. In May 2021, the Department launched a survey, on behalf of the Independent Review Panel, on the current legislation in relation to charity regulation in Northern Ireland.
- 1.3. The survey, which ran for one month from 12 April 2021 to 12 May 2021, sought the views of all interested individuals and organisations on the appropriateness of current legislation. Respondents were also asked to identify any areas of the current legislation where there may be room for improvement. The survey was categorised under the following headings:
 - Registration process
 - Reporting
 - Day to day engagement by the Charity Commission
 - Compliance procedures
 - Investigation powers
 - Enforcement and appeal procedures
 - Delegation powers

- The role of the Department for Communities in charity regulation
- 1.4. The Independent Review Panel also conducted a number of online webinars between 12 and 29 April 2021. The aim of the webinars was to inform stakeholders about the Review's objectives and to make them aware of the survey.
 - 1.5. Survey responses have been analysed by statisticians within the Professional Services Unit of the Department for Communities.

2. Survey responses

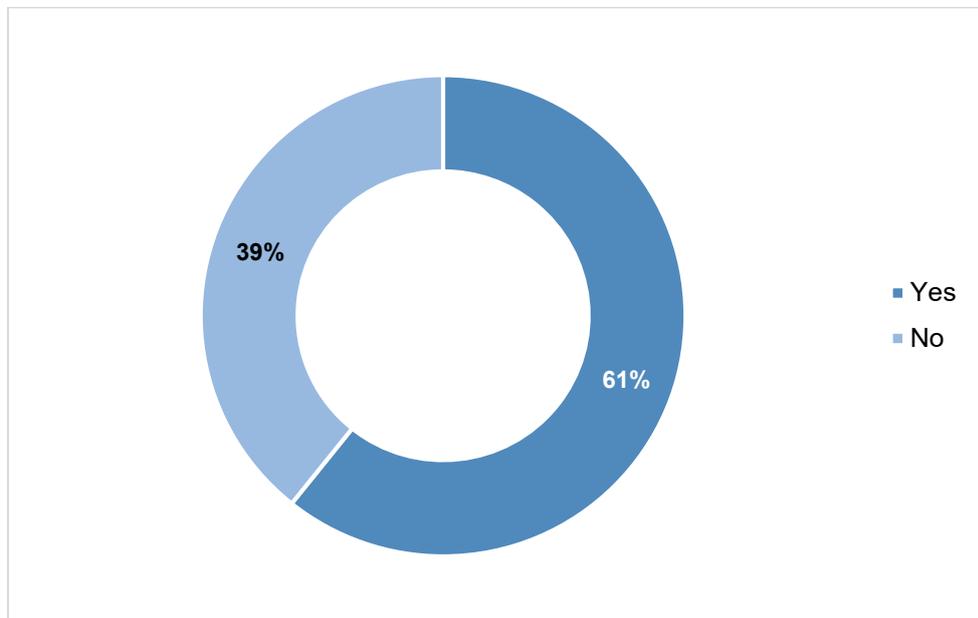
- 2.1. This report provides a summary of responses to an online survey. The survey asked a number of questions relating to various aspects of current charity legislation, and provided respondents with the opportunity to provide additional comment on a number of key areas. There were 135 responses received.
- 2.2. The Department also received nine submissions in response to the contents of the survey and its terms of reference. These submissions are considered in this report where the information provided is relevant to a particular question.
- 2.3. Just under three in ten (28%, 38 respondents) of those who responded to the survey identified themselves as an individual, with 72% (97 respondents) answering on behalf of an organisation. Throughout this report, where reference is made to 'individuals' this means those who responded to the survey and identified as responding as an 'individual' rather than on behalf of an organisation. Therefore, they should not be considered representative of the wider population. When the report refers to 'overall responses' this is both organisation and individual respondents combined.
- 2.4. A summary of the main points raised is provided in each relevant section of the analysis where appropriate.
- 2.5. Note: Percentages may not sum to 100% due to rounding. Percentages quoted in commentary are based on actual response counts, and are rounded, and therefore may not equal the sum of individual rounded values within corresponding tables.
- 2.6. Where respondents have provided comments to open questions, it may be the case that they raised more than one point. Therefore, the

number of points made may be greater than the overall number of comments.

3. Charities register

3.1. The first section of the survey asked respondents for their views on the current charities registration process. At present, in Northern Ireland, it is a statutory requirement for all charity trustees to register their charity, regardless of size, with the Charity Commission. In other jurisdictions, namely England and Wales, charities with an annual income of less than £5,000 are not required to register.

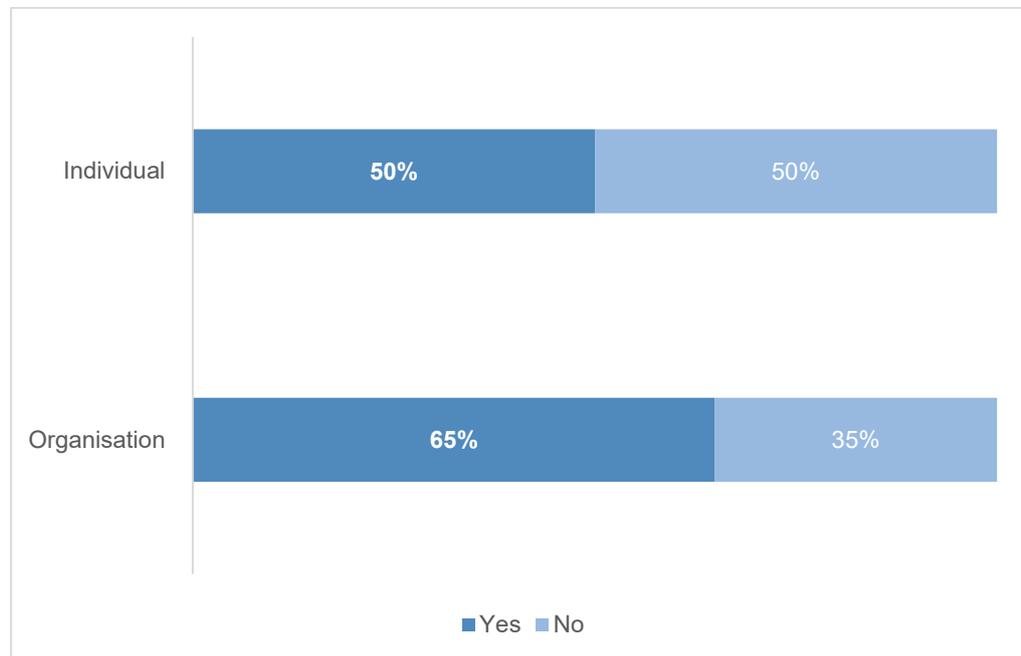
Figure 1: Overall responses to whether it should remain a statutory requirement for all charities to register.



Base=135

3.2. Just over three-fifths (61%) of respondents believe that there should continue to be a statutory requirement that all charities register. The remaining two-fifths (39%) disagreed with mandatory registration for all charities.

Figure 2: Comparison of responses between organisations and individuals on maintaining a statutory requirement for all charities to register

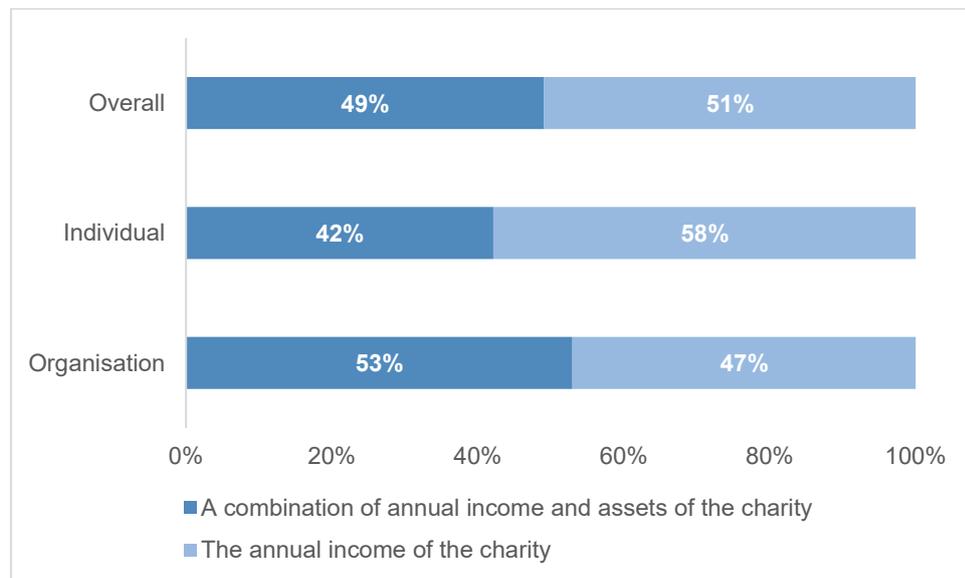


Base=135

- 3.3. Organisations were more likely than individuals to agree that it should remain a statutory requirement for all charities to register. Almost two-thirds (65%) of organisations agreed, whereas half (50%) of individuals agreed.

- 3.4. Respondents who did not believe that there should continue to be a statutory requirement for all charities to register, were next asked a series of questions on what they believed the approach should be.

Figure 3: Responses to what the minimum threshold for registration should be based on



Base=53

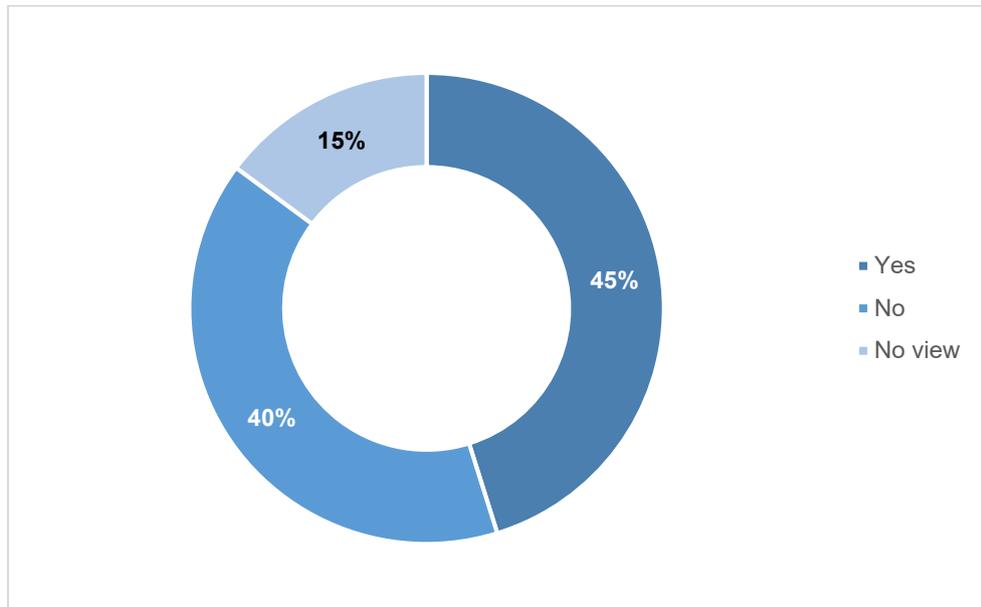
- 3.5. Organisations were almost evenly divided on how they thought the minimum threshold for registration should be determined, with a slight majority (53%) believing it should be a combination of annual income and assets of the charity. The remaining 47% felt it should be based on the annual income of the charity.
- 3.6. Individuals were more likely to feel that the threshold should be based on the annual income of the charity, with just under three-fifths (58%) of responses, compared with 42% who believed it should be based on a combination of annual income and assets of the charity.
- 3.7. Respondents were then asked to confirm what figure they thought the minimum threshold should be set at. There were a total of 52 comments, with 33 from organisations and 19 from individuals. Figures ranged from £1,000 to £250,000. Almost half of those who provided a response suggested £5,000, with some stipulating that this would be in line with England and Wales. This was the case across both groups.

- 3.8. A small number of respondents added further comment, with two of these suggesting that there needed to be a clear definition for what counted as assets. Others suggested that if a threshold was introduced, smaller charities should have the option of deciding whether or not to register as they may wish to avail of the benefits of registration.
- 3.9. Respondents who did not believe that there should continue to be a statutory requirement for all charities to register, were next asked what impact this might have on charity beneficiaries, charity donors, or charity funders.
- 3.10. There were comments from 51 respondents overall, with 32 from organisations and 19 from individuals. Comments from both organisations and individuals were very similar, with most saying that the introduction of a threshold would have very little impact. In fact, most comments suggested that introducing a threshold would be largely positive, especially for charity beneficiaries.
- 3.11. The most common benefit of introducing a threshold was the reduced burden on smaller charities as registration had the potential to be costly in both a monetary and an administrative capacity. A number of respondents mentioned that a number of small, community based charities had closed down when they discovered what was required of them to register given that most trustees were volunteers. A number of organisations suggested adopting a Charitable Incorporated Organisations (CIO) structure as in England and Wales, as an easier way of obtaining registration for smaller charities.
- 3.12. A small number of respondents did discuss the potential negative impacts of a register, namely that it might mean those not registered could not avail of some of the benefits of registration such as Gift Aid or access to grants. A few respondents also commented that donor confidence might be reduced; however, they also suggested that as

small charities were usually community focused, and raised funds through private donations, this would be a minor issue.

- 3.13. All respondents were asked if they had any experience of the registration process. The majority of respondents (84%) confirmed that they had experience of the registration process. When responses were broken down by individuals and organisations this remained largely the same, with 85% of organisations and 84% of individuals confirming that they had experience of the registration process.
- 3.14. Respondents who had experience of the registration process were asked to clarify in what capacity. There were 114 comments, with 82 from organisations and 32 from individuals.
- 3.15. Almost all of the organisations who had experience of the registration process advised this was either sending an expression of interest to register a charity they worked for, or as someone who worked for a registered charity and had gone through the registration process. A small number advised they had experience as part of a Helper Group providing advice to charities.
- 3.16. The majority of individuals also confirmed that they had experience of the registration process as a member of a charity who had gone through the process. One respondent described how a company he was director of had been registered against his wishes. A small number advised they were solicitors who had provided advice.

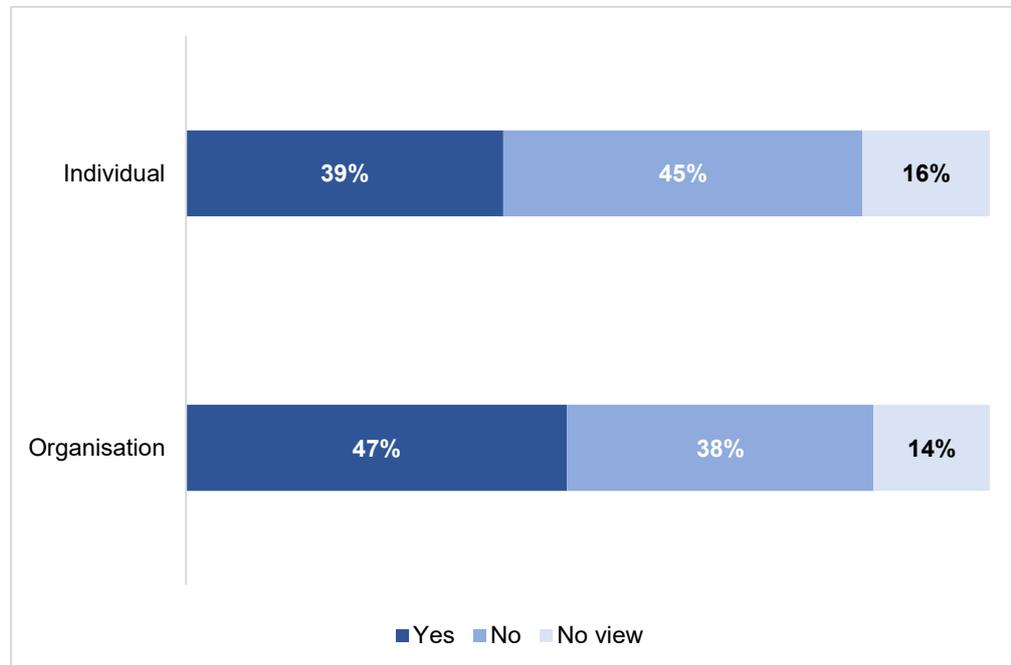
Figure 4: Overall responses on whether registration process was the best means for Charity Commission NI in creating an accurate register of charities



Base=135

- 3.17. Overall responses show that less than half (45%) of respondents think the current process is the best means of creating an accurate register of charities in Northern Ireland. Two-fifths (40%) do not believe the current process is the best means, and the remaining 15% had no view.

Figure 5: Comparison of responses between organisations and individuals on whether the current process of registration is the best means for Charity Commission NI in creating an accurate register of charities



Base=135

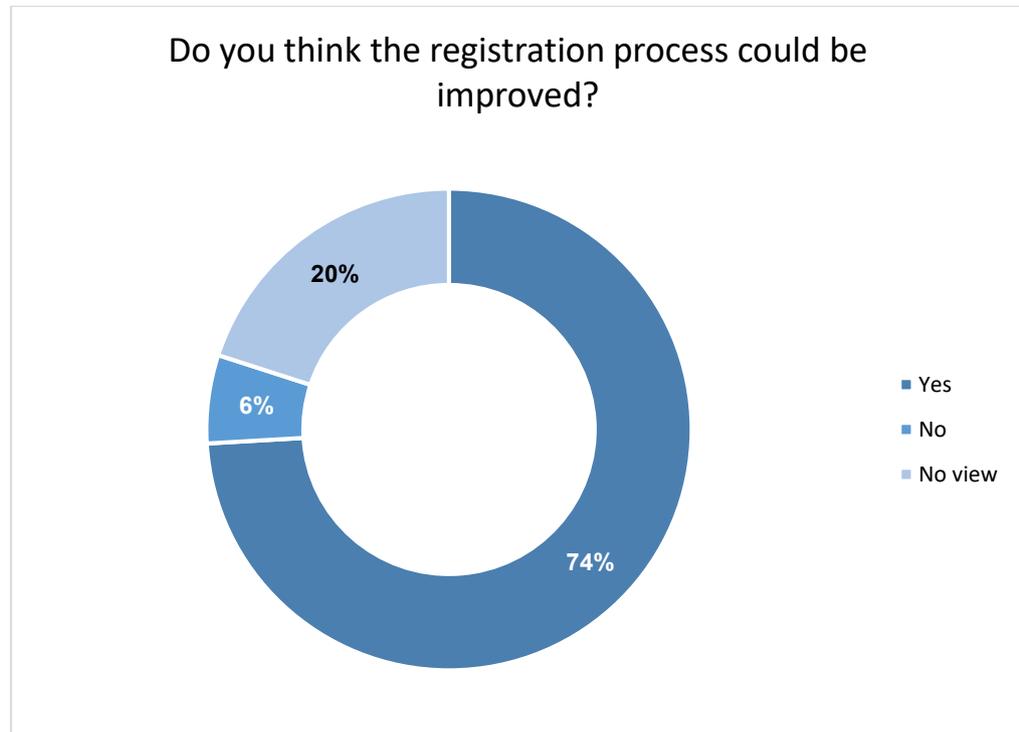
- 3.18. A breakdown of responses shows that organisations and individuals have diverging views on the current registration process. Organisations were more likely to agree that it was the best means, with just under half (47%) of responses. The opposite was true for individual respondents, with just under half (45%) believing the current process was not the best means.
- 3.19. Respondents were asked to explain their answer. Of the respondents who thought that the current process was the best means, 51 provided further comment, with 36 comments from organisations and 15 from individuals. There were 54 comments from those that disagreed, with 37 from organisations and 17 from individuals.
- 3.20. A number of the organisations that had answered ‘yes’ commented that it was important to have an accurate register, and that this

provided regulation and accountability for the charity sector. A number also said they found the registration process to be straightforward, although some felt the process did take too long, and that it may be arduous for smaller charities.

