

Media Pack.

About the Charity Commission for Northern Ireland

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

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

The objective of the Commission 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.

It will initially do so by providing a charity test of who is and who isn't a charity, and maintaining a public 'Register' of recognised charities. It will also put in place new requirements for all public collections; have powers to investigate complaints and initiate enquires; and provide general public guidance. In the longer term CCNI will regulate all registered charities through the inspection of annual governance reports and financial returns. All of this will allow better supervision, control and support of charities.

Prior to its establishment the sector was administered by central government through the Department for Social Development; there was no form of local registration and only limited provision for enforcement of the law. The only previous form of formal registration was with HM Revenue & Customs, where those that successfully applied for tax benefits received a reference number.

By providing supervision and support to the sector, and a framework for registration and regulation, CCNI brings governance of the charitable sector in Northern Ireland into line with similar standards across other regions of the United Kingdom and Ireland. As well as establishing and maintaining a register of charities, the Commission will also play a crucial role in the future development of charities, enabling them to meet modern expectations and obligations.

Background

The Commissioners

The current Commissioners were appointed by the then Minister of Social Development (Margaret Ritchie) on 1 June 2009 (with the Legal Commissioner later appointed in Nov 2009). Whilst Commissioners are selected by Ministerial Appointment, the Commission is an arm's-length body, responsible for the structure, recruitment and appointment of its own staff including the Chief Executive and Senior Management Team.

The Commission has a Board comprising a Chief Commissioner, a Deputy Chief Commissioner and up to five Charity Commissioners, all on a part-time basis. At least one Charity Commissioner must be a barrister or solicitor of at least 7 years standing.

The board has responsibility for CCNI's overall strategy and future direction. It is supported by an Audit and Risk Committee and a Human Resources & Remuneration Committee.

Each Charity Commissioner serves a 3 Year term of office and receives remuneration of £2,000 per annum.

The Chief and Deputy Chief Charity Commissioners each serve a 5 year term of office and each respectively receives £5000 and £3000 of remuneration per annum.

Chief Charity Commissioner - Mr Thomas McGrath

Mr. McGrath worked as Regional Director for Marsh Ltd for 34 years. He was previously Chair of the NI Tourist Board (2003-2008), the NI Business Education Partnership (2004-2006) and the George Best Memorial Trust (2006-2007). He served as a Board member of Tourism Ireland (2003-2008) and the Probation Board NI (2000-2003). He was Director of the Ireland Funds (1998-2007) and previously served as a Committee Member of Princes Youth Trust and NSPCC Special Appeal.

Deputy Chief Charity Commissioner- Ms Paddy Sloan

Ms Sloan is currently National Head of BBC Children in Need in NI and was previously Chief Executive of the NI Human Rights Commission. She serves as a Board Member of the Joseph Rowntree Charitable Trust (Ireland Committee) and Community Evaluation NI. She was previously Treasurer of the Committee on the Administration of Justice and the NI Play Development Association.

Legally Qualified Charity Commissioner - Ms Rosemary Connolly

Ms Connolly is the principal Solicitor in a specialist employment and equality law practice in Warrenpoint, Co. Down. She has 25 years experience as a serving solicitor. She was appointed to the Equality Commission for Northern Ireland for the period from 1999-2003. Other positions include Chair of Newry & Mourne Local Strategy Partnership (1995-1998), Chair/Secretary of Burren Community Forum (1995-date), Director of NI Family Care Society (2006-2008) and Member of the Committee on the Administration of Justice (1995-date).

Charity Commissioner - Mr Walter Rader

Mr. Rader is currently Chief Executive of the Big Lottery Fund in Northern Ireland. He is a Member of the NI Funders Forum and has previously held positions on the Queen's Golden Jubilee Ministerial Advisory Committee, the Review of Youth Services Policy in the Department of Education and the Youth Council for NI. He was previously Chair of the Police Community Relations Branch Review Panel and Honorary Secretary of the Princes Trust NI.

Charity Commissioner - Mr Philip McDonagh

Mr. McDonagh recently retired as a senior management consultant and chief economist with PricewaterhouseCoopers. He is a member of the NI Statistics Advisory Committee and was previously a member of the Board of Visitors, Belfast Prison and Trustee of the Community Foundation for Northern Ireland.

Charity Commissioner - Ms Angila Chada

Ms. Chada is an Executive Director of Springboard and Board Member of Intercomm. She serves as a member of Belfast City Council's Migrant Forum, Ethnic Minorities Forum and Good Relations Partnership. She was previously Director of the Success

Foundation and the Ex Prisoners Interpretative Centre (EPIC). She also served as a member of the Greater Shankill Partnership Training & Economic Development Committee, Shankill Community Forum and Shankill Womens' Forum.

