

# Media Pack

## December 2011



**“The Charity Commission for Northern Ireland (CCNI) is the new independent regulator of charities in Northern Ireland. The Commission is responsible for ensuring Northern Ireland has a dynamic and well governed charities sector, in which the public can have confidence.”**

The Charity Commission for Northern Ireland was established in March 2009 as a non-Departmental Public Body supported by the Department for Social Development (DSD), and was constituted by the Charities Act (Northern Ireland) 2008.

The objective of the new regulator is to assure the public that charities operating in Northern Ireland can demonstrate their contribution to society, and that they are operating within the law.

## The Aims of the Charity Commission:

<b>Public confidence</b> To increase public trust and confidence in charities.	<b>Public benefit</b> To promote awareness and understanding of the operation of the public benefit requirement.	<b>Compliance</b> To promote compliance by charity trustees with their legal obligations in exercising control and management of the administration of their charities.	<b>Charitable resources</b> To promote the effective use of charitable resources.	<b>Accountability</b> To enhance the accountability of charities to donors, beneficiaries and the public.	<b>Delivery</b> To manage the Charity Commission for Northern Ireland as an effective and efficient non-departmental public body.
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The charitable sector in Northern Ireland is well established, diverse and vibrant. There are a broad range of charities doing good work on the ground here. These charities vary tremendously in size, remit and activities.

Before the establishment of the Charity Commission the charities sector was administered by DSD. There was no form of local charity regulation and only limited provision for enforcement of legal obligations and good governance.

The only type of formal registration was with Her Majesty's Revenue & Customs (HMRC) which can recognise organisations as charities for tax purposes and provide them with a unique HMRC reference number. If a charity does not wish to be registered for tax purposes they are under no obligation to apply to HMRC.

By providing a framework and statutory obligation for registration and regulation, the Charity Commission brings governance of the charitable sector in Northern Ireland into line with similar standards across other UK regions.

The Commission will also play a crucial role in the future development of charities. Regulation will assist them in meeting the expectations, challenges and obligations associated with the contemporary drive for efficiency, efficacy and good governance in the sector.

## The current standing of the Commission - a snapshot in time

In June 2010 the Charity Commission for Northern Ireland referred a technical problem with the wording of the Charities Act (Northern Ireland) 2008 back to the DSD for consideration.

To rectify the problem, the Northern Ireland Assembly must agree new primary legislation in the form of an amendment to the Charities Act. The proposed amendment will be discussed at DSD Committee sittings in October and November 2011, when we anticipate further clarity. The Commission website will provide regular updates on our work with the Assembly and DSD on this legislative process.

When the legislation is rectified the Commission can begin to phase in the registration of charities. This will allow for the creation of a publically accessible list of Northern Ireland charities.

Despite its importance, however, registration is only one aspect of the work of the Commission. Investigatory powers, for example, were commenced in February 2011. The Commission can therefore intervene and take action when things have gone wrong within a charity. A range of other powers to regulate charities here are also in operation, some of which are touched upon below.

## **Key areas of work**

### **Investigations: Intervening when things have gone wrong within a charity**

Charities touch some of the most important aspects of our lives and people care deeply about the causes that charities are involved with. Unfortunately however things can go wrong within a charity and instances of fraud and mismanagement do occur.

Intervening to protect charities when there is serious risk of harm or abuse is therefore an important feature of regulation. Harm can happen in relation to the charity itself, to its assets, its beneficiaries or its reputation.

The Charity Commission will intervene if that course of action is deemed to be evidence-based and proportionate. The decision whether or not to intervene in the affairs of a charity will follow an individual and specific assessment with every case, taking account of the risk involved and the capacity of the charity to comply.

In order to be able investigate charities, however, the Charity Commission must be able to categorise which groups operate as charities. Until registration begins, this is technically not possible within Northern Ireland.

In the interim, the Commission deems charities to be organisations who have registered with HM Revenue and Customs for charitable tax purposes. Members

of the public can raise a [confidential concern](#) in relation to any organisation published on this list.

### **Investigating concerns about charities**

The Charity Commission for Northern Ireland has received just over seventy concerns about charities since investigatory powers commenced in February 2011.

Most of these concerns have been raised by members of the public who have had some level of involvement or engagement with the charity in question. Some of these concerns have resulted in investigations, while others have not.

When the Commission has investigated, common issues have surrounded, for example:

- lack of financial transparency within the operation of a charity;
- governance issues within a charity, including non compliance with governing documents;
- disputes over the sale of charity land or property;
- charities deliberately being used for significant private advantage.

The concerns raised and investigations conducted to date have involved charities across the entire spectrum of the sector. Some relate to large and well known charities, while others relate to smaller charities operating on a more localised basis.

The Commission cannot publically discuss ongoing investigations. However, transparency is one of the Charity Commission's core values; as such while discussions on specific ongoing cases is not possible, we are happy to discuss ongoing work in more general terms.

### **Other live powers**

The Charity Commission can also

- require a charity to change its name, for example where it is offensive or misleading;
- give specific directions to protect a charity such as to suspend or remove a trustee;
- authorise special payments, for example facilitating the payment of creditors when a charity is wound up;
- give its opinion or advice to a charity trustee on the performance of their duties, if the trustee asks for that opinion or advice.

### **Preparing for Registration**

In time all charitable organisations, no matter how large or small, will be under a statutory obligation to register with the Commission. The registration process will produce a publically available list of registered charities

These organisations will be given a unique Northern Ireland Charity Registration Number (NIC number) and must submit to annual inspections of their governance and finances.

The Commission has undertaken a significant amount of work in preparing for the commencement of registration. With an estimated 7,000-10,000 charitable organisations operating within Northern Ireland, it is vital that the Commission's procedures and processes are sound.

## **The future vision of the Commission**

In the longer term, and with full powers commenced, the Commission will regulate all registered charities through the inspection of annual governance reports and financial returns. This will allow better supervision, regulation and support of charities.

As powers are commenced, the Charity Commission will become a guarantor of the concept of charity, which has for centuries held a privileged place in our society.

### **Chief Executive Frances McCandless**



## Northern Ireland Charity Commissioners

Chief Commissioner  
Tom Mc Grath



Paddy Sloan



Walter Rader



Rosemary Connolly



Philip Mc Donagh



Angila Chada



Paul Cavanagh



**You can contact Sinead Glackin on if you have a further media query on the work of the Charity Commission on 028 3832 0169 or 07827338978.**