- 3.21. Individuals who answered 'yes' tended to agree with the need for all charities to register, but were more critical of the process itself. Criticisms did however mirror those of organisations. A few also said the process was daunting for those working in smaller charities, and would discourage volunteers from signing up with charities.
- 3.22. Organisations who did not believe the current process was the best means offered a number of criticisms on the registration process. The most common criticisms were the process took too long, some commenting that it had taken years, and that it was overly complicated and onerous.
- 3.23. Further criticisms were that the process was the same for small charities with a very small annual income as it was for charities with an annual income of millions. As such, a number of respondents supported a de minimis threshold so that smaller charities could choose to opt out of registration. A small number of respondents also suggested that some organisations which served a public good, but who did not class themselves as charities or wished to avail of the benefits of charitable status, such as historical societies, sports organisations, and environmental groups, had been forced to register as charities.
- 3.24. Individual comments largely reflected those of organisations. A number suggested the registration process should be commensurate with the size of the charity so as to consider their means and abilities. A small number also mentioned the recent court ruling which had deemed that a number of charities had been unlawfully registered at

cost to the taxpayer, which was evidence that the current process was not adequate.

Figure 6: Overall responses on whether the registration process could be improved



Base=135

3.25. Although respondents were divided regarding whether the current registration was the best means of creating an accurate register of charities in Northern Ireland, the majority of respondents did agree that the registration process could be improved. Almost three quarters (74%) of all respondents agreed that the registration process could be improved, with 6% disagreeing. One in five (20%) had no view.

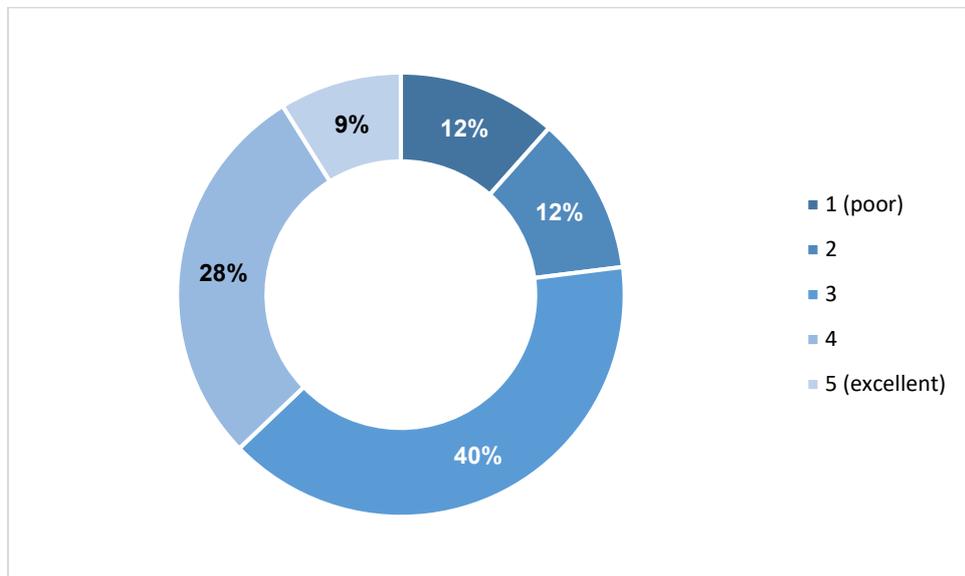
3.26. Respondents were able to suggest ways in which the registration process could be improved. There were 100 comments from respondents, with 72 from organisations and 28 from individuals.

- 3.27. The majority of the comments reiterated what had already been said with regards to the registration process. This included speeding the process up, making the process less complicated, and introducing a de minimis threshold to give small charities the option of registering.
- 3.28. There were also a number of further suggestions from organisations on what could be done to improve the process. A number of comments mentioned the 'public benefit' test and advised that this needed to be improved as it was confusing. Others suggested having a contact centre within the Commission, creating short 'how to' videos, changing the language and terminology used as it was very legal/accountancy based, and having the option of completing registration by post.
- 3.29. Individuals tended to focus on speeding up and simplifying the process.

4. Reporting

4.1. At present, in order to satisfy the Charity Commission's duty to ensure all charity trustees comply with their legal obligations in controlling and managing their charities, all charities must report their finances, resources and activities to the Commission on an annual basis. This includes supplying a trustee's annual report, a statement of accounts, and a report from an auditor or independent examiner.

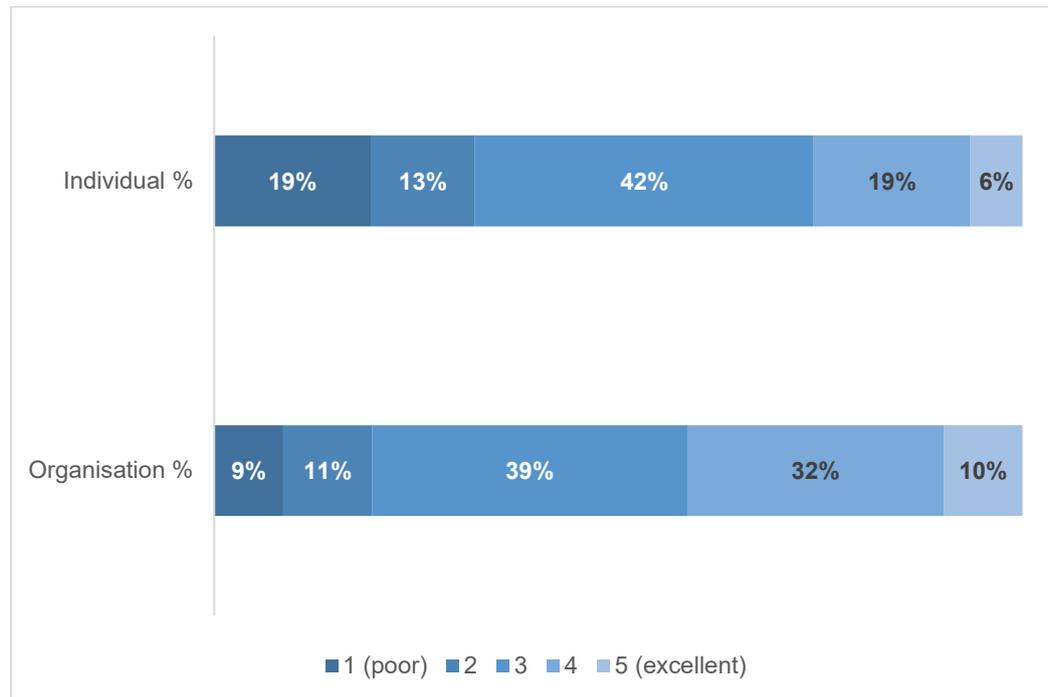
Figure 7: Overall responses rating the existing annual charity reporting system



Base=113 (excludes those who had 'no view')

4.2. Respondents were asked to rate the existing annual charity reporting system from one to five, where one is poor and five is excellent. More than a third of respondents (37%) viewed the current reporting system positively, rating it as four or five. Two-fifths (40%) of respondents were neutral, rating the reporting system three. Just under a quarter (24%) gave a negative rating of either one or two.

Figure 8: A comparison between organisations and individuals rating of the current annual charity reporting system



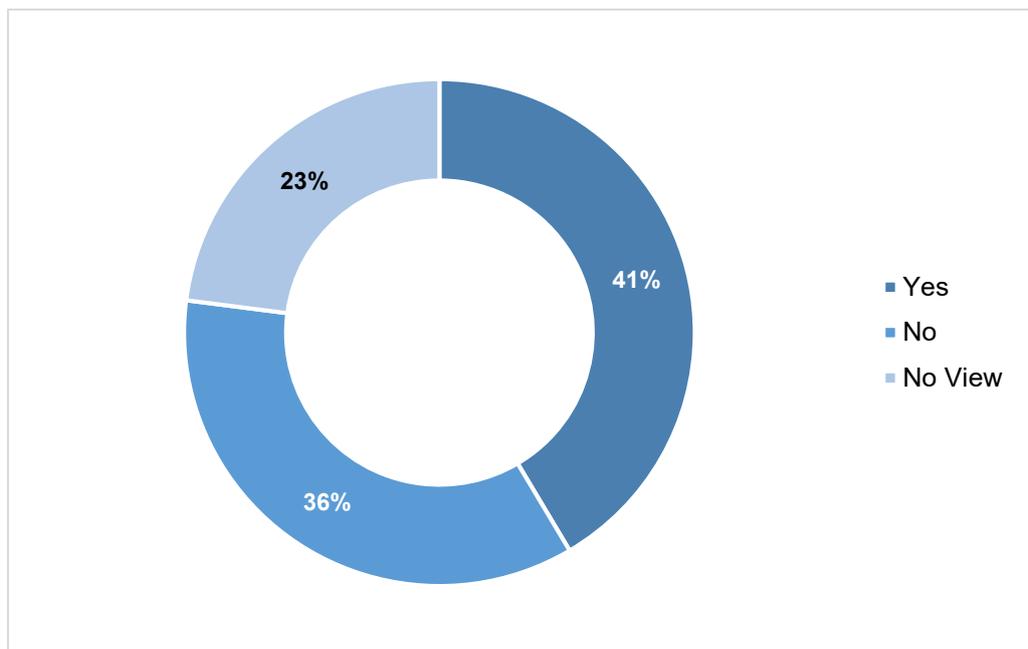
Base=113 (excludes those who had 'no view')

- 4.3. A comparison between organisations and individuals shows that individuals were more likely to rate the current reporting system negatively, with just under a third (32%) rating it as one or two compared with 20% of organisations. In contrast, organisations were more likely to rate the system positively than individuals, with over two-fifths (42%) rating it as four or five, compared with a quarter of individuals (25%).
- 4.4. Respondents were able to suggest improvements to the reporting system. There were 93 in total, 64 from organisations and 29 from individuals.
- 4.5. A number of organisations suggested that the process was currently too complex, especially for small charities and volunteers, and suggested there should be greater proportionality in what was expected. Another common issue raised was duplication and having to upload the same document 3 times, SORP accounts and reports

were produced as one document, yet had to be uploaded separately on the reporting system. There were further duplications as the reporting system asked for information to be input that was already contained in the uploaded accounts. Other comments included make income thresholds more flexible, and provide further support to small charities to avoid them having to seek professional advice at the cost of the charity.

- 4.6. Individuals tended to comment most on making the system more proportional to help smaller charities.

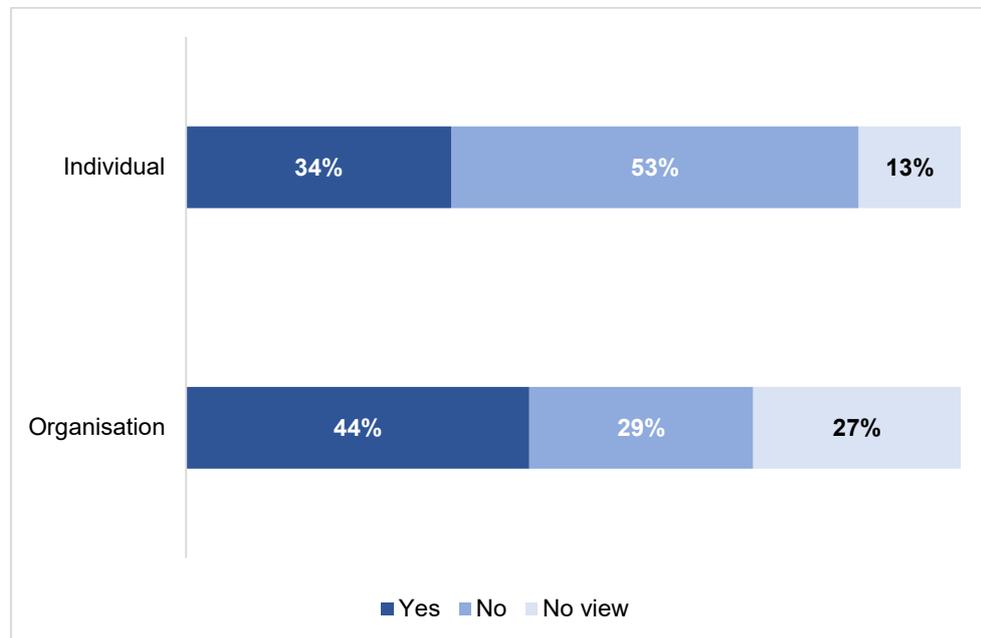
Figure 9: Overall responses on reporting arrangements for unincorporated charities



Base=135

- 4.7. Two-fifths (41%) of respondents agree that the current reporting arrangement for unincorporated charities is sufficiently proportionate as it stands. Over a third (36%) disagree, and do not believe the current arrangement is proportionate. Almost a quarter (23%) held no view on the issue.

Figure 10: A comparison of responses between organisations and individuals on reporting arrangements for unincorporated charities



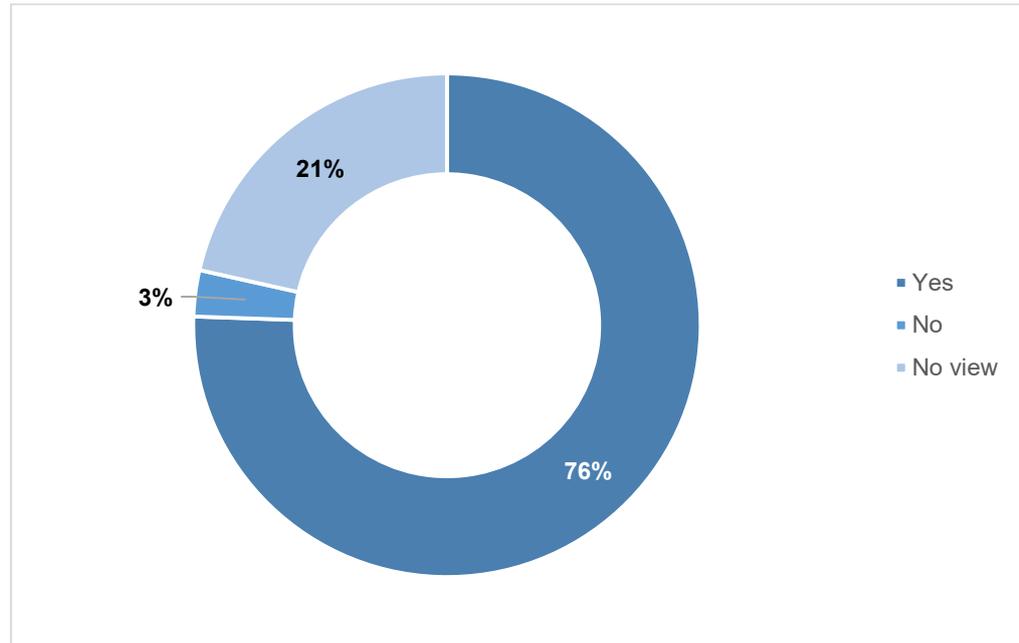
Base=135

- 4.8. Organisations (44%) were more likely than individuals (34%) to believe that the current arrangement was sufficiently proportionate. Organisations (27%) were also more likely than individuals (13%) to have no view. Over half (53%) of individuals did not believe the current arrangement was proportionate.
- 4.9. Respondents who did not believe the current system was sufficiently proportionate were asked what changes they would like to see. There were 47 comments, 27 from organisations and 20 from individuals.
- 4.10. Comments from organisations were varied, although a common response was that accrual accounts should not be necessary for smaller charities as this work would often need to be outsourced. One respondent suggested a solution and recommended small charities simply prepare abbreviated accounts, similar to small businesses. Others felt that the process should be the same for all charities within the same income band. One respondent raised the issue that it was

difficult to source Independent Examiners, so efforts should be made to train people in this role, or provide the service free of charge.

4.11. Individual comments were in line with those of organisations.

Figure 11: Overall responses on reporting arrangements for charities with an annual income between £250,000 and £500,000



Base=135

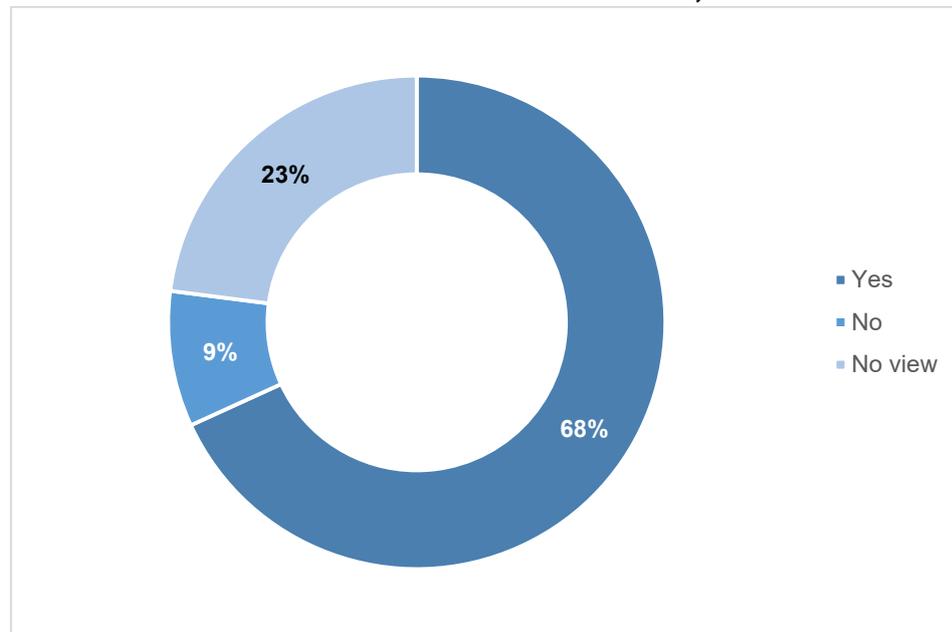
4.12. Just over three-quarters (76%) of respondents agreed that the current reporting arrangement for charities with an annual income between £250,000 and £500,000 was sufficiently proportionate. Only 3% did not feel it was sufficiently proportionate, whilst the remaining 21% held no view.