Charity Commissioner - Mr Paul Cavanagh

Mr Cavanagh is currently the Widening Participation Regional Coordinator for Northern Ireland, and previously worked for Save the Children, Gingerbread and the North West Community Network. He is Chair of Derry Local Strategy Partnership and serves as Committee Member of the NI Big Lottery Fund and Ofcom NI Advisory Committee. He was previously a Board Member of the Community Fund, Volunteer Development Agency and Derry Healthy Cities and a member of the Government Task Force on Resourcing the Voluntary & Community Sector.

Chief Executive & Staff

Operational management of CCNI is carried out by a Senior Management Team led by the Chief Executive. This team makes decisions involving day-to-day operations and implements the programmes and policies arising from the Board's decisions. The Chief Executive is supported by the Head of Corporate Services and Head of Charity Services. Recruitment for a permanent secretariat staff is currently underway. It is envisaged that CCNI will employ 14 full time staff.

Chief Executive - Frances McCandless

Frances McCandless was appointed to the Commission in April 2010 as its first Chief Executive. Prior to taking up this post, Frances was employed as Director of Policy at NICVA, an umbrella body which provides advice, information and policy analysis to the 5,000 voluntary and community organisations in Northern Ireland. Frances's career in the voluntary and community sector goes back 20 years and she has worked with young people, women returning to work, in housing, with older and disabled people and as an international volunteer in Prague with the YMCA. She has also been a board member of organizations working in the areas of environment, ethnic minorities, reconciliation, community arts, audience development, mediation and physical activity.

Frances teaches at and is an Associate Fellow of the Institute of Governance and Public Management, University of Warwick Business School.

The Charities Act (NI) 2008

In addition to establishing CCNI the Charities Act (NI) 2008 gives an explanation of what a "charity" is and describes "charitable purpose". It sets out CCNI's initial task of establishing a compulsory register of all charities operating in Northern Ireland and makes provision for the creation of a new form of legal entity called a 'charitable incorporated organisation' (subject to the passing of further primary legislation). The Act also sets up a process for anyone to make an appeal against the decision made by the CCNI, through a Charity Tribunal for Northern Ireland.

It is important to note that whilst the Charities Act (NI) 2008 provides the broad legislative framework for CCNI's work, parts of the subordinate legislation and the commencement orders which put actual powers and actions into operation, have yet to be drafted. As such many of the requirements under the Act have yet to come into force.

Further updates will be published on the website as the timetable becomes clearer.

Current Work

Preparing for Registration

Before beginning its regulatory role CCNI must first establish a new register of all charities in Northern Ireland. All charitable organisations, no matter how large or small, will have to register with the Commission. Initially registration was due to open in June 2010.

The Register will be a publically available list of organisations confirmed by the Commission's 'Public Benefit Test' to operate with 'charitable status.' 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.

In June the Charity Commission for Northern Ireland referred a technical problem with the wording of the Charities Act (Northern Ireland) 2008 to the Department for Social Development for consideration.

This issue has caused a delay in the Charity Commission being able to begin registration of charities in Northern Ireland. However, those organisations which already have charitable status for tax purposes from HMRC are unaffected.

The Social Development Minister has decided that the legislation requires amendment. This means that the Northern Ireland Assembly will have to agree new primary legislation. The timescale for this is currently unclear, as it depends on a number of different factors. As soon as this becomes clear we will provide updated information on timescales for registration.

The phasing in of registration will commence when this work is complete, and all stakeholders will be kept fully informed. Until this examination is concluded there remains no requirement, or indeed provision, for an institution to register as a charity in Northern Ireland.

In the meantime, the Charity Commission continues to prepare for the new regulatory regime by putting appropriate staffing resources and organisational structures in place. Considerable preparatory work has been achieved on processes and procedures to begin registration, and preliminary briefings have been given to the sector. We will continue development of the website and information resources and establish necessary processes and procedures.

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Frequently Asked Questions

Regulatory

1. What does regulation mean?

As the regulator for charities in Northern Ireland, CCNI will help to ensure charities work better within an effective legal, accounting and governance framework.

In practice regulation means all organisations operating as a charity in Northern Ireland must demonstrate to the Commission that they do so within the requirements of the Law.

The first stage of this process will be to apply for registration, and this will include the submission of financial information and governance documents.

Each year charities registered with CCNI will have to prepare a Trustee Report and an Annual Return and submit these documents to CCNI.

We have yet to decide what the format of these documents will be.

Our aim is to help all charities keep pace with developments in society, the economy and the law; and promote sound governance and accountability.

Before we require any charity to submit documentation to us for annual inspection, we will consult publically on the format of these documents, and what organisations must meet these requirements.

