

Charity reporting and accounting: overall summary

A summary of the suite of accounting and reporting guidance for charities in Northern Ireland



Section 1: The Overview

1.1 Overview

The Department for Social Development (DSD) has published The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 which are applicable to the financial years of registered charities beginning on or after 1 January 2016 or their date of registration with the Commission, if later. All charities must be aware of their legal requirements when preparing the charity's financial statements, the trustees' annual report and having these documents independently examined or audited.

The Charity Commission for Northern Ireland (the Commission) has developed a suite of guidance to help charities understand their legal requirements under the Charities Act (Northern Ireland) 2008 and the new regulations.

This overview document provides you with a brief summary of the guidance available and includes flowcharts to direct you to the guidance that is applicable for your charity.

1.2 Summary of the suite of guidance available

ARR02. Charity reporting and accounting: the essentials

All charities should read this guidance. It covers the new accounting and reporting framework for registered charities from 1 January 2016, providing an overview of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015.

ARR03. Receipts and payments accounts and the trustees' annual report

You should read this guidance if you are a small, non-company charity and you qualify to prepare receipts and payments accounts. Generally, this applies to charities with gross income of £250,000 or less. It provides detailed guidance on the new legal requirements, suggested formats for receipts and payments accounts, and requirements for the trustees' annual report.

ARR04. Accruals accounts and the trustees' annual report

You should read this guidance if you are required to prepare accruals accounts. Generally, this applies to you if your gross income is more than £250,000, or you are a charitable company. You should also read this document if your governing document, a funder, or any other legislation requires your charity to prepare accruals accounts. It provides guidance on the legal format for accruals accounts and requirements for the trustees' annual report.

ARR05. How to complete the annual monitoring return

All charities should read this guidance. It provides practical assistance to charities when completing the annual monitoring return online, a compulsory requirement for all charities. **Note that this guidance will be made available on the Commission's website but is not being consulted on.**

ARR06. Charity reporting: Interim arrangements and the annual monitoring return

You should read this guidance if your charity was registered before 1 January 2016 and you are required to report on a financial period that started before this date. It covers the reporting requirements for registered charities before 1 January 2016, prior to full accounting and reporting regulations coming into effect, and provides details about the 2014/15 annual monitoring return. **Note that this guidance will be made available on the Commission's website but is not being consulted on.**

PBR1. Public benefit requirement guidance – public benefit reporting

All charities must read this guidance which will be included as a new section in the Commission's current *Public benefit requirement* statutory guidance. Public benefit reporting is a key element within the trustees' annual report and requires trustees to have regard to the Commission's guidance. The guidance sets out how trustees can meet the requirements and some practical examples of the information they can provide.

1.3 Interim Reporting

Charities that are registered with the Commission, and are reporting on a year that commenced **before** 1 January 2016, may apply the interim reporting arrangements to that year. However, the full accounting and reporting requirements will apply to all financial years **beginning on or after 1 January 2016**. We recommend, therefore, that even if your reporting period falls within the interim arrangements, you consider applying the full regulations to help you in preparing for subsequent reporting years.

To determine whether this applies to your charity, a flowchart has been provided at Appendix A.