4.13. Respondents who did not agree that the current arrangement was sufficiently proportionate were asked what changes they would like to see. There were four additional comments, one from an organisation and three from individuals.

4.14. The organisation felt that all accounts should be independently audited before submission.

4.15. One of the individuals said that the annual income should be averaged out over three years as income may exceed the limit in one year, but fall back down again after this, before preparing accrual accounts. Other comments suggested that the type of charity should be considered as accrual accounts were not always worthwhile, and that external reviews should be audited every three to five years to avoid them becoming a tick box exercise.

Figure 12: Overall responses on reporting arrangements for charities with an annual income of over £500,000



Base=135

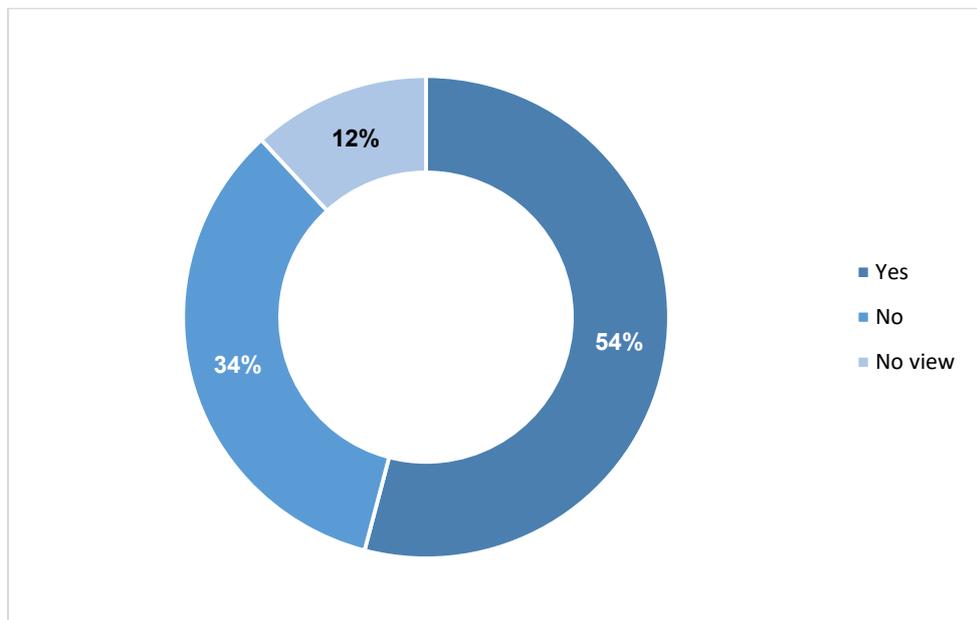
4.16. Over two-thirds (68%) of respondents agreed that arrangements for charities with an annual income of over £500,000 were sufficiently proportionate, whilst one in ten respondents (9%) disagreed. Almost a quarter (23%) held no view on the matter.

4.17. As with the responses on arrangements for charities with income between £250,000 and £500,000, opinion of organisations and individuals was broadly aligned. Organisations (70%) were slightly more likely than individuals (63%) to agree that current arrangements were proportionate.

4.18. Respondents who did not feel current arrangements were sufficiently proportionate were asked what changes they would like to see. There were 12 additional comments, with 6 from organisations and 6 from individuals.

4.19. Comments from organisations and individuals were broadly aligned, with the opinion being that the threshold was too low, with most suggesting this be raised to £1 million.

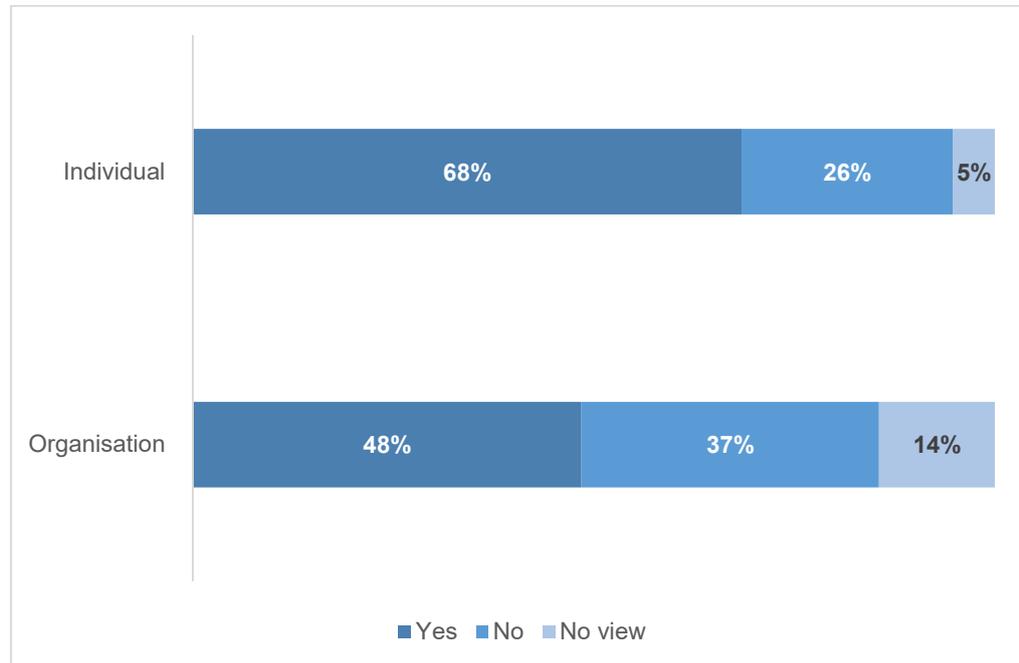
Figure 13: Overall responses on whether there should be a financial threshold for independent examination



Base=135

4.20. More than half (54%) of respondents believed there should be a financial threshold below which independent examination is not required. Just over a third (34%) did not agree with setting a threshold, and over one in ten (12%) held no view.

Figure 14: Comparison of responses between organisations and individuals on whether there should be a financial threshold for independent examination



Base=135

- 4.21. Individuals were more likely than organisations to support having a financial threshold below which there would be no requirement for independent examination, with over two-thirds (68%) of responses in comparison to just under half (48%) for organisations. As such, organisations were more likely than individuals to oppose a financial threshold, with 37% of responses compared with over a quarter (26%) for individuals.

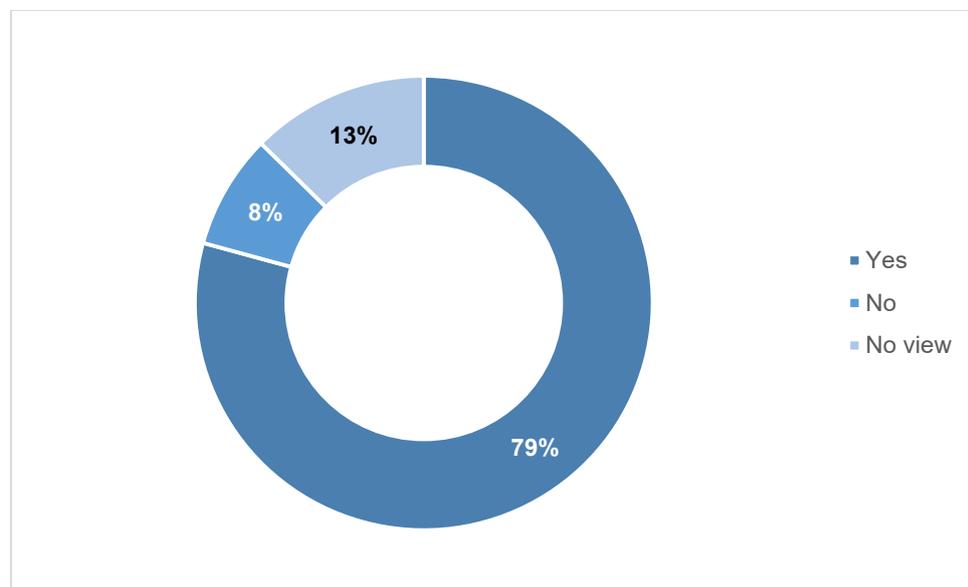
- 4.22. Respondents were asked if they thought there were any advantages to introducing a threshold, and to provide a rationale for their answer. There were 102 responses, 66 from organisations and 36 from individuals.

- 4.23. Most of the advantages of introducing a threshold had already been highlighted in previous responses, such as a reduced burden on

small charities might encourage more charities to start up and encourage more people to volunteer.

- 4.24. Those who said that they could not think of any advantages again reiterated what had already been discussed in previous answers. Comments included maintaining accountability, transparency, confidence in the sector, and deterring fraud.
- 4.25. Respondents were then asked if they could think of any disadvantages of introducing a threshold. There were 90 comments, 58 from organisations and 32 from individuals.
- 4.26. The comments on the disadvantages of a threshold were again already discussed in previous answers, with the most common being the potential for fraud or misuse of funds.

Figure 15: Overall responses on whether an online financial template would be helpful for smaller charities



Base=135

- 4.27. The majority (79%) of respondents felt that the development of an online financial template to support smaller charities in submitting their receipt and payment accounts, would be helpful. Less than one

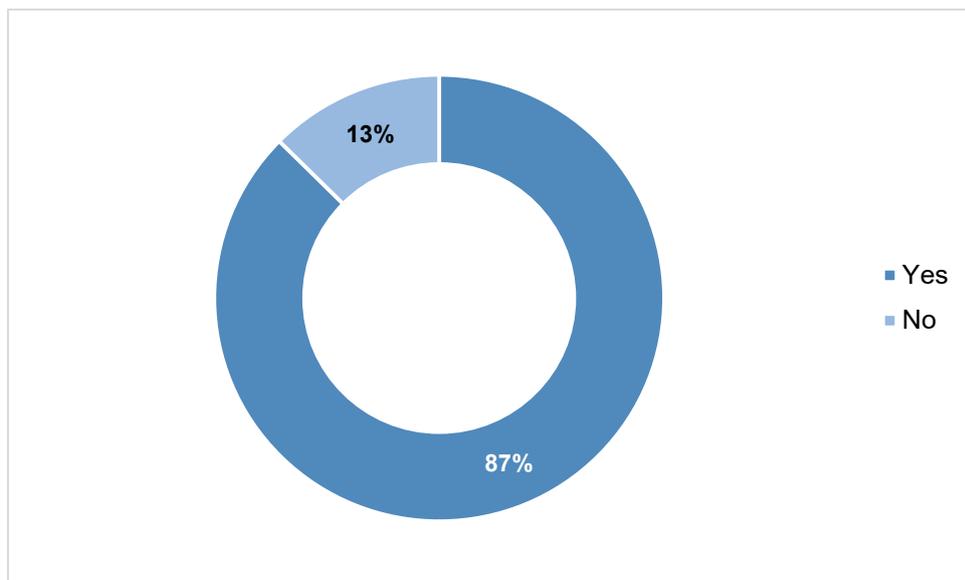
in ten (8%) did not believe this would be helpful, with the remaining 13% holding no view.

- 4.28. Comparing organisations with individuals indicates that opinion on the matter is very similar, with organisations (81%) being slightly more in favour than individuals (74%).

5. Day to day engagement by the Charity Commission

5.1. The Charity Commission provides advice and guidance to charity trustees to help them understand and comply with their legal obligations under the Charity Acts. This is done in a number of ways, including: providing guidance and advice through their website; training helper organisations to assist charities meet their regulatory requirements; attending events and charity roadshows to raise awareness of charity law; and by engaging directly with registered charities one-to-one.

Figure 16: Overall responses on whether respondents had engaged with the Charity Commission



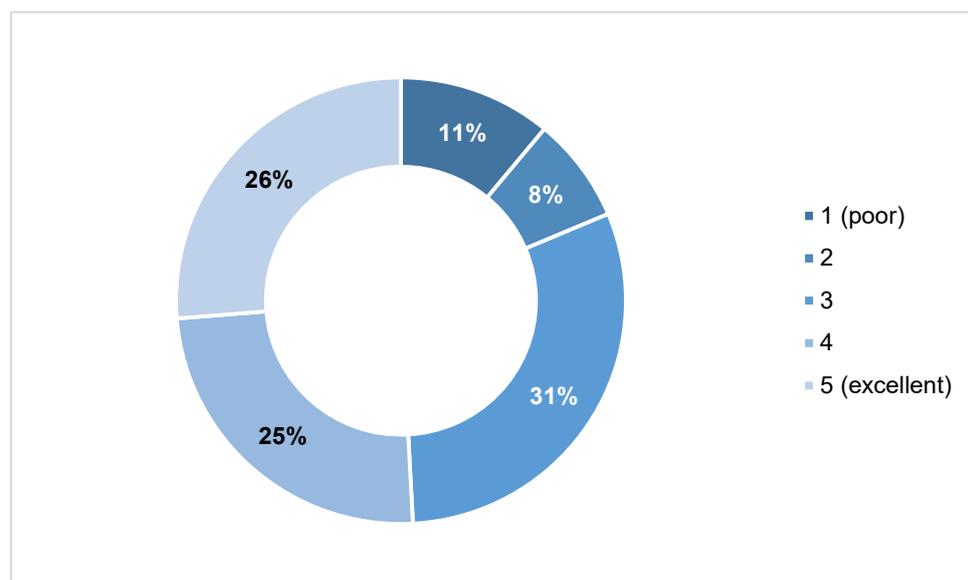
Base=135

5.2. The majority (87%) of respondents had experience of engaging with the Charity Commission.

5.3. There was almost no difference between organisations who had experience of engaging with the Charity Commission and individuals, (88% and 87% respectively).

- 5.4. Respondents who had experience of engaging with the Charity Commission were asked to confirm the context of their engagement. There were 118 comments, 85 from organisations and 33 from individuals.
- 5.5. Organisations who commented were most likely to advise they engaged with the Commission on day to day issues such as registration, reporting, governance, and clarification of advice and guidance. A number of respondents also discussed the method of contact, such as accessing the website, via email, via phone, through a roadshow or event. A few Helper Groups responded advising they would contact the Commission on behalf of charities for clarification on advice.
- 5.6. Similar to organisations, the most common reason provided by individuals was day to day issues. A small number also mentioned having gone through a statutory inquiry or being subject to litigation, whilst others mentioned contacting the Commission for advice for charities in their role as an advocate.

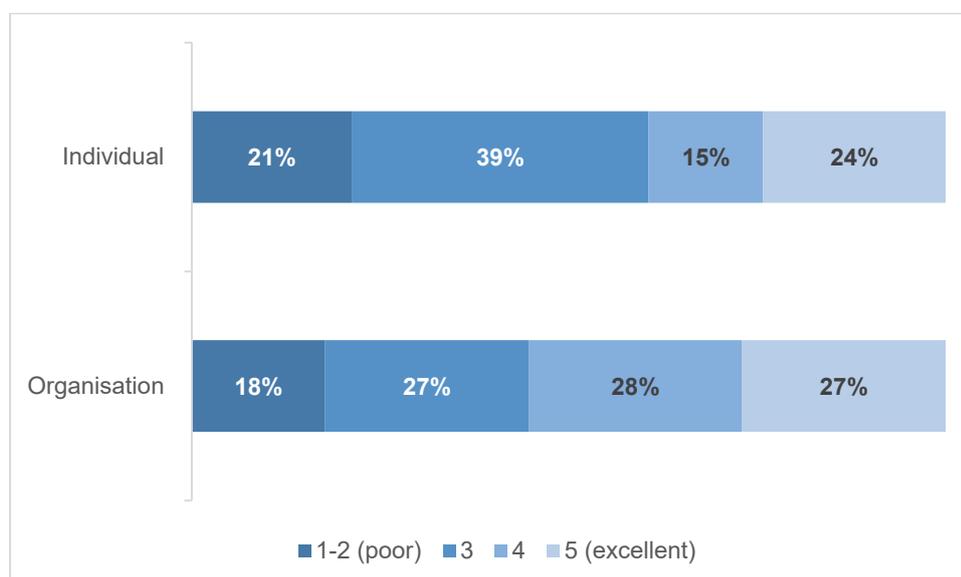
Figure 17: Overall responses rating experience of engaging with the Charity Commission



Base=135

5.7. Respondents who had engaged with the Charity Commission were asked to rate their experience of that engagement on a scale of one to five, where one is poor and five is excellent. Over half (51%) of all respondents who had engaged with the Charity Commission advised they had a positive experience of engagement, rating it as either a four or a five. Just under one in five (19%) had a negative experience, rating it as either one or two. The remaining 31% had an average experience.

Figure 18: Comparison of organisations and individuals rating their experience of engagement with the Charity Commission



Base=135

5.8. Overall, organisations (55%) were more likely to report having had a positive experience (rated four or five) of engagement with the Charity Commission than individuals (39%).

5.9. Respondents were asked to provide an explanation for their rating. There were 116 comments in total, 83 from organisations and 33 from individuals.

5.10. Organisations who had given a negative rating raised a number of issues. Some commented on the unclear advice and guidance, stock

email replies, slow responses to emails, and no clear information provided on response turnaround times. Another comment was that everything was conducted via email and it was very difficult to talk to anyone over the phone. One respondent described the Commission as being secretive and over-protective of their practices and procedures. This led to a simple request for information being turned into a Freedom of Information request. Another said that some members of the Commission “seem to work for an organisation that would be more akin to a secret society than a publicly accountable body”.