Regulation by CCNI will ensure that:

- that charities are independent
- organisations operating as charities are run for public benefit, and not for private advantage.
- we detect and remedy reports of serious mismanagement or deliberate abuse by or within charities.
- the public can have confidence in those charities registered with us.

2. What powers does the Charity Commission for Northern Ireland (CCNI) have?

The Charity Commission for Northern Ireland will have powers by law to ensure trustees comply with their legal obligations in managing charities. We also have a statutory function to identify and investigate abuse and mismanagement in charities.

We will primarily do both through our compliance casework; carrying out initial assessments of individual charities as they register with us, and on an on-going basis through annual submissions.

On occasion the Commission may also decide to investigate a charity where it has received a complaint or serious allegation of mismanagement.

However, our more general objective is to promote public trust and confidence in charities. As such we will, where possible, work closely with charities to ensure that they are accountable, well run and meet their legal obligations.

If it is deemed necessary to take enforcement action the CCNI can do so in a number of ways including prosecution in extreme cases.

CCNI has the general powers that allow it to institute inquiries and act for the protection of charities including:

- Calling for documents and search records;
- Powers to disclose information or compel the disclosure of information.
- Give specific directions to protect a charity such as suspend or remove trustees
- Determine membership of charity,
- Authorise dealings with charity property;
- Authorise ex gratia payments, etc.
- Give directions about dormant bank accounts
- Enter property

At present CCNI has not received its powers to investigate complaints. Concerns of a serious nature should be reported to the Police Service for Northern Ireland.

Registration

3. Where can I find a list of charities in Northern Ireland?

Currently there is no list of charities in Northern Ireland. Once registration is underway all organisations which meet the new requirements of having purely charitable purposes and meeting the Public Benefit Test will be placed on the Register of Charities.

The Register will be a publically available list of organisations that have been confirmed by the Charity Commission for Northern Ireland as having 'charitable status.'

CCNI currently has a list of over 7,000 organisations that have previously been granted charitable status for tax purposes by HM Revenue & Customs. This list will be publically available online via the CCNI website.

4. What does registration mean?

Under the Charities Act (Northern Ireland) 2008, all organisations constituted under the law of Northern Ireland who currently operate for a charitable purpose must apply for registration with the Charity Commission for Northern Ireland (CCNI).

Once the Commission has determined that an organisation meets a Public Benefit Test, the organisation will be given a unique Northern Ireland Charity Registration Number (NIC number).

The NIC number and details of the organisation will be added to, and held on, an online Register of Charities.

The Register is a publically available list of organisations that have been confirmed by the Charity Commission for Northern Ireland as having 'charitable status.'

As there has been no previous regulation of charities in Northern Ireland, CCNI will begin the establishment of this new Register by phasing in the registration process.

This will begin with the registration of larger organisations already registered with HM Revenue & Custom for charitable tax status.

5. What is the Public Benefit Test?

'Public Benefit' is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate.

In order for an organisation to be recognised, and registered, by the Commission as a charity in Northern Ireland it must fulfill the requirements of the Public Benefit Test known as 'the public benefit requirement.'

In order to meet the requirements of the test, an organisation must operate to fulfill one or more 'charitable purposes' as set out within the Charities Act (Northern Ireland) 2008. In addition the organisation must also be providing benefit to the general public, which is not unduly restricted i.e. it is not limited to a privileged few.

Charitable purposes for registration with the Charity Commission for Northern Ireland may differ from those used for registration under English, Welsh or Scottish law and their respective regulators.

Further information on the Public Benefits Test, charitable purposes and fulfilling the requirements for registration will be published in the CCNI Public Benefit Guidance and Registration Guidance.

6. What organisations will need to apply to register?

Any organisation, no matter how large or small, constituted in Northern Ireland to operate for a charitable aim or purpose must register with the Charity Commission for Northern Ireland.

If an organisation is to be considered a charity under the terms of the Charities Act (Northern Ireland) 2008, it must satisfy the definition of a charity by being purely for charitable purposes and meeting the requirements of the Public Benefit test. Organisations will first undergo this test when applying to register with CCNI.

Initially the Commission will ask 20 organisations to 'test drive' the new on-line registration process and seek feedback from them to address any areas of difficulty they encounter with the registration process before contacting the remaining organisations.

CCNI currently has the names and details of over 7,000 organisations that have previously been granted charitable status for tax purposes with HM Revenue & Customs (HMRC). Once testing is completed CCNI will begin the registration of these organisations

If an organisation is currently registered with HM Revenue & Customs and you have a charity reference number, they do not need to take any further action until they hear from the Commission.

If an organisation has not previously registered with HMRC and wishes to register as a charity in Northern Ireland we will begin accepting new applications for registration on an ongoing basis once testing of the register is completed.