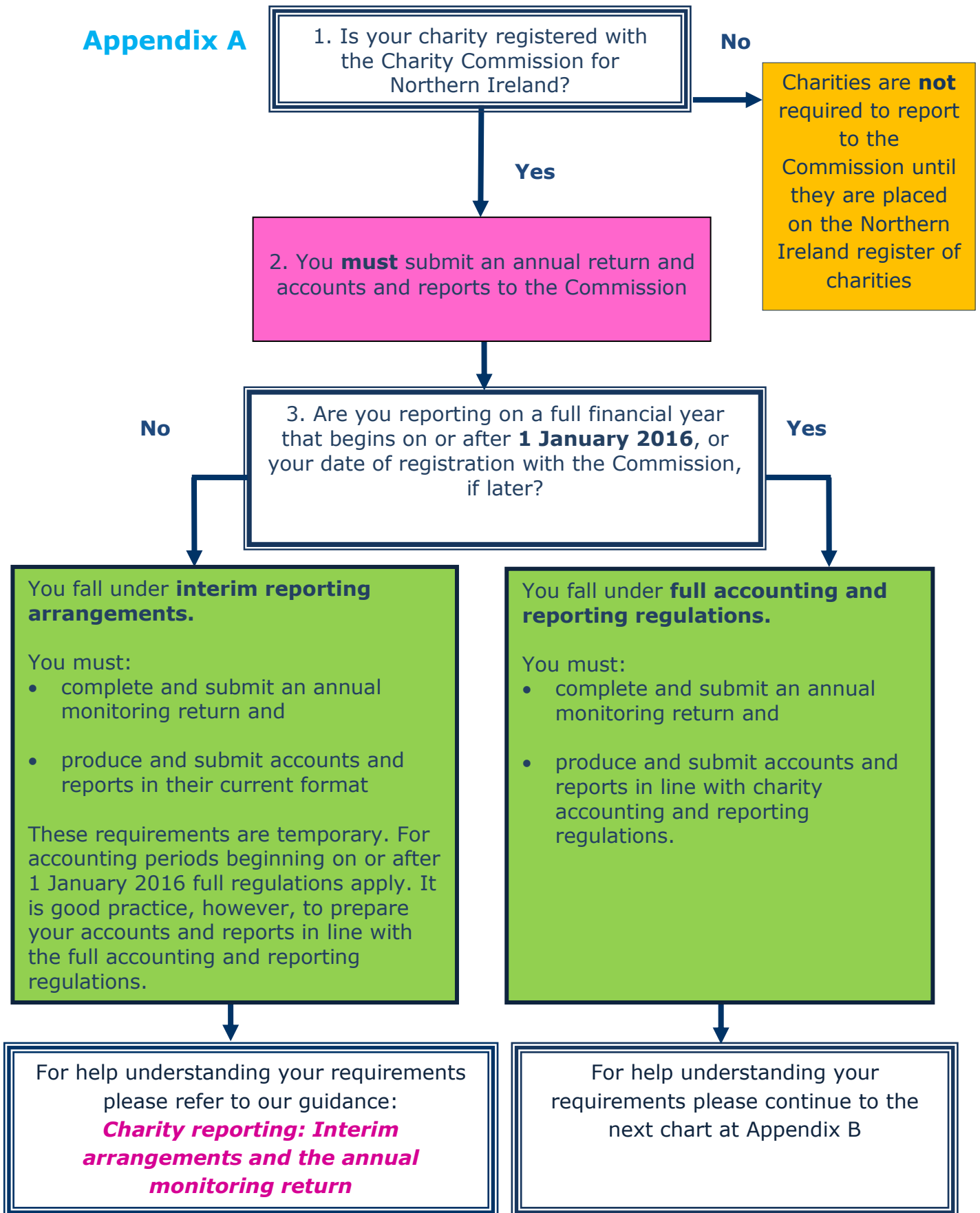
Equality

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

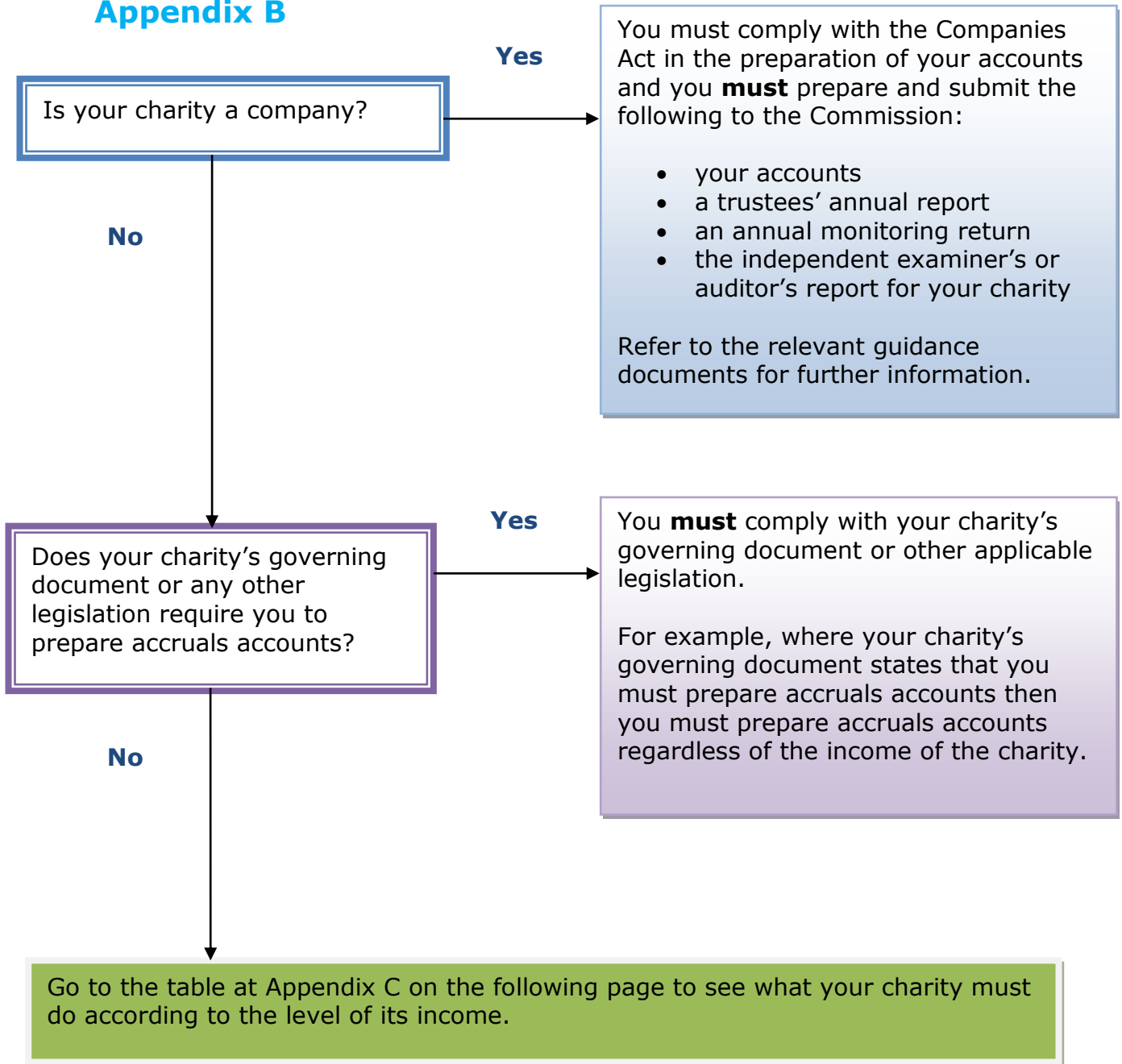
Accessibility

If you have any accessibility requirements please contact us.

Appendix A



Appendix B



Appendix C

Your charity's income level	What your charity must do	Relevant guidance
<p>Less than £250,000</p>	<p>Accounts You must prepare accounts and can choose to prepare your accounts on a receipts and payments basis rather than an accruals basis.</p> <p>Scrutiny of accounts You must have your accounts independently examined but you can choose who undertakes the examination. This will be someone who the charity trustees have assessed as being capable of independently examining the accounts. The independent examiner must be independent to the trustees but there are no other criteria.</p> <p>Trustees' annual report You must complete a trustee's annual report that also reports on how your charity has met the public benefit requirement.</p> <p>Annual monitoring return You must complete an annual monitoring return (parts A & B)</p>	<p>See <i>ARR03. Receipts and Payments accounts and the Trustees' annual report</i></p> <p>See <i>ARR02. Charity reporting and accounting: the essentials</i> for an overview of the requirements. The Commission will also be producing guidance for independent examiners.</p> <p>See the trustees' annual report section of <i>ARR03. Receipts and payments accounts and the trustees' annual report</i> and <i>PBR1. Public benefit requirement guidance – public benefit reporting</i></p> <p>See <i>ARR05. How to complete the Annual Monitoring Return Guidance</i></p>

Your charity's income level	What your charity must do	Relevant guidance