- 5.11. Of the individuals who provided a negative rating the most common comment was with regards to Commission staff, who were described as poorly trained and incompetent. Other complaints were that the Commission had little understanding or empathy for smaller charities, and that they did not respond to requests for help and guidance.
- 5.12. For those organisations who had provided an average rating, comments were mixed. Some said the Commission staff were always helpful, while others said the responses they had received to queries were useful. Others described contact as being remote, always via email and impersonal. Respondents were often directed to the website in response to a query, which was not always helpful for complex issues.
- 5.13. Similar to the responses from organisations, individuals who provided an average rating commented on staff always being helpful and courteous, and also advised they found it difficult to speak to anyone from the Commission over the phone and felt there was an over-reliance on email.
- 5.14. The majority of comments from both organisations and individuals who had provided a positive rating were about the staff at the

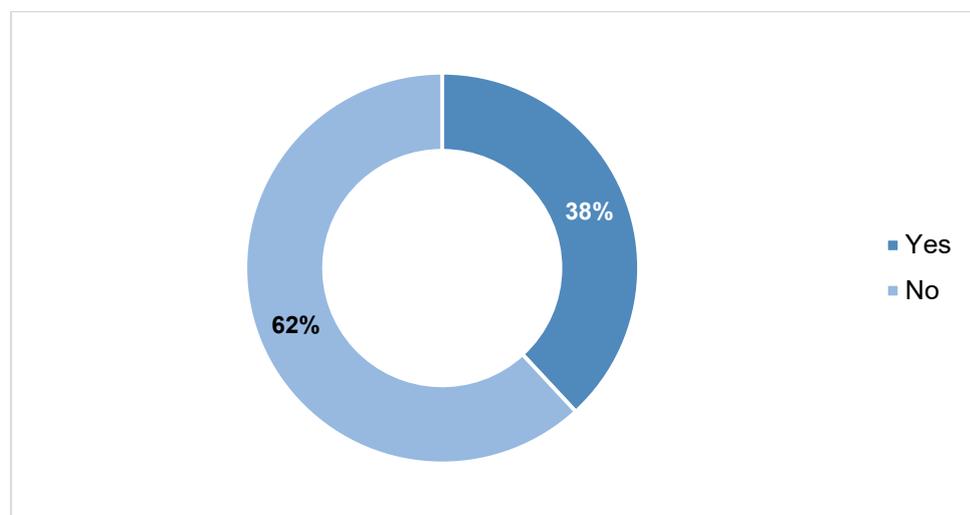
Commission. A number of respondents described staff as being helpful, understanding, and having provided clear and useful advice.

5.15. Respondents were asked what changes, if any, to the Charity Commissions engagement procedures would lead them to give a better rating. There were 104 comments, 77 from organisations and 27 from individuals.

5.16. The most common issues raised by organisations were better staffing resources, and setting up a direct helpline to Commission staff rather than having to go through NI Direct. Other comments suggested better search functionality for the website, a change in communication style to plain English as it is currently very legalistic, better and more frequent contact about the progress of registration, better support for smaller charities, and a more proactive approach to section 167.

5.17. Individuals raised similar issues, with the most common being better staff resourcing to help speed up response times to queries and registrations, a helpline which used Commission staff rather than NI Direct, and a better search function on the website.

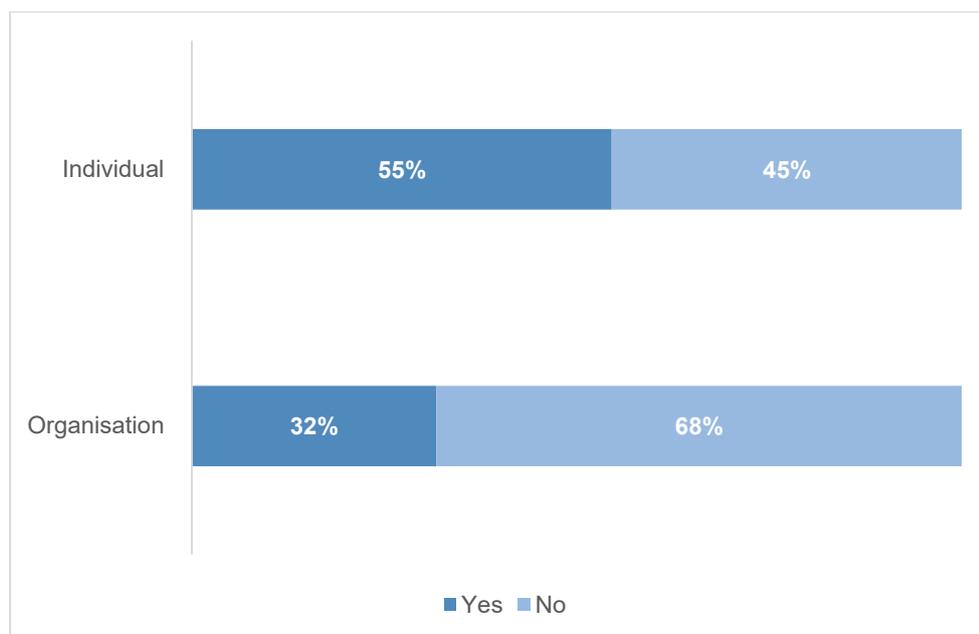
Figure 19: Overall responses on any challenges faced when engaging with the Charity Commission



Base=118

5.18. Over three-fifths of respondents (62%) confirmed that they had not met any challenges when engaging with the Charity Commission, whilst just under two-fifths (38%) said that they had.

Figure 20: Comparison between organisations and individuals on any challenges faced when engaging with the Charity Commission



Base=118

5.19. More than half (55%) of individuals confirmed meeting challenges when engaging with the Charity Commission, compared with just under a third (32%) of organisations. Almost seven in ten organisations (68%) reported having no challenges compared with under half (45%) of individuals.

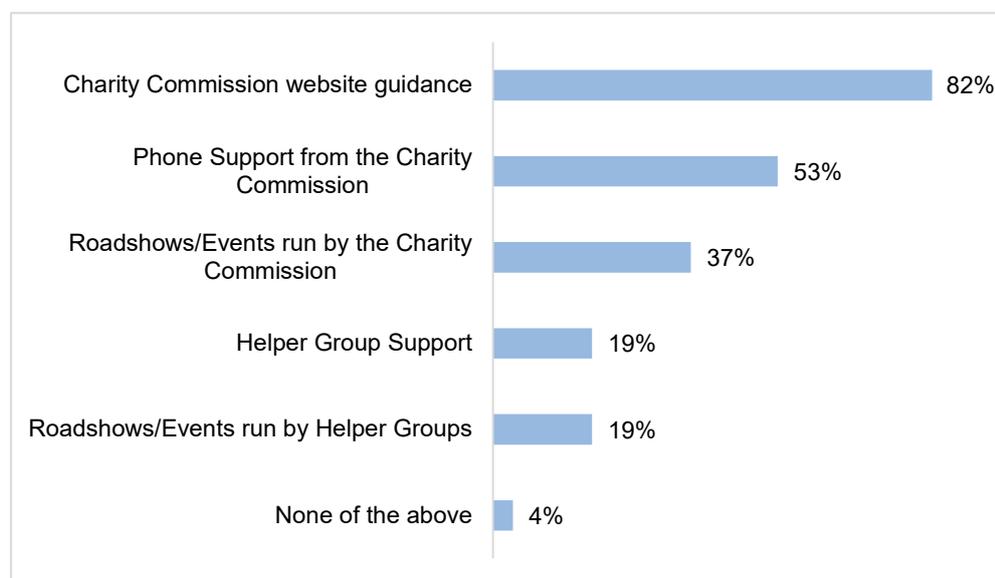
5.20. Respondents who confirmed meeting challenges were asked to explain what challenges they had faced. There were 45 comments, 27 from organisations and 18 from individuals.

5.21. The majority of challenges that were faced by organisations were issues that had already been discussed in a number of previous responses. These included the speed of the registration process,

unclear advice and guidance, not being able to speak directly with Commission staff, over-reliance on emails and directing queries to the website, and issues with the public benefit statement. Other notable challenges raised were not being proactive with regards to the recent court ruling on unlawful registrations, and failing to have a complaints process or provide guidance to charities on the issue.

5.22. Individual comments related to similar issues, with some also commenting that they found staff to be unhelpful, lacking empathy, or being bullying and aggressive.

Figure 21: Overall responses on which Charity Commission resources they had used



Base=135

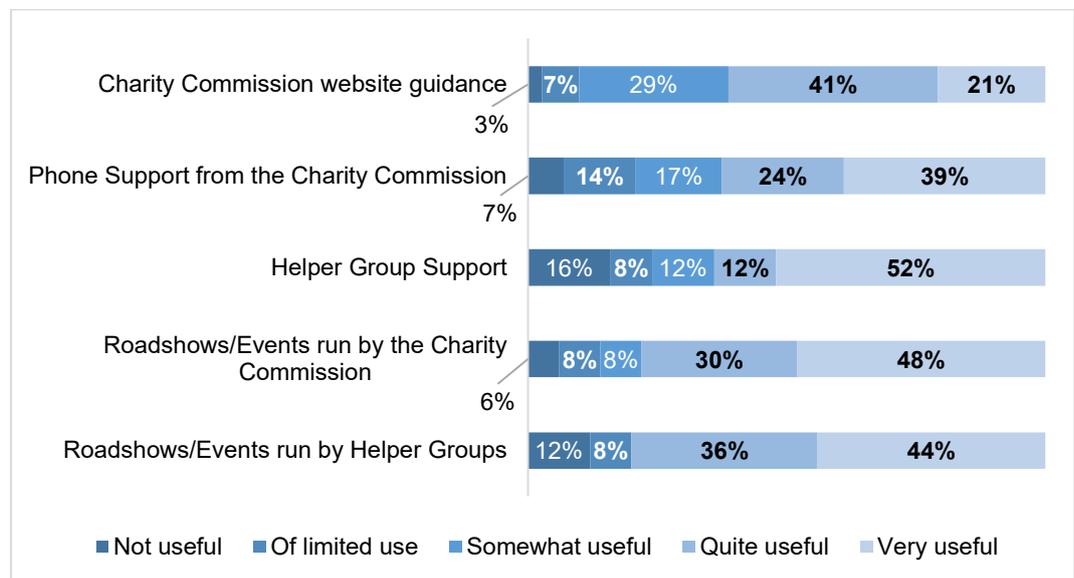
5.23. The most commonly used resource was the Charity Commission website guidance, with more than four-fifths (82%) of respondents saying they had used this. Over half (53%) of respondents had used phone support from the Charity Commission.

5.24. The Charity Commission website guidance was the most commonly used resource among organisations, with over four-fifths (82%)

saying they used this. Almost three-fifths (57%) had used phone support from the Charity Commission.

5.25. As with organisations, the most popular resource used by individuals was the Charity Commission website (82%). This was followed by phone support from the Charity Commission (45%) and roadshows/events run by the Charity Commission (37%).

Figure 22: Overall ratings on usefulness of the Charity compliance resources



Bases= Website 111, phone support 72, helper group 25, roadshow (charity commission) 50, roadshow (helper groups), 25

Note: For roadshows/events run by helper groups there were no responses for 'somewhat useful'.

5.26. Of the respondents who confirmed that they had used the Charity Commission website guidance, more than three-fifths (61%) found it to be 'quite useful', or 'very useful'. One in ten (10%) found it to be either of 'limited use', or 'not useful'.

5.27. Of the respondents who had used phone support from the Charity Commission, over three-fifths (63%) found it to be either 'quite useful' or 'very useful'. One in five (21%) rated phone support as either 'not useful' or 'of limited use'.

- 5.28. Of those who had used Helper Group Support, more than half (52%) found it to be 'very useful', with a further 12% finding it 'quite useful'. Almost a quarter (24%) advised they found it to be either 'not useful' or 'of limited use'.
- 5.29. Of the respondents who had been to a roadshow or event run by the Charity Commission, over three-quarters (78%) found it 'very useful' or 'quite useful'.
- 5.30. Of those who had attended a roadshow or event run by Helper Groups, four-fifths (80%) found them to be either 'quite useful' or 'very useful'. The remaining fifth (20%) found them to be 'of limited use' or 'not useful'.

6. Compliance procedures

- 6.1. The Charity Commission oversees charity trustees' compliance with their legal obligations in relation to their charity. To ensure compliance the Charity Commission engages with those in control of the charity or those running a charity. Non-compliance may be identified a number of ways, such as: through annual routine and proactive monitoring; through processes and programmes operated by the Commission e.g. compulsory registration; via externally generated concerns from charities, members of the public, statutory agencies; or other regulators or funders.
- 6.2. Less than half (44%) of all respondents advised that they had experience with dealing with the Charity Commission exercising its compliance role. Of those, two in five organisations (40%) confirmed they had dealt with the Charity Commission on a compliance issue, while just over half (53%) of individuals had.

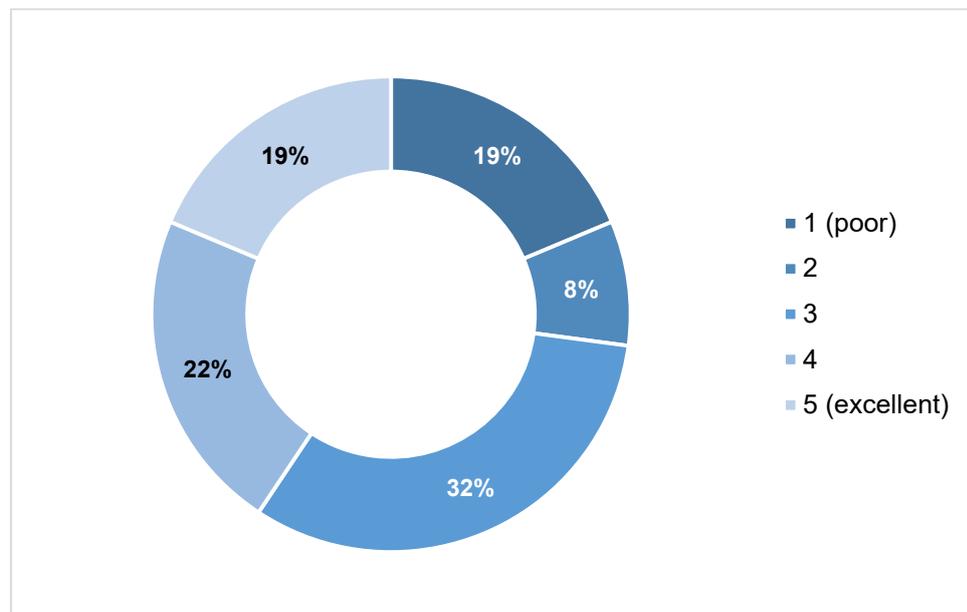
Table 1: Responses on engagement with Charity Commission in exercising its compliance role

Experience of Charity Commission exercising its compliance role	All %
As a charity trustee or member of a charity subject to a compliance procedure	56%
As an individual raising a concern with the Charity Commission about a charity	8%
Other	49%
All respondents	59

- 6.3. Almost three-fifths (56%) of respondents had engaged with the Charity Commission in its compliance role as a charity trustee or member of a charity subject to a compliance procedure. Just under half (49%) of respondents said that they had engaged with the Charity Commission in its compliance role for 'other' reasons.

- 6.4. Respondents who had selected 'other' were asked in what capacity they had experienced the Charity Commission exercise its compliance role. There were 30 additional comments, 20 from organisations and 10 from individuals.
- 6.5. The most common reason provided by organisations who had engaged with the Commission was as an employee of a charity, either with an ongoing compliance issue, or reporting another charity for a compliance issue. Other reasons provided were as funders reporting charities, providing advice to charities regarding a compliance issue, or as part of a Helper Group.
- 6.6. Individuals who had engaged with the Commission provided a variety of reasons. These included as employees of a charity, as a solicitor or professional offering advice on a compliance issue, as a personal litigant with a case against the Commission, and as a company director of an organisation who felt charitable status had been forced upon it.

Figure 23: Overall responses rating the experience of dealing with the Charity Commission in its role to improve compliance



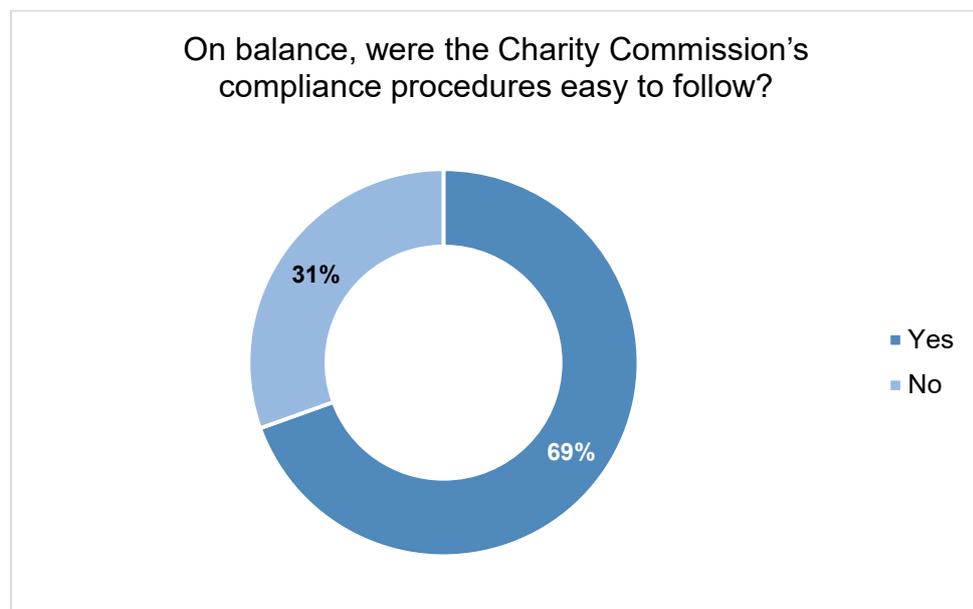
Base=59

- 6.7. Respondents were asked to rate their experience of engaging with the Charity Commission in its compliance role on a scale of one to five, where one is poor and five is excellent. Two-fifths (41%) of respondents said that they had a positive experience (a rating of four or five) when dealing with the Charity Commission in its role to improve compliance. Just under one third (32%) rated their experience as average. The remaining 27% had a negative experience (a rating of one or two).
- 6.8. Respondents were asked to provide a rationale for their rating. There were 53 comments in total, 36 from organisations and 17 from individuals.
- 6.9. Organisations who had provided a negative rating commented that the Charity Commission was not forthcoming in providing a charity with any information on what a compliance issue was, and that there had been no engagement with the charity to determine if there was any substance to the allegation. One respondent commented that the Commission was “all stick and no carrot” with regards to compliance and had ignored parts of the Charity Act which stipulate it’s regulatory function should be “proportionate, accountable, consistent, transparent and targeted only at cases in which action is needed”. Those who had raised an allegation advised they had not received any acknowledgement that their concern was being investigated.
- 6.10. Individuals who had given a negative rating raised similar issues in their comments, such as a lack of engagement with the charity, and an abdication of their statutory duty. Another issue raised was that there was a lack of understanding of smaller charities who were often trying their best.
- 6.11. Organisations who had provided an average rating felt that the Charity Commission was overly punitive or harsh, with two

specifically mentioning the late filing of accounts. Others, however, said they found their experience to be satisfactory or okay.