From this time onwards any organisation wishing to be recognised as a charity in Northern Ireland will have to register with the CCNI first before approaching HMRC for tax purposes. If CCNI refuses registration then HMRC will not accept an application from that organisation. CCNI will have an appeals process in place when registration begins.

7. What types of organisation can be registered as a charity?

Any organisation constituted for a charitable aim or purpose can apply to register with the Charity Commission for Northern Ireland, but there are a number of different legal forms that these organisations can take. Most charitable organisations will take one of the following forms:

Charitable Unincorporated Associations

Most of the charitable organisations operating in Northern Ireland are constituted as Charitable Unincorporated Associations. Typically these are smaller clubs and associations made up of individual members. They have a constitution which outlines the rules for membership. Members appoint a Committee of Management who act as Trustees.

Company Limited by Guarantee

This is currently the standard model for a not-for-profit company. It is a separate legal personality with Memorandum and Articles of Association, and is registered at Companies House. Typically a Company Limited by Guarantee has a board of Directors who act as Trustees.

Industrial and Provident Society

Commonly used by trading businesses such as co-operatives, or societies for community benefit. They include Housing Associations and Credit Unions, and are corporate bodies with limited liability.

Trust

This is an organisation created by a Trust Deed or Settlement. They have no membership and are controlled by a single tier of Trustees. They have no separate legal personality meaning Trustees are personally liable for recovery.

The Charities Act (Northern Ireland) 2008 also makes provision for the formation of a new legal charitable entity, Charitable Incorporated Organisations (CIOs).

Charitable Incorporated Organisations

The purpose of CIOs will be to allow for an organisation to be legally constituted in a manner similar to a Company Limited by Guarantee, but which operates for a solely charitable purpose(s). As a new legal entity the constitution of CIOs requires the passing of primary legislation as laid out in the Charities Act.

8. When will applications for registration begin?

It was originally planned that registration would begin at the end of June 2010.

However as a result of the public consultation and legal advice on the robustness of CCNI's Public Benefit Guidance, the Department of Social Development is currently examining a technical aspect of the legislation governing the public benefit test.

Until this examination is completed CCNI cannot publish its Public Benefit Guidance and registration cannot begin.

At present there remains no requirement, or indeed provision, for an institution to register with CCNI as a charity.

The phasing in of registration will commence as soon as possible when this work is complete, and all stakeholders will be kept fully informed.

9. How will registration of existing organisations take place?

Once registration begins any organisations wishing to apply for registration as a charity with CCNI, will be able to do so by completing an online application.

If for any reason an individual can not complete the application online, a paper form is available by contacting CCNI directly.

If the application is successful the organisation will be recognised as a charity registered and regulated by the Charity Commission for Northern Ireland. The charity's name and details will appear on the public online Register of Charities and will be given a unique Northern Ireland Charity Registration Number (NIC number).

10. How will registration of a new charity take place?

Newly established organisations, and those not previously registered with HM Revenue & Customs, can come forward for registration on an ongoing basis once testing of the register is completed. From this time onwards any organisation wishing to be recognised as a charity in Northern Ireland will have to register with CCNI.

Organisations wishing to benefit from charitable tax status must then register with HMRC for tax purposes. If CCNI refuses registration then HMRC will not accept an application from that organisation.

All organisations can apply for registration with CCNI by completing the online application.

If for any reason an individual can not complete the application online, a paper form is available by contacting CCNI directly.

11. Are organisations already registered with HMRC for charitable tax status required to apply for registration?

Yes, even if an organisation is already registered with HM Revenue & Custom for charitable tax status, and has a HMRC charity reference number, it will still be required to register with CCNI.

However as part of the phasing in of registration, CCNI already holds a list of organisations currently registered with HMRC and operating in Northern Ireland. Therefore no further action is required by these organizations until they hear from the Commission. Their charitable status will remain whilst they are on our list.

Registration will begin with the largest organisations on this list. They will be the first required to undergo the Public Benefit Test, which all organisations must complete before being accepted onto the new Register of Charities maintained by CCNI.

12. If an organisation operates in Northern Ireland but is based in England & Wales, Scotland, or the Republic of Ireland will it required to register with CCNI?

The intention of the new legislation is to bring in reduced reporting and registration requirements for organisations that may already be registered in other places. This part of the Act requires the Department for Social Development to make regulations setting out more detail on how this will happen.

In the future CCNI may be required to keep a list of all organisations operating in but not constituted as a charity in Northern Ireland. It is mandatory for these organisations to prepare a financial statement and a statement of activities for each financial year, but they are not required to 'register' with CCNI.

13. Once registration begins, how long will a decision on an application take?

Until we begin to register we won't know how long the registration and decision-making process will take. In Scotland the process takes around three months and CCNI hopes to be offering a similar timeframe, however, in the initial start-up stages this may not always be possible.