<p>More than £250,000 but less than £500,000</p>	<p>Accounts You must prepare accruals accounts.</p> <p>Scrutiny of accounts You must have your accounts independently examined and this must be by a member of the bodies listed in Section 65(4) of the Charities Act.</p> <p>Trustees' annual report You must complete a trustee's annual report that also reports on how your charity has met the public benefit requirement.</p> <p>Annual monitoring return You must complete an annual monitoring return (parts A, B & C)</p>	<p>See <i>ARR04. Accruals accounts and the trustees' annual report</i></p> <p>See <i>ARR02. Charity reporting and accounting: the essentials</i> for an overview of the requirements. The Commission will also be producing guidance for independent examiners.</p> <p>See the trustees' annual report section of <i>ARR04. Accruals accounts and the trustees' annual report</i> and <i>PBR1. Public benefit requirement guidance – public benefit reporting</i></p> <p>See <i>ARR05. How to complete the Annual Monitoring Return Guidance</i></p>

Your charity's income level	What your charity must do	Relevant guidance
<p>Greater than £500,000</p>	<p>Accounts You must prepare accruals accounts.</p> <p>Scrutiny of accounts You must have your accounts audited and this must be in compliance with Section 65(2) of the Charities Act</p> <p>Trustees' annual report You must complete a trustee's annual report that also reports on how your charity has met the public benefit requirement.</p> <p>Annual monitoring return You must complete an annual monitoring return (parts A, B & C)</p>	<p>See <i>ARR04. Accruals accounts and the trustees' annual report</i></p> <p>See <i>ARR02. Charity reporting and accounting: the essentials</i> for an overview of the requirements. The Commission will also be producing guidance for independent examiners.</p> <p>See the trustees' annual report section of <i>ARR04. Accruals accounts and the trustees' annual report</i> and <i>PBR1. Public benefit requirement guidance – public benefit reporting</i></p> <p>See <i>ARR05. How to complete the Annual Monitoring Return Guidance</i></p>