- 6.12. Individuals again brought up the issue of the language used in correspondence as being too formal, and suggesting it should be in layman's terms. One respondent felt that the time limits given to respond to compliance issues were too short, especially for charities where trustees were volunteers.
- 6.13. A number of comments from organisations who provided positive ratings were on the staff of the Charity Commission, who were described as helpful and understanding, and who had given useful, clear and concise advice. Other comments suggested that the process was quick and efficient and that investigations had been robust and diligent. One respondent also advised that when they had been provided with incorrect advice, this was quickly rectified by staff.
- 6.14. Individuals also commented on staff, speed of process and being provided with clear advice.

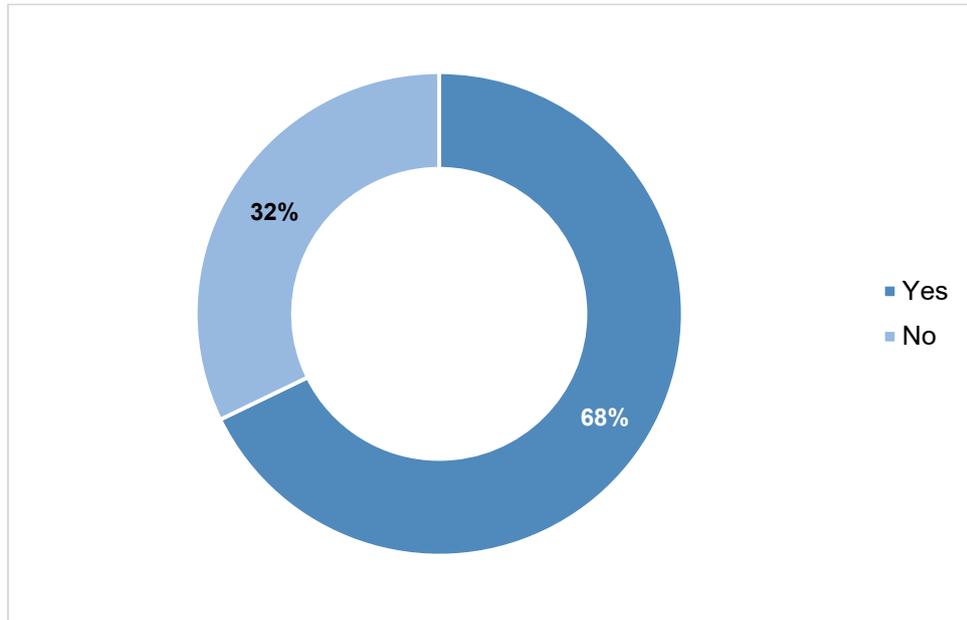
Figure 24: Overall responses on whether the Charity Commission's compliance procedures were easy to follow



Base=59

6.15. Over two-thirds (69%) of respondents advised that they had found the Charity Commission’s compliance procedures easy to follow.

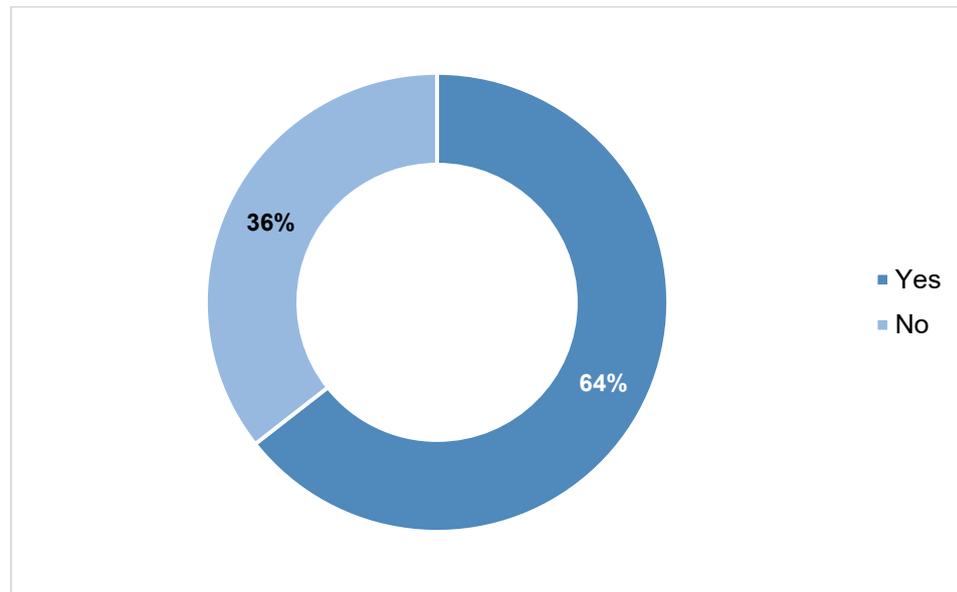
Figure 25: Overall responses on whether their engagement with the Charity Commission had a positive outcome for the charity



Base=59

6.16. Over two-thirds (68%) of respondents who had engaged with the Charity Commission on a compliance issue said they had a positive outcome for their charity as a result of that engagement.

Figure 26: Overall responses on whether any aspect of the compliance procedures could be improved



Base=59

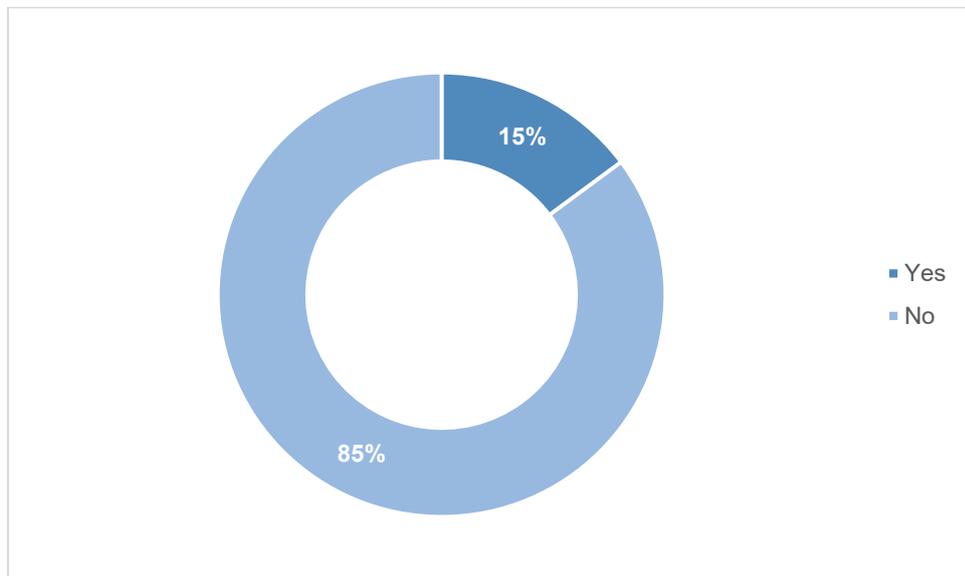
- 6.17. Almost two-thirds (64%) agreed that there were elements of the compliance procedure that could be improved.
- 6.18. Respondents who had agreed that there were elements of the compliance procedures that could be improved were asked to provide additional comment. There were 39 comments in total, 22 from organisations and 17 from individuals.
- 6.19. The most common issue raised by organisations was in respect to late filing of accounts. A number of respondents felt that the notification should be amended to reflect how late the accounts were filed, and it was also suggested that a reminder could be issued a month before accounts were due. As had been mentioned in previous comments, the language used in the advice and guidance should be simplified for the benefit of smaller organisations who could struggle to find someone with the legal or financial knowledge to offer an adequate response. One respondent also suggested the tone of the correspondence from the Charity Commission could be quite upsetting for volunteers.

6.20. Individuals raised a number of the same issues with comments suggesting that communication should consider that trustees are not from a legal background and should be clear and easy to understand, and that if there was a compliance issue that the Charity Commission should engage with the charity involved. One respondent also suggested charities be given the benefit of the doubt as most were doing their best to comply.

7. Investigations

7.1. The Charities Acts give the Charity Commission broad powers to examine and inquire into any registered charity where this is reasonably necessary. In exercising its compliance duties, the Commission may, on its own initiative, identify an issue requiring further investigation, or a concern may be raised by the charity itself or a third party.

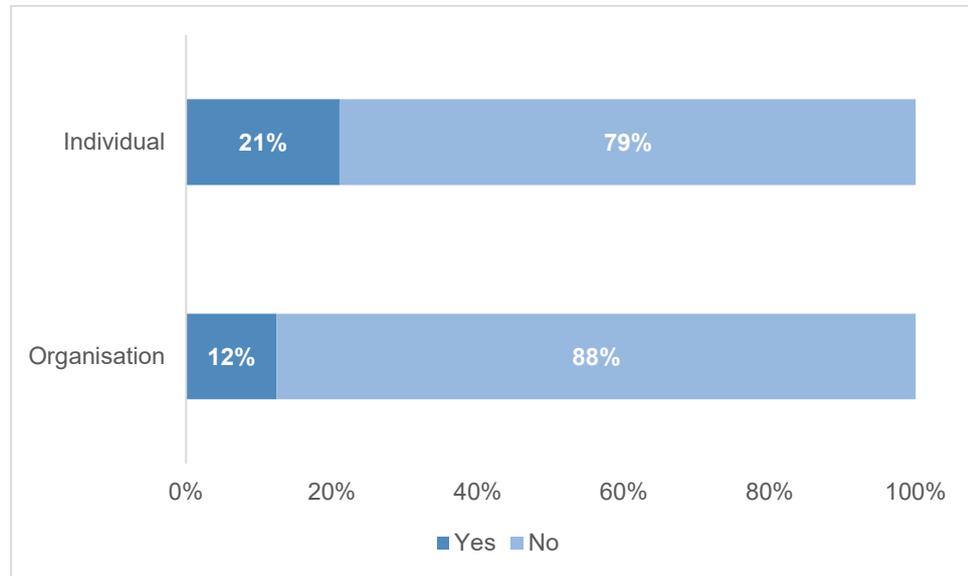
Figure 27: Overall responses on whether raised a concern with the Charity Commission about a charity



Base=135

7.2. Only a small proportion (15%) of respondents had raised, or assisted a charity to raise, a concern with the Charity Commission about a charity.

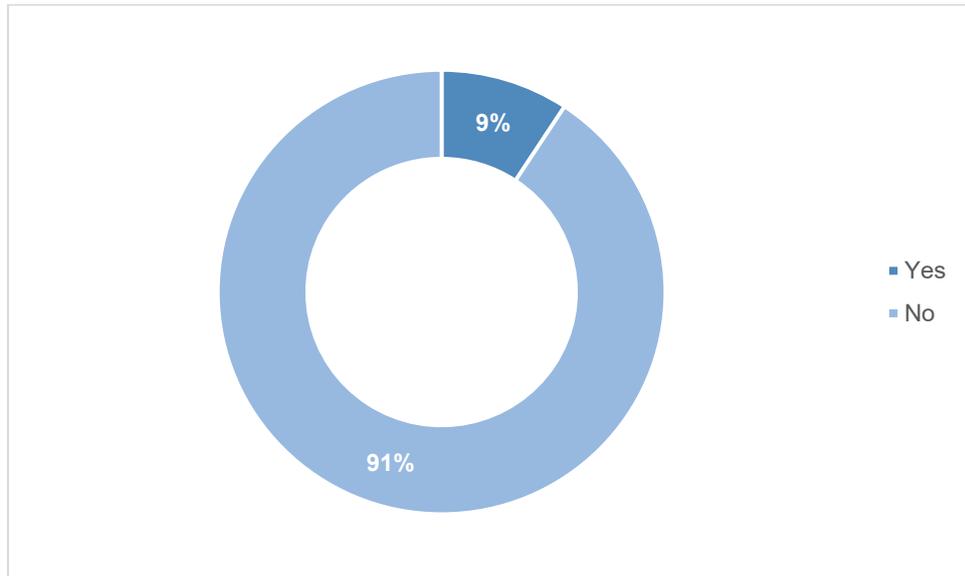
Figure 28: Comparison between organisations and individuals on whether raised a concern with the Charity Commission about a charity



Base=135

- 7.3. Individuals (21%) were almost twice as likely as organisations (12%) to say that they had raised, or assisted a charity to raise, a concern with the Charity Commission about a charity.
- 7.4. Respondents were asked about their experience of the Commission's procedures for dealing with such concerns. There were 20 responses, 12 from organisations and 8 from individuals.
- 7.5. One organisation stated that they were 'very pleased with procedures/approach to concerns' and others said the experience was positive. Individual responses were mixed, with some positive ('very professional') and others being more critical.

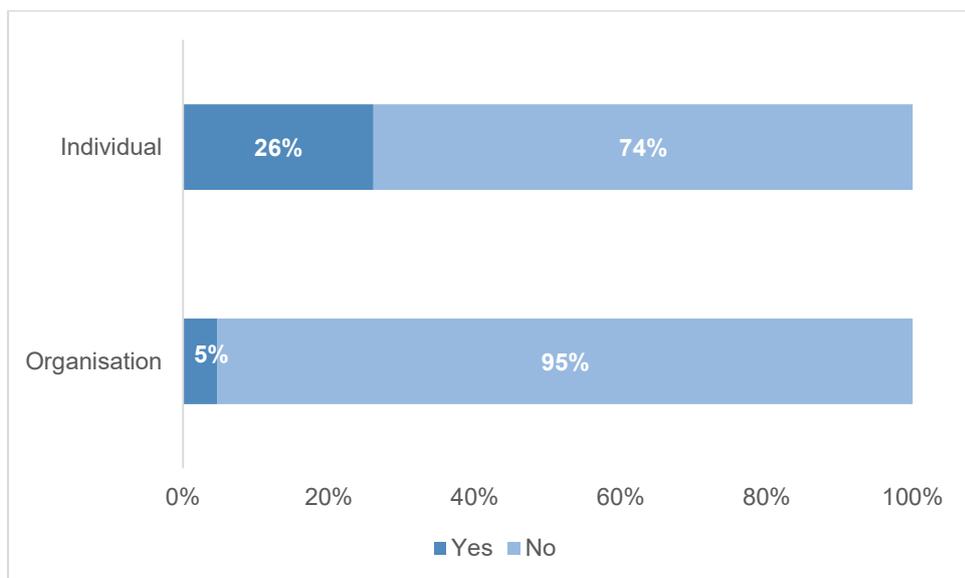
Figure 29: Overall responses on whether charity has ever been subject to an investigation by the Charity Commission



Base=108

- 7.6. Just under one in ten (9%) of respondents had raised, or assisted a charity to raise, a concern with the Charity Commission about a charity.

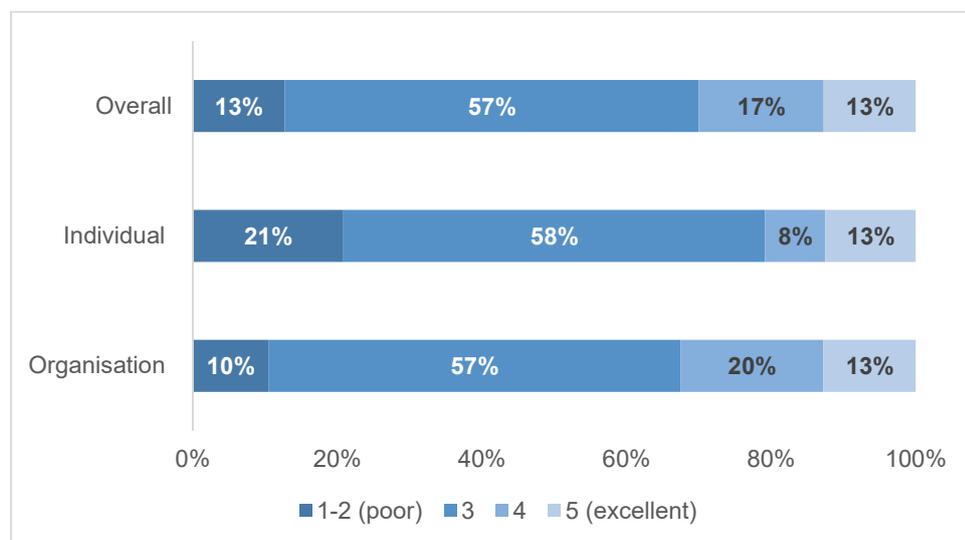
Figure 30: Comparison between organisations and individuals on whether charity has ever been subject to an investigation by the Charity Commission



Base=108

- 7.7. Individuals (26%) were more likely than organisations (5%) to say that they had raised, or assisted a charity to raise, a concern with the Charity Commission about a charity.
- 7.8. Participants in the survey were asked about their experience of investigations. No respondents reported having received self-regulation advice from the Charity Commission. Only one individual said they had received regulatory guidance from the Charity Commission. A total of seven, one organisation and six individuals, had been the subject of a statutory inquiry under section 22 of the Charities Act.
- 7.9. Eight respondents (two organisations and six individuals) who had experience of engagement with the Commission in terms of an investigation provided further comments. One organisation said it was subject to an inquiry, and the other felt that the Commission did not fully investigate misconduct in its own ranks. An individual respondent said that the Commission did not provide information on the reason for or matters of the investigation. Others had advised the new board of a charity or were critical of the Commission.

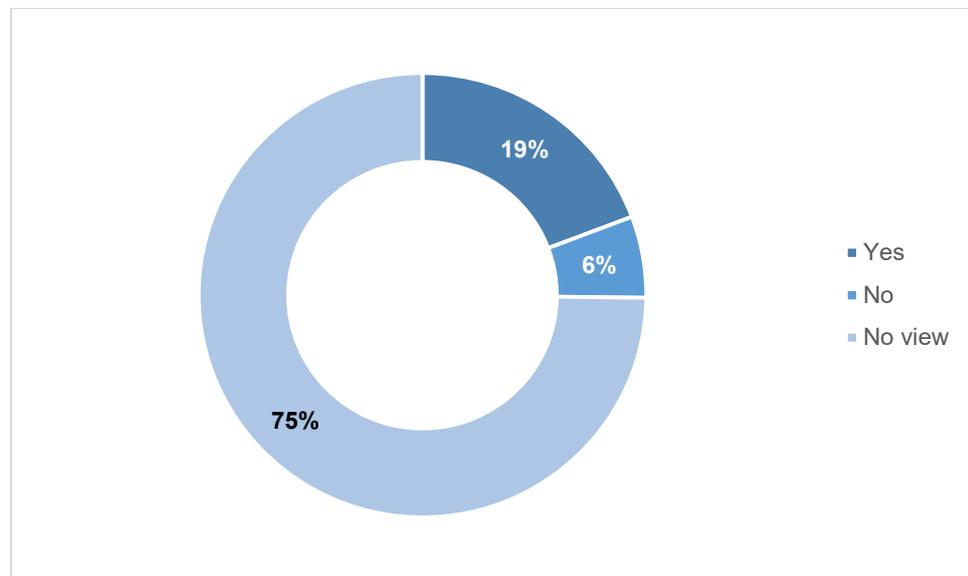
Figure 31: Rating of the current investigation framework in terms of fitness for purpose



Base=110

7.10. Respondents were asked to rate, on a scale of one to five, with one being poor and five being excellent, the current investigation framework in terms of fitness for purpose. Overall, almost three-fifths (57%) of respondents gave a neutral response to this question, with little difference between organisations (57%) and individuals (58%). A third (33%) of organisations provided a positive rating (a score of four or five), whilst just over a fifth (21%) of individuals gave a positive rating.

Figure 32: Overall responses on other approaches to assist with resolution



Base=135

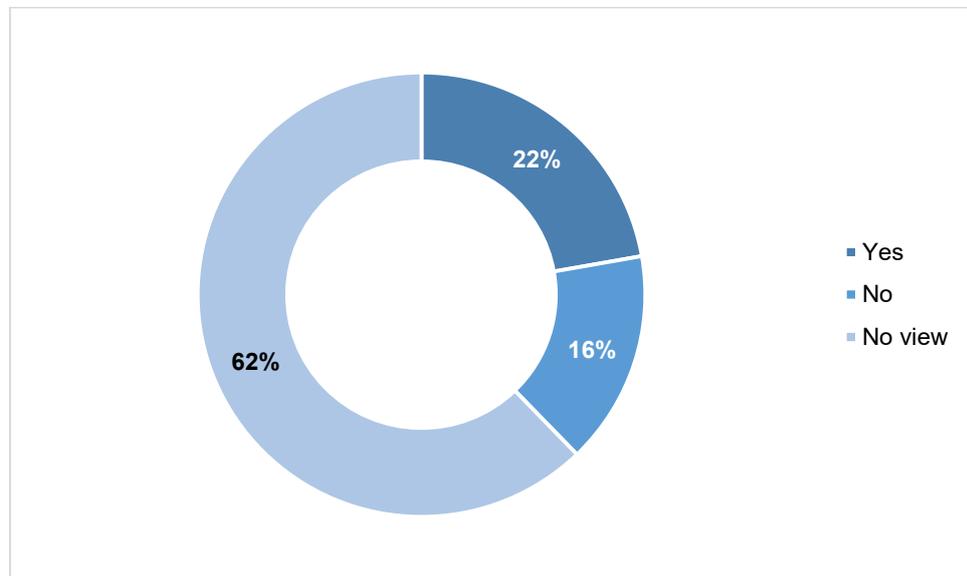
7.11. Almost a fifth (19%) of respondents felt that there were other statutory and non-statutory approaches not described in the questionnaire that could be implemented as part of a regulatory framework to assist with achieving resolution of concerns in relation to charities. Three-quarters (75%) of respondents held no view. Excluding those who held no view, 77% felt there were other approaches.

7.12. Respondents were asked to elaborate on their answer. A total of 26 did so, 13 organisations and 13 individuals. Organisations said that a preliminary exploratory meeting with charities should be considered, or having a mediator in place. For individual respondents, better guidance should be available, or some sort of charities mediation service.

8. Enforcement and Appeals Procedures

8.1. The Charity Commission has legal powers to issue specific types of direction to charities and charity trustees. The purpose of some of these powers is to protect charities' assets or to remedy and/or prevent further misconduct by trustees where a risk has been identified as a result of the Commission's inquiries.

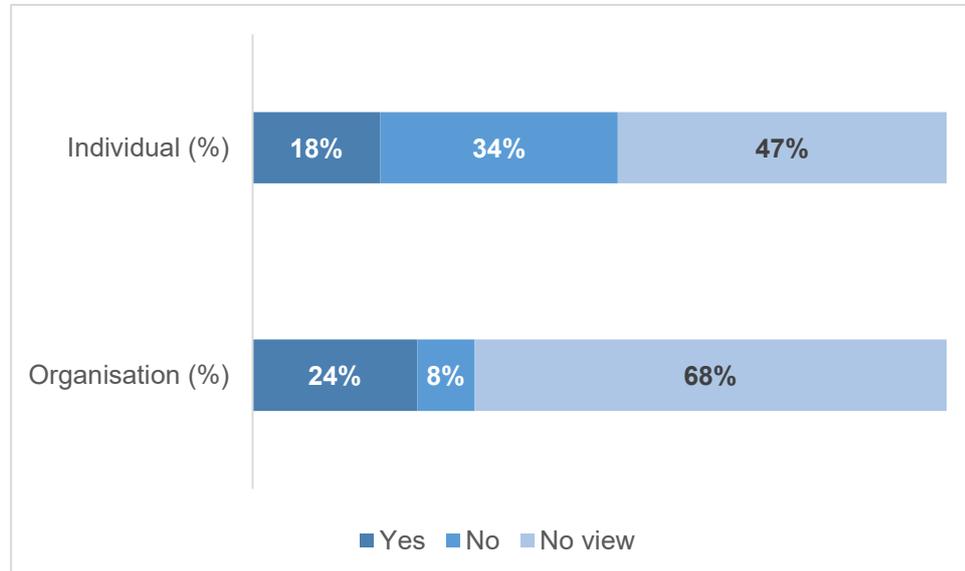
Figure 33: Overall responses to whether or not the Commission has struck the right balance between supporting charities to do the right thing and deterring or dealing with misconduct



Base=135

8.2. Just over a fifth (22%) of survey respondents felt that the Commission has struck the right balance between supporting charities to do the right thing and deterring or dealing with misconduct. However, it is notable that over three-fifths (62%) of respondents had no view on the matter. Excluding the 'no view' responses, almost three-fifths (59%) agreed that the Commission has struck the right balance and just over two-fifths (41%) disagreed.

Figure 34: Comparison of responses between organisations and individuals on whether Commission has struck right balance between supporting charities to do the right thing and deterring or dealing with misconduct



Base=135

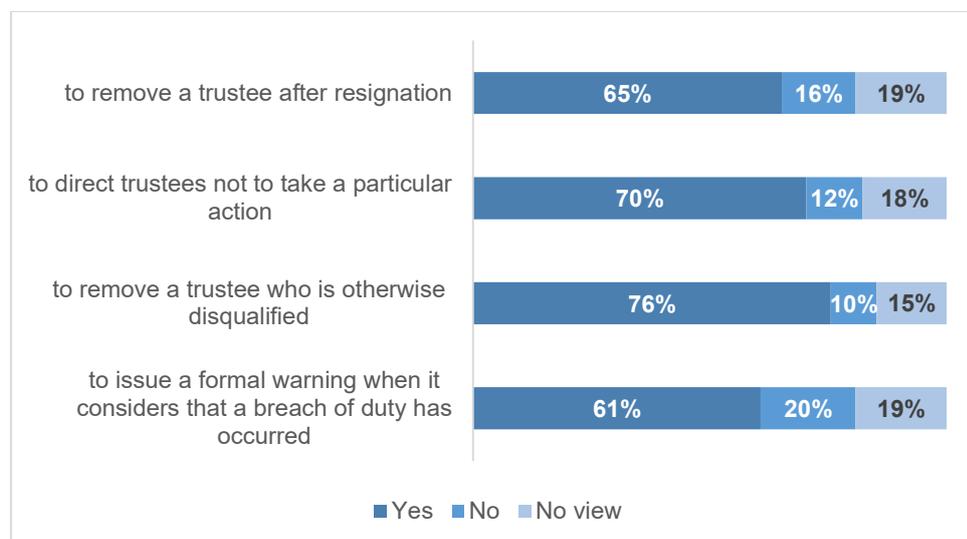
- 8.3. Whilst similar proportions of organisations and individuals (24% and 18% respectively) agreed that the Commission struck the right balance between supporting charities to do the right thing and deterring or dealing with misconduct, the two groupings were split on disagreeing with the question. Less than one in ten (8%) of organisations, compared with over a third (34%) of individuals disagreed.
- 8.4. If 'no view' is excluded, organisations were over twice as likely to agree with the question than individuals, with 74% of responses from organisations agreeing that the right balance is struck compared with 35% of individuals.
- 8.5. Respondents were offered the opportunity to provide an explanation for their response. There were 51 comments, 29 from organisations and 22 from individuals. One organisation suggested that rather than issuing formal warnings, 'advice on actions should be provided first,

especially to a newly registered charity'. Another suggested the Commission was more of an 'enforcer' than a 'helper'. On a more positive note, it was stated that the Commission is 'hugely supportive to charities, and knowledgeable about the issues charities face...they investigate thoroughly and where an issue has been identified, take steps to resolve'. Other comments included that they acted swiftly and decisively when necessary, they strike the right balance in protecting Charity assets and reputation, and are clear and robust in their procedures.

8.6. Individual respondents said the Commission took a proportionate and hands-off approach, and had got the balance right. Others felt the Commission failed to provide enough guidance and was unnecessarily aggressive, and had a reputation for being heavy handed. One respondent went as far as to state it has 'caused small groups to close out of fear'.

8.7. The next set of questions were in relation to the additional powers that the Charity Commission requires to enable it to protect charitable assets and support good governance in charities.

Figure 35: Overall responses on a range of powers required by the Charity Commission



Base= 135

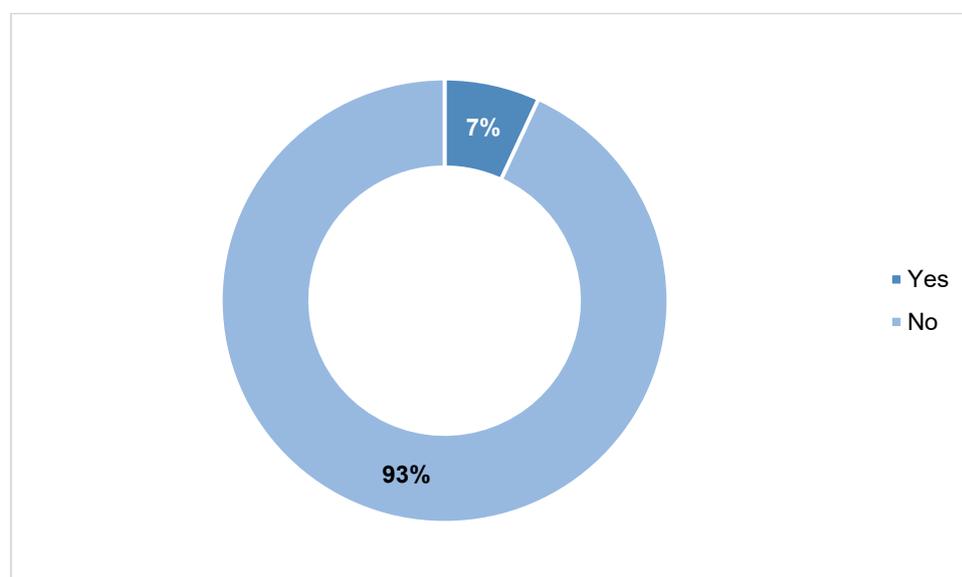
- 8.8. Almost two-thirds (65%) of respondents believed that the Charity Commission should be given the power to remove a trustee (and thereby disqualify him or her), even if the trustee resigns before being removed. Responses from organisations and individuals were broadly comparable (68% and 58% respectively being in agreement).
- 8.9. Over two-thirds (70%) of respondents agreed that the Charity Commission should have the power to direct trustees not to take a particular action if it considers that the action would amount to misconduct or mismanagement.
- 8.10. Three-quarters (75%) of those responding on behalf of an organisation agreed that the Charity Commission should have the power to direct trustees not to take a particular action if it considers that the action would amount to misconduct or mismanagement. Almost three-fifths (58%) of responses from individuals were in agreement.
- 8.11. Over three-quarters (76%) of respondents believed that the Charity Commission should have the power to remove a trustee who is otherwise disqualified from being a charity trustee. Four-fifths (80%) of organisations and over three-fifths (63%) of individuals agreed with the Commission having this power.
- 8.12. Over three-fifths (61%) of respondents felt that the Charity Commission should have the power to issue a formal warning when it considers that a breach of duty has occurred without the need to first open a statutory inquiry. A similar proportion of organisations and individuals agreed with the Charity Commission possessing this power (62% and 58% respectively).
- 8.13. Respondents could provide an explanation for their answers. There were 49 in total, 30 from organisations and 19 from individuals.

- 8.14. One organisation said that the Commission ‘needs to have a range of powers at its disposal to enable it to protect charities and the general public who support them from serious adverse incidents’, but that on occasion it has been ‘incapable of exercising these powers without a high level of oversight’. Another pointed to the Charity Commission in England and Wales and their experience of ‘dealing with trustees demonstrates that charity regulators require strong powers to hold trustees to account and to remove and disqualify them where necessary’.
- 8.15. A concern was raised by a faith based organisation over the power of the Commission to remove a trustee. They were ‘concerned if the Charity Commission seeks to remove trustees from a role for reasons other than financial impropriety... It should be up to the charity itself to remove or replace trustees’.
- 8.16. Individual responses ranged from ‘the commission is there to protect the charity and its beneficiaries so they should be able to do what will help that’ to the Commission ‘should be an agency of a governmental department with close supervision and no powers to act alone’.

9. Enforcement and Appeals Procedures – Appeal of Regulator Decision

9.1. The main forum for resolving complaints against the Charity Commission is the Charity Tribunal. The Commission also has an internal decision review process that can be used to complain about a service that the Commission has provided and, in certain circumstances, to request a review of a decision made by the Commission.

Figure 36: Overall responses to experience of the Commission’s internal review process



Base=116

9.2. The vast majority (93%) of respondents had no experience of the Commission’s internal review process to challenge a decision. Individual respondents were almost three times more likely to have had experience of this process than organisations (13% of individual respondents, 5% of those responding on behalf of an organisation).

9.3. Eight respondents provided comments on their experience of dealing with the Commission’s internal review process, four from organisations and four from individuals.

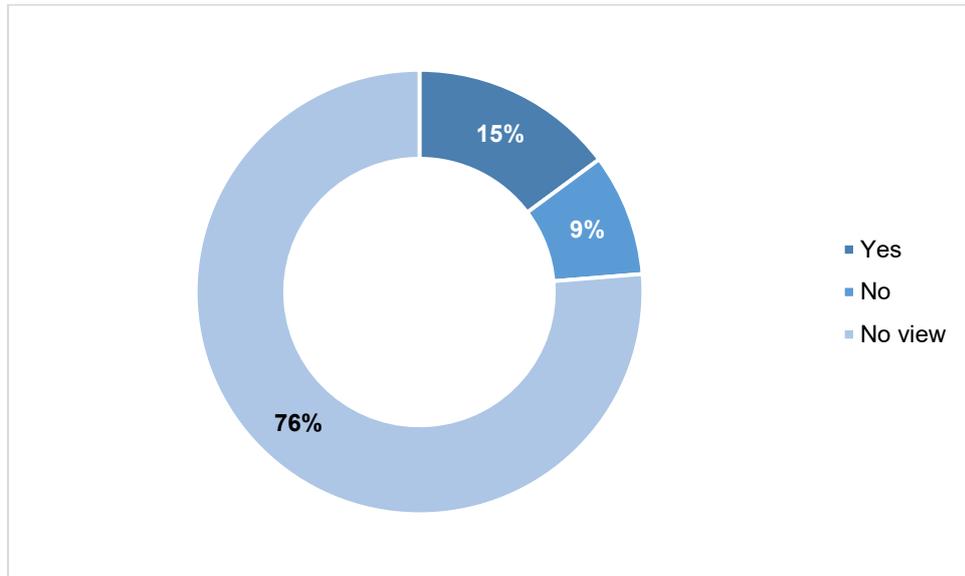
9.4. One organisation made the following comment:

‘All decisions, orders and directions of the Commission should be subject to review, if not by the tribunal, then by the Commission. NI does not have an Upper Tier appeal process, that's why we should be able to have every decision reviewed, otherwise charities have only Judicial Review as a defence. That is not fair, nor is it consistent with the rest of the UK, a broadly similar jurisdiction.’

9.5. Another organisation felt that ‘the opportunity to engage with a case worker to have the situation explained or further reviewed would be beneficial. Face to face engagement is always beneficial’. An individual respondent mirrored this sentiment.

9.6. Four individual respondents and four organisations also provided feedback on how the internal review process could be improved. Organisations indicated issues around communication and the level of information required for responses. Others said the current 42 day deadline to appeal or request a decision review was too short. One organisation and one individual suggested that reviews should be carried out by a more senior caseworker.

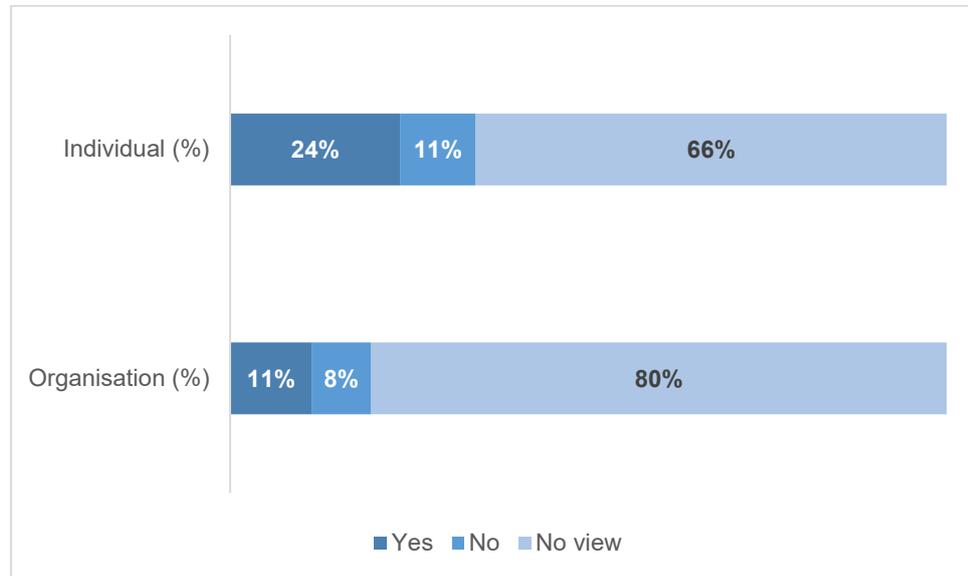
Figure 37: Overall responses to independent review of a regulatory decision short of an appeal



Base=135

- 9.7. Respondents were next asked if there were other statutory or non-statutory approaches which could be implemented to provide the opportunity for independent review of a regulatory decision short of an appeal to the NI Charity Tribunal. Most (76%) had no view on this. A small proportion (15%) felt there were other approaches, whilst 9% did not.

Figure 38: Comparison of responses between organisations and individuals on Independent review of a regulatory decision short of an appeal



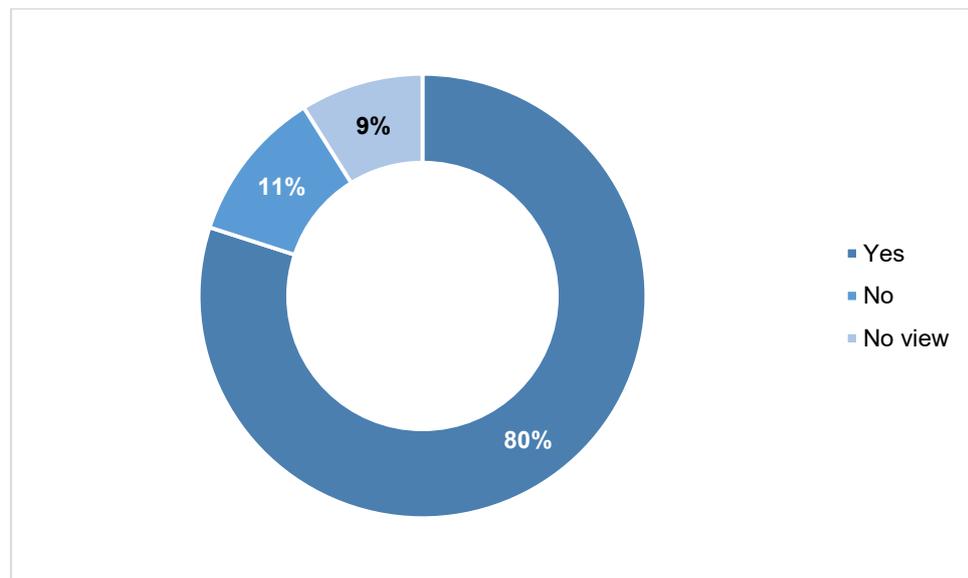
Base=135

- 9.8. Just over one in ten (11%) organisations felt there were other statutory or non-statutory approaches which could be implemented to provide the opportunity for independent review of a regulatory decision short of an appeal to the NI Charity Tribunal compared with almost a quarter (24%) of individuals.
- 9.9. Respondents could elaborate on their response if they so wished. There were 20 responses in total, 11 from organisations and 9 from individuals. Organisational responses included appeals of a decision made by the Charity Commission should be conducted externally from the Commission, through early conciliation, and that tribunals should be the last resort for charities.
- 9.10. One individual response said that ‘Tribunal action is an important last stage in what should be a process giving a number of options...before reputational, governance and other negative impacts overtake the issues under consideration’.

10. Delegation Powers

10.1. In 2020, the Northern Ireland Court of Appeal (NICA) delivered a judgment upholding a legal challenge to the delegation of decision-making powers by the Commission to members of staff.

Figure 39: Overall responses on whether some decisions should be delegated to Commission staff

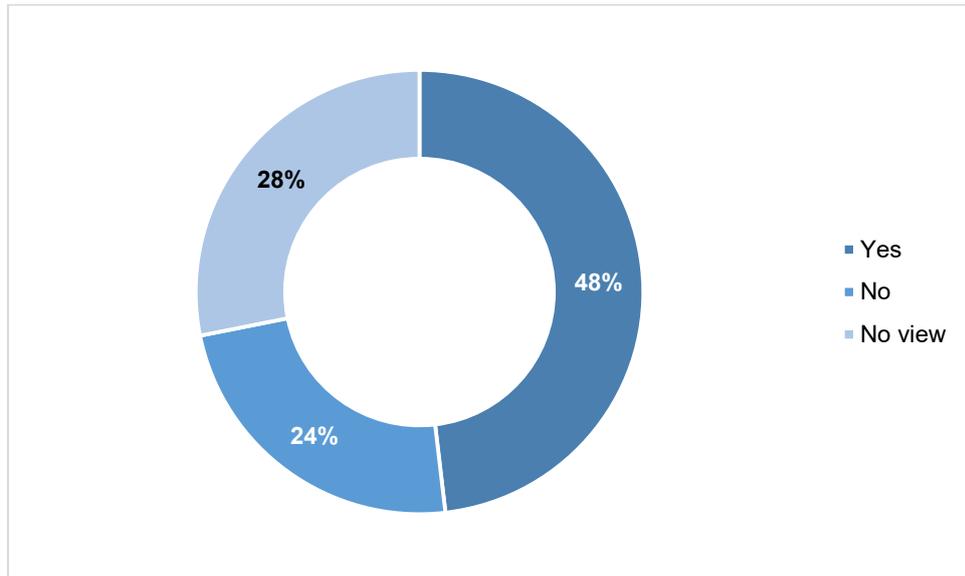


Base=135

10.2. Four-fifths (80%) of respondents thought that it was appropriate to delegate some decisions to Commission staff.

10.3. Organisations (81%) and individuals (78%) were in broad agreement on this.

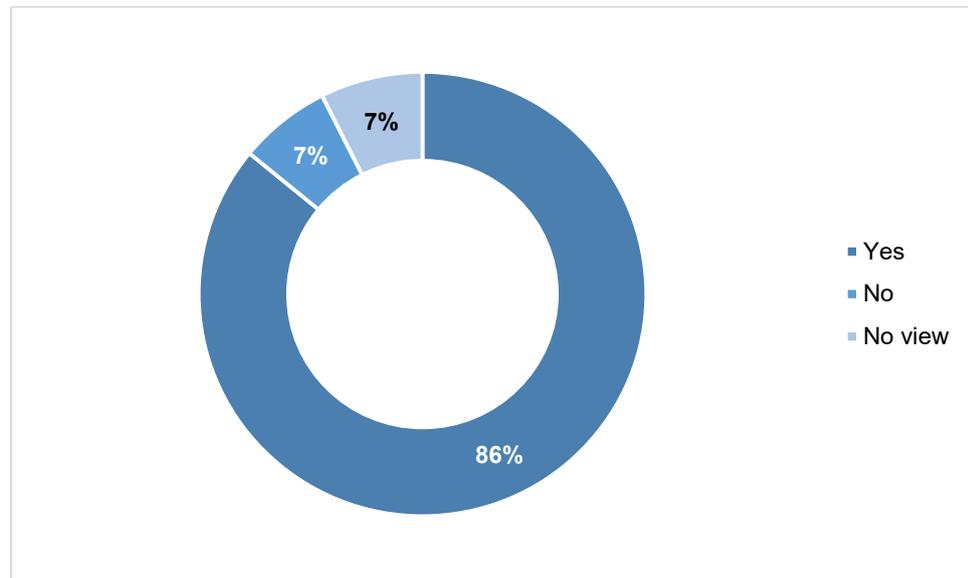
Figure 40: Overall responses on whether other decisions should remain with Charity Commissioners



Base=135

- 10.4. Almost half (48%) of respondents felt that other decisions or particular categories of decisions should remain the decision of Charity Commissioners and not be delegated to staff. Almost a quarter (24%) disagreed with this, and the remainder (28%) had no view.
- 10.5. Organisations, at 45%, were less likely than individuals (55%) to feel that other decisions should remain with Charity Commissioners.

Figure 41: Overall responses on whether administrative decisions should be delegated to Commission staff



Base=135

- 10.6. The vast majority (86%) of respondents agreed that decisions that are more administrative in nature, such as charity registration or the making of schemes, may be generally delegated to Commission staff, as is the case in other jurisdictions.
- 10.7. Respondents were able to provide further explanation with regards to any of their responses in this section of the survey. A total of 46 responses were received, 29 from organisations and 17 from individuals.
- 10.8. One organisation said that ‘the reason why other jurisdictions are permitted to delegate responsibilities to their staff, is because the staff are specifically trained to carry out these duties, something which staff within the Charity Commission are not required to have’. Another felt that ‘it seems reasonable that routine administrative decisions be left to staff, while more complex decisions should remain the decision of Charity Commissioners’. It wasn’t considered practicable for every decision to go to the Commissioners, and actually ‘the Act is quite clear...Commissioner decisions are to be

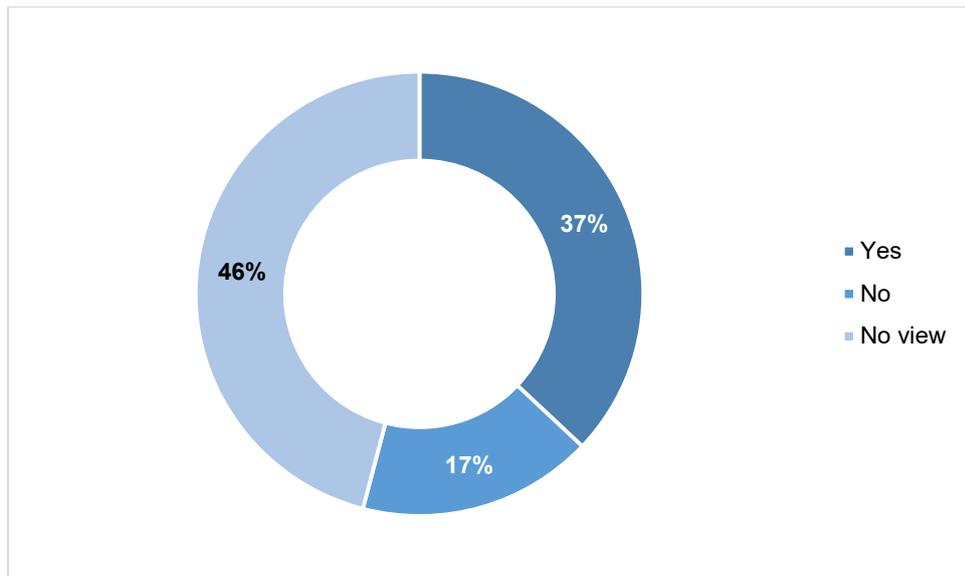
taken by those with particular skills. If a function is administrative or capable of being delegated, then the Act defines it' .

- 10.9. An individual respondent felt that 'more serious decisions - for example removing a charity trustee or rejecting a charity's registration - should remain with the Commissioners rather than staff'. However, one individual thought that the 'CCNI's track record does not suggest that its staff should be trusted to exercise CCNI's statutory powers'. Another suggested looking to other jurisdictions – 'It seems reasonable that the best practices for delegation in Ireland, England & Wales, Scotland, New Zealand and Australia are adopted, where appropriate, in NI'.

11. The Role of the Department for Communities in Charity Regulation

11.1. This section focusses on the role and responsibility of the Department for Communities in relation to the regulatory framework, how it is delivered and communicated, and what improvements can be made to how the Department carries out its responsibilities. The Department owns the Charities legislation. Thus, if changes were required, e.g. to registration or reporting thresholds or delegations powers, it would be for the Department -- and not the Commission -- to make these changes by legislative amendment or statutory regulation change.

Figure 42: Overall responses on transparency and accountability objectives being met

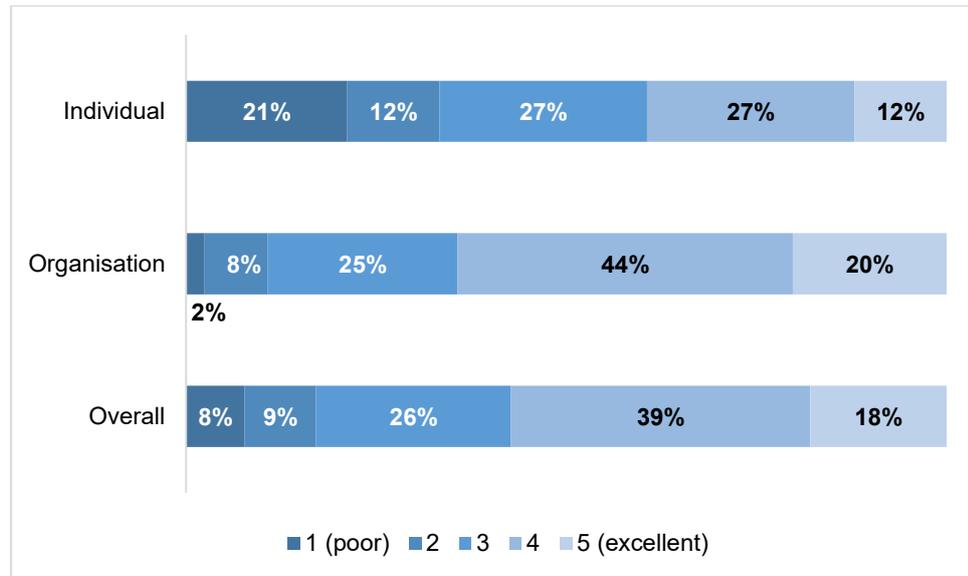


Base=135

11.2. By establishing the Charity Commission and creating a register of charities, the Charities Act aimed to increase charity transparency and accountability to better support public trust and confidence in the charity sector. . Over a third (37%) of respondents felt there were gaps in the current regulatory framework that prevented these objectives being met, while almost a fifth (17%) did not. However, almost half (46%) of respondents had no view on this.

- 11.3. A lower proportion of organisations (34%) felt there were gaps in the current regulatory framework that prevented the objectives, of increased transparency and accountability, being met than individuals (45%).
- 11.4. Respondents were asked if there were any gaps in the current regulatory framework that prevented the objective of charity transparency and accountability to better support public trust and confidence in the charity sector from being met. There were 59 responses, 39 from organisations and 20 from individuals.
- 11.5. One organisation said that ‘the fact that the Commission is unable to challenge a charity promoting an evidentially harmful practice potentially undermines public trust and confidence in the charity sector’. This was in reference to the ‘advancement of religion’ as a charitable purpose. The absence of the Charitable Incorporated Organisation (CIO) option was also mentioned by several organisations, as was the need for the Commission to have greater resources.
- 11.6. The issues of resourcing and CIOs were also referenced by several individual respondents.

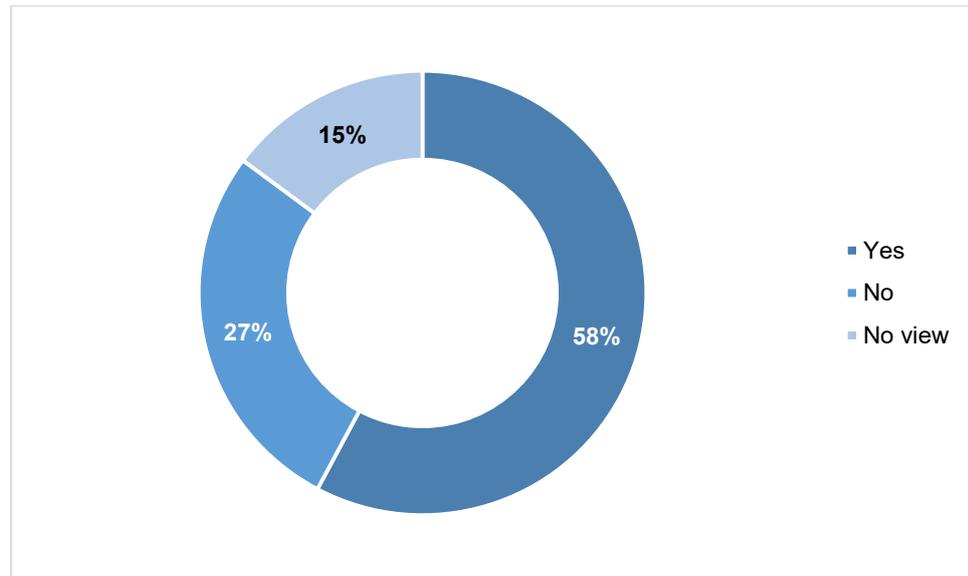
Figure 43: Experience of complying with Charities Act



Base=135

- 11.7. Respondents were asked to rate their experience of complying with the Charities Act on a scale from one to five, with one being poor and five being excellent. Almost three-fifths (57%) of all respondents rated their experience as either four or five.
- 11.8. Considering the two groups of respondents separately, almost two-thirds (64%) of organisations gave a positive rating of four or five, whereas almost two-fifths (39%) of individuals gave similar ratings. One in ten (10%) organisations rated their experience more negatively with a score of one or two, whilst a third (33%) of individuals gave similar scores.

Figure 44: Overall responses on reducing regulatory burden



Base=135

11.9. Almost three-fifths (58%) felt that the regulatory burden needs to be reduced, whilst over a quarter (27%) felt it did not.

11.10. Over half (56%) of organisation responses and over three-fifths (63%) of individual responses felt that the regulatory burden should be reduced.

11.11. Respondents were able to provide comments on how and why the regulatory burden could be reduced whilst retaining the transparency required to maintain public trust and confidence. There were 73 responses in total, 49 from organisations and 24 from individuals.

11.12. Organisations suggested introducing a threshold for smaller charities and that there should be a proportionate burden in line with the size and income of the charity. Some other suggestions included short webinars and a peer to peer mentor network.

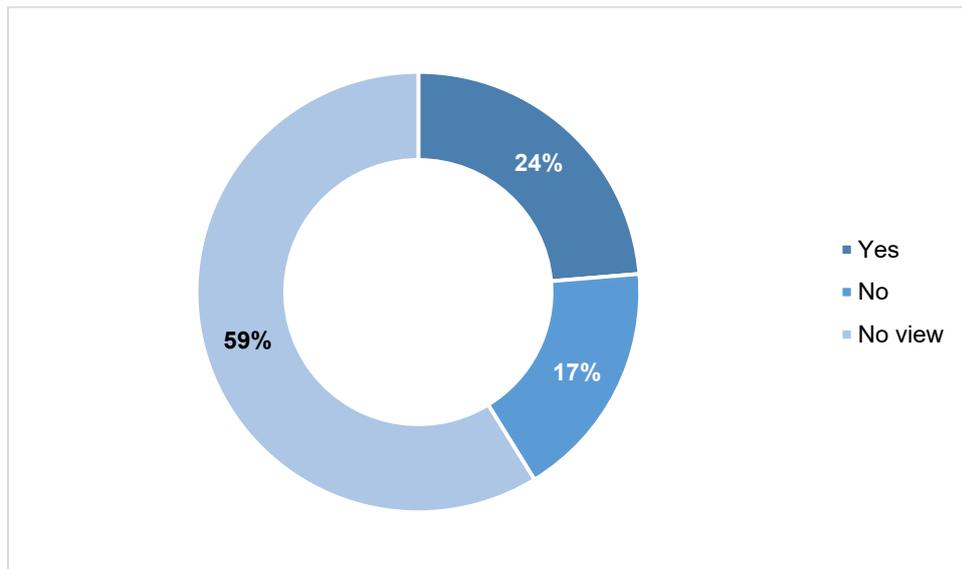
11.13. Individual responses expressed similar sentiments to those of organisations. The registration and reporting process should be

made easier and the regulatory burden needs to be in proportion to the size of the charity.

12. The Role of the Department for Communities in Charity Regulation – Section 167 Register

- 12.1. One of the innovative features of the 2008 Act is the unique arrangements it makes, in section 167, for institutions that are recognised as charities in other jurisdictions and that are present in Northern Ireland. At present, charities established outside Northern Ireland but operating within the jurisdiction are not eligible for registration.
- 12.2. Respondents were asked if their charity was active in Northern Ireland, and if it was subject to additional regulation by any other charity regulators. Additional regulators identified by respondents were The Irish Charities Regulatory Authority (CRA) (six respondents), The Office of Scottish Charity Regulation (SCR) (7 respondents), and The Charity Commission for England and Wales (CCEW) (10 respondents). One organisation said that it was subject to regulation from Special Olympics Ireland.

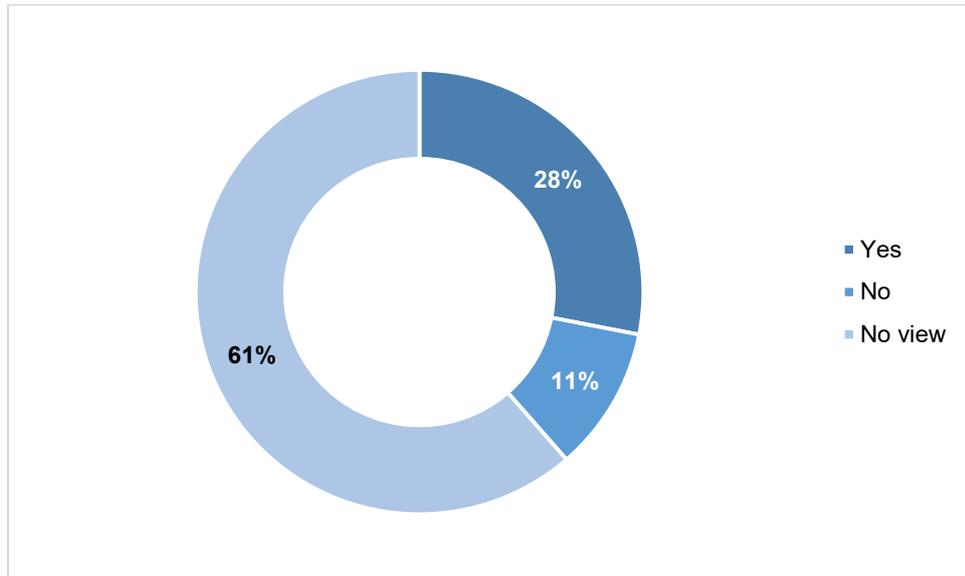
Figure 45: Overall responses to challenges of multiple jurisdiction



Base=114

- 12.3. Approximately a quarter (24%) of respondents felt that exposure to multiple charity regulation regimes did present a challenge in operating a charity. However, almost three-fifths (59%) of respondents had no view on this.
- 12.4. Comparison of individual and organisation responses showed a higher proportion of individuals (29%) than organisations (22%) felt that exposure to multiple charity regulation regimes presented a challenge in operating a charity.
- 12.5. Respondents could provide additional information on the challenges they faced. There were 26 responses, 19 from organisations and 7 from individuals.
- 12.6. Some of the challenges identified by organisations include 'having to report to all regulators plus company house', onerous double reporting, and conflicting guidance.
- 12.7. Similar to the responses of organisations, individuals reported the complexity of reporting to multiple jurisdictions.
- 12.8. Respondents were also asked if there were any difficulties experienced by section 167 institutions from non-regulation and registration. There were 28 responses, 22 from organisations and 6 from individuals. Comments from organisations included 'Most funding bodies won't recognise the organisation without charitable status and number', 'reporting requirements in NI should reflect the approach taken by charity regulators elsewhere in UK', not eligible to apply for some funding such as Covid 19 Charities Fund, and lack of recognition by the public.
- 12.9. For individual respondents, there is a lack of knowledge of the need to register, and again reference was made to problems around applying for grants.

Figure 46: Overall responses on having section 167 as a priority for the Department



Base=114

12.10. Over a quarter (28%) of respondents felt that the commencement of section 167 is a matter that the Department should prioritise. However, just over three-fifths (61%) of respondents had no view on this matter.

12.11. The view of organisations (28% agreeing) and individuals (29% agreeing) were broadly similar.

12.12. Respondents could elaborate on their answer to this question. There were 39 comments, 29 from organisations and 10 from individuals. For some organisations, prioritising the commencement of Section 167 would provide clarification and have all charities following the same regulations, and would improve public trust and help with funding. Individual responses also highlighted that it would help identify charity activity in Northern Ireland.

12.13. The final question in this section of the survey asked what steps could be taken to improve mutual cooperation between charity regulators in neighbouring jurisdictions so as to enable more streamlined

regulation of cross-border charities. There were 43 responses, 33 from organisations and 11 from individuals.

12.14. For most organisations a mutual or one system for cross-border charities was suggested. For example, 'a lead regulator scheme so that the reporting is done to one regulator and other regulators accept that in good faith'. Reference was made to a primary regulator or some system to allow the easy sharing of information.

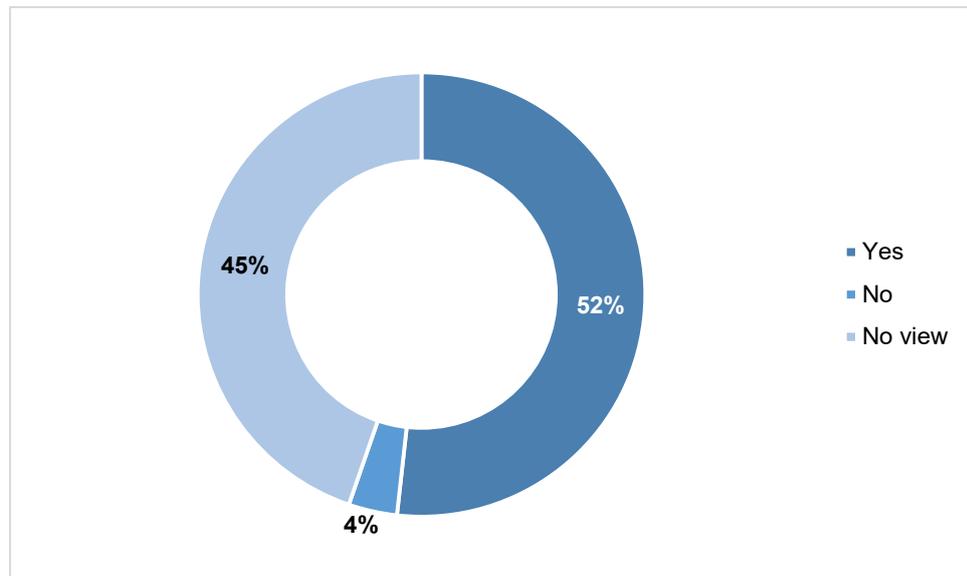
12.15. Individual respondents held similar views. A 'common portal for annual returns', compliance and monitoring for both jurisdictions should be aligned, and thresholds and standards should be consistent.

12.16. One submission felt that 'reporting requirements in NI should reflect the approach taken by charity regulators elsewhere in UK' and that 'it would be difficult for some of these charities to produce a financial statement/statement of activities relating solely to NI and the effort required would redirect vital resource away from the delivery of their charitable mission'.

13. The Role of the Department for Communities in Charity Regulation – Charitable Incorporated Organisation (CIOs)

13.1. The Charities Act (NI) 2008 provides for a Charitable Incorporated Organisation (CIO), a new legal structure for charities in Northern Ireland. A CIO would be regulated by the Commission.

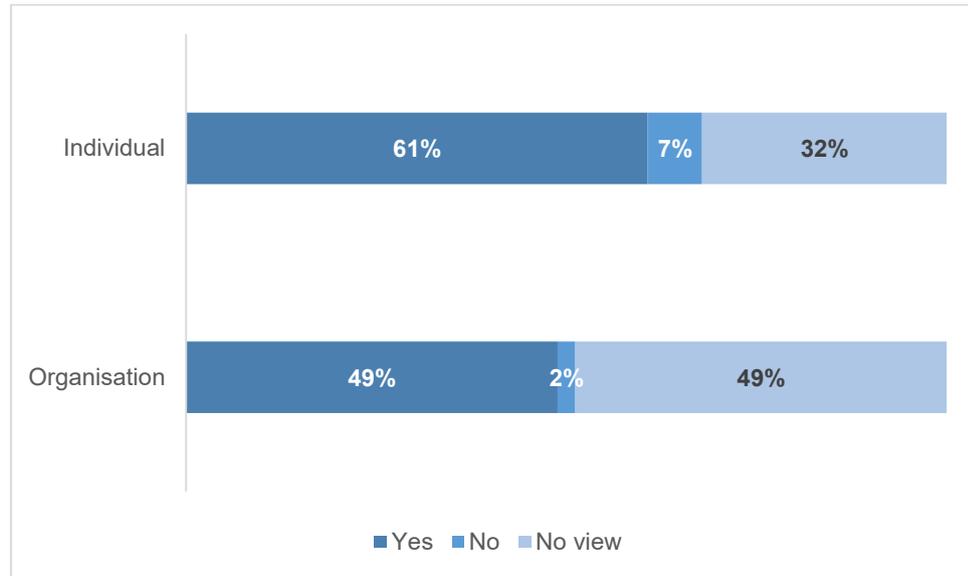
Figure 47: Overall responses on having CIOs as a priority for the Department



Base=114

13.2. Just over half (52%) of respondents felt that the commencement of provisions relating to CIOs is a matter that the Department should prioritise. It is worth noting that if no view responses are excluded, then of those who did have a view 94% said it should be a priority.

Figure 48: Comparison between organisation and individual on whether CIOs are a priority for the Department

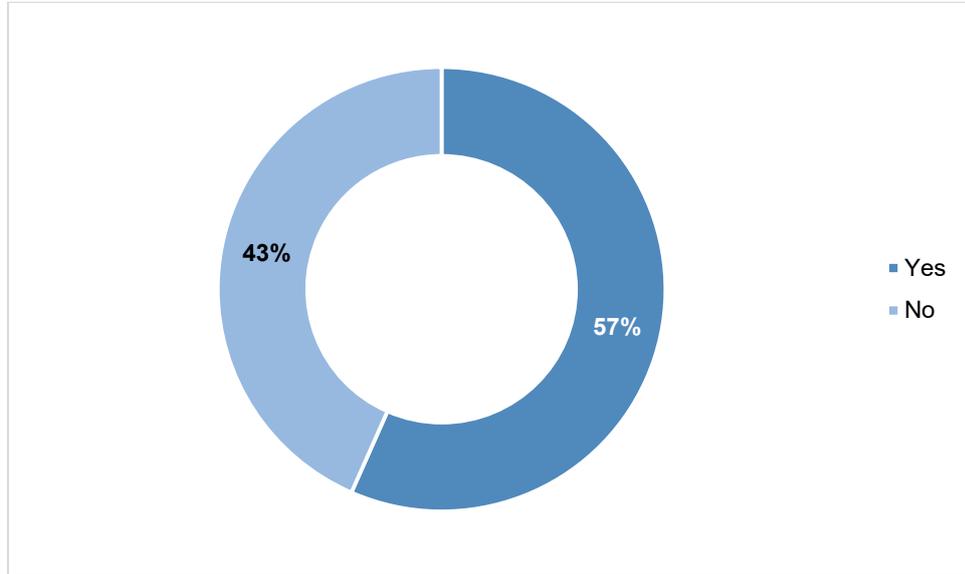


Base=114

- 13.3. Just under half (49%) of organisations felt that commencement of the provisions relating to CIOs should be a priority for the Department, compared to over three-fifths (61%) of individuals.
- 13.4. Respondents could also add comments explaining their answer. There were 56 responses, 39 from organisations and 17 from individuals. One organisation said that ‘Many charities have been forced down the route of registering as a Limited Company to provide some protection for Trustees’. It would also give groups a choice, and would reduce the administrative burden. Also, ‘CIO designation would remove any misconception the public would have that the organisation was purely donation based’.
- 13.5. Individual responses also said that it would reduce the burden. One respondent stated that ‘for smaller charities, the fact that NI CIOs will be able to use R&P accounting, yet still have the benefits of corporate status and limited liability is hugely beneficial’. However, another respondent felt that they ‘would be reluctant to advise any trustee to

transfer their organisation to a CIO while the benefits remain unproven’.

Figure 49: Overall responses on charity becoming a CIO if opportunity arose



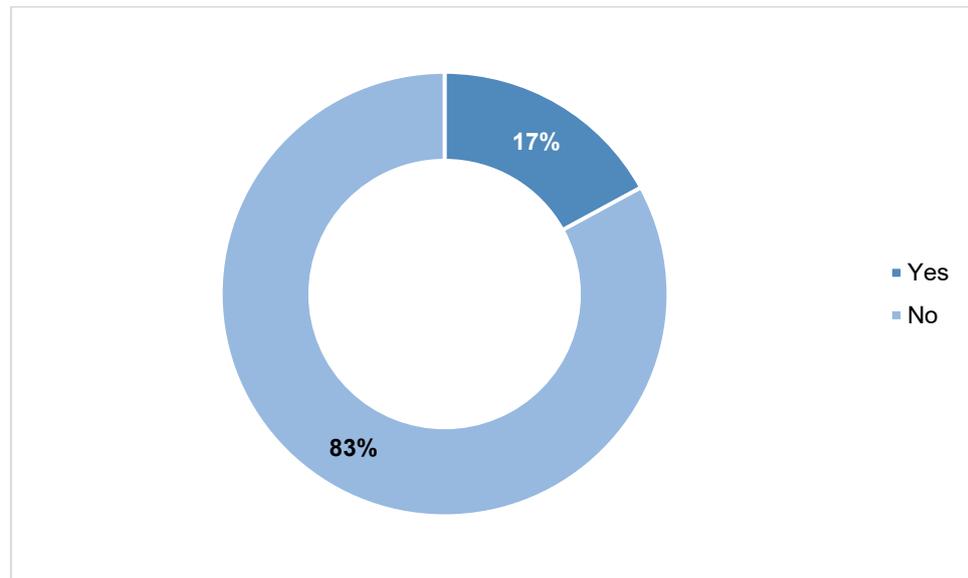
Base=53 (excludes 'not applicable' and not answered)

- 13.6. Just under three-fifths (57%) of those who responded either 'yes' or 'no' to this question said they would avail of the opportunity to become a CIO.

14. Other Matters For Consideration

- 14.1. Those surveyed were asked ‘what changes, if any, in the process of engagement with charities and communication of decisions could develop stronger positive relationships between the Commission and its stakeholders?’ There were 86 responses to this question, 59 from organisations and 27 from individuals.
- 14.2. One organisation suggested that ‘the culture of the Charity Commission needs to change’ and that ‘it needs to listen more and perhaps act less’. Improved accessibility to Commission staff was also suggested, such as a named contact for any queries. Others were happy with the Commission and described having ‘positive engagement’ with it. More guidance was also cited by some organisations, and a simpler more efficient registration process. Whilst better engagement was mentioned by several, one in particular felt that ‘Engagement with marginalised and underrepresented groups including those which represent ethnic minority and migrant communities’ could be improved.
- 14.3. Individual responses included better engagement, improved communications (including newsletters), and templates to make it easier to report to the Commission. One person felt that ‘the Commission should be removed from the Department for Communities and align it closer to the like of Justice’.

Figure 50: Overall responses to if there are other issues not raised in the survey



Base=135

- 14.4. Just under one-fifth (17%) of respondents said there were other issues relevant to effective charity regulation that they wished to comment on. Proportions for organisations (18%) and individuals (16%) were similar. There were 23 comments provided, 16 from organisations and 7 individuals.
- 14.5. One organisation suggested it would be useful to be 'able to upload accounts directly from accounting software rather than as a pdf'. Another suggestion was 'Principles and proportionality in the requirements for charities for registration should be the basis and thresholds for registration based on income and assets needs to be established'.
- 14.6. Individual suggestions included it is 'vital that CCNI has sufficient resources to operate effectively' and 'it is essential that governance by the Department be improved and strengthened'.
- 14.7. The final question in the survey asked 'what are the most important recommendations that you think need to come out of this review'.

There were 126 responses, 91 from organisations and 35 from individuals.

14.8. The emerging themes from organisation responses include: proper regulations, implementation of CIOs, improving the registration process, a minimum threshold for registration, and reducing the administrative burden.

14.9. The main themes from individual responses include: registration of CIOs in Northern Ireland, delegation powers to appropriate level within the Charities Commission, improved guidance, and remove need for annual returns for charities with turnover of under £250k.

14.10. Issues raised by those who sent submissions rather than complete the survey included:

in the past year communication was not as easy as it could be and responses were felt to be slower;

the operation of many churches having elders and ministers or indeed congregations who might be the decision-makers with authority, aside from trustees who hold deeds etc does not always translate well into this system;

the powers conferred within Section 23 (1) have been utilised by CCNI to obtain Charities' bank statements, which often contain private information relating to wages and bank details of staff members or those contracted to provide services to Charities;

CCNI staff members responsible for issuing orders or making recommendations to the board are not for the most part trained in law, therefore it is unsurprising there has been a complete absence of proper procedures put in place when exercising such powers;

very helpful support as we sought to guide our congregations through the application for registration process.