



**The Charity Commission for Northern Ireland
annual report and accounts
for the year ended 31 March 2016**

The Accounting Officer authorised the financial statements for issue on
22 June 2016

Laid before the Northern Ireland Assembly
under the Charities Act (NI) 2008
by the Department for Communities
(formerly Department for Social Development).

on

1 July 2016



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The Charity Commission for Northern Ireland is the regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Communities (formerly Department for Social Development).

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This publication is also available at www.charitycommissionni.org.uk. Any enquiries regarding this document should be sent to the Commission at the contact details above.



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1. Overview

Statement from the Chief Charity Commissioner and Chief Executive



It has been just over seven years since legislation establishing Northern Ireland's Charity Commission was commenced on 27 March 2009. As we reflect on those seven years and, in particular, the past year, we are proud to report the significant progress which has been made in implementing a new regulatory regime for Northern Ireland's charities.

The past seven years have marked a sea change for the charity sector, as well as for the individuals and organisations which support and benefit from those charities. Perhaps the most notable changes, charity registration and annual reporting for registered charities, have commenced, opening up new ways for the public to undertake vital checks on charities.

The Commission has performed strongly against its business objectives in the past year. Key targets have largely been met and the major registration target has been surpassed.

At 31 March 2016, there were just over 4,000 charities on the *register of charities*, with more added on a weekly, often daily, basis. In another step forward, during the past year we received the first accounts and reports from registered charities under the annual reporting programme. A promising start, and one we hope will continue, we received all the accounts and annual monitoring returns required from charities due to submit their financial information by the deadline of 31 January 2016.

In February 2016 we marked the fifth anniversary of receiving our powers of enquiry, which allowed us to investigate mismanagement and misconduct in charities for the first time. Coincidentally, on that anniversary, we received the 500th concern about a charity. That milestone number is surely indicative not only of the high expectation the public has in their charities, but also the need for a robust and effective regulator which inspires confidence and trust.

Over coming months and years, more charities will be registered, with each charity then required to comply with the annual reporting regulations. Once registered, information on each charity, its purposes, public benefit and accounts are made public on the *register of charities*. In many cases, and an important step towards increased openness and transparency, this will see never before released information on individual charities made available to the public, as well as opening up new data on the charity sector as a whole.

In keeping with that ethos of transparency, this report aims to highlight how we have worked over the past year to continue building and reaffirming public trust and confidence in our work, and in the charity sector. We hope you will join us, our staff and our Commissioners in celebrating the progress achieved to date, and in looking forward to the future.



Frances McCandless
Chief Executive
Charity Commission for Northern Ireland



Tom McGrath CBE
Chief Charity Commissioner
Charity Commission for Northern Ireland

Statement of the Commission's purpose and activities

The Charity Commission for Northern Ireland ("the Commission") is the independent regulator of Northern Ireland charities, as created by the Charities Act (Northern Ireland) 2008 ("the Charities Act").

The Commission is a non-departmental public body (NDPB) and is sponsored by the Department for Communities (formerly Department for Social Development). The working relationship between the sponsor department and the Commission is extremely important and the full implementation of the Charities Act requires close co-operation between both parties. The Commission does, however, exist as an independent organisation, working to further its aims and objectives.

Our vision

A dynamic and well governed charities sector in which the public has confidence, underpinned by the Charity Commission for Northern Ireland's effective delivery of its regulatory and advisory role.

Our objectives

The objectives of the Commission are set out in the Charities Act (Northern Ireland) 2008.

- > **Public confidence** - To increase public trust and confidence in charities.
- > **Public benefit** - To promote awareness of the need to demonstrate public benefit.
- > **Accountability** - To enhance accountability to donors, beneficiaries and the public.
- > **Charitable resources** - To promote the effective use of charitable resources.
- > **Compliance** - To ensure proper management and administration of charities.

Our activities

The Charities Act introduced a new regulatory framework for the charitable sector in Northern Ireland. The previous framework was "light touch" in nature, with only limited provisions for enforcement and no form of charity registration. The main objective of the Charities Act was to introduce an integrated system of registration and regulation as well as support for, and supervision of, registered charities.

The Commission works to provide and implement the structures and processes through which charities can demonstrate their contribution to society and the public can be assured that charitable resources are being properly applied. To achieve this, the Commission's activities during 2015-16 have included:

- > the ongoing establishment and maintenance of an accurate and up-to-date public register of all charities in Northern Ireland
- > progressing compulsory charity registration in Northern Ireland by determining whether institutions are charities in accordance with the law
- > identifying and investigating apparent misconduct or mismanagement in the administration of charities and taking remedial or protective action in connection with any misconduct or mismanagement
- > supporting charities in implementing the proper governance procedures and policies and, where appropriate, providing legal consents for trustees to make changes to their charity
- > publishing guidance on a wide range of matters relating to charity trustees' duties.

The Board and Senior Management Team

There were a number of changes to the Board during 2015-16.

The three-year term of office of Rosemary Connolly, who held the position of Legal Commissioner, ended in November 2015. Succeeding Ms Connolly, the Commission welcomed Steven Cockcroft as Legal Commissioner on 2 November 2015.

The three-year term of office of Philip McDonagh, who held the position of Charity Commissioner, ended in June 2015. The Commission subsequently welcomed Séamus Magee as Charity Commissioner on 1 June 2015.

The Commission would like to thank Ms Connolly and Mr McDonagh for their hard work, dedication and commitment during their time with the Commission and wish them every success in their future endeavours.

The Board of Commissioners



Chief Charity
Commissioner
Tom McGrath



Deputy Chief
Commissioner
Walter Rader



Legal
Commissioner
Steven Cockcroft



Charity
Commissioner
Brenda Maitland



Charity
Commissioner
Geraldine Donaghy



Charity
Commissioner
Norman Bennett



Charity
Commissioner
Séamus Magee

The *Register of interests* for the Commission's Board of Commissioners can be viewed on the Commission's website at: <http://www.charitycommissionni.org.uk/about-us/about-the-charity-commission/our-governance/register-of-interests/>

The Senior Management Team



Chief Executive
Frances McCandless



Head of
Charity Services
Punam McGookin



Head of
Corporate Services
Aubrey McCrory



Head of
Compliance & Enquiries
Myles McKeown

Key issues and risks

A series of risks related to delivery of the Commission's objectives were managed during the year, including a small number in the highest category in the risk register. These key issues related to:

- > public confidence in charities being diminished by delays and difficulties in registration and operating the *register of charities* as a result of the poor quality of applications received
- > failure to have necessary resourcing (people, budget, systems and facilities) compromising the Commission's ability to deliver efficient and effective services because of ineffective plans, policies, and performance monitoring.

Other risks, such as the lack of accounting regulations, the impact of complaints and Charity Tribunal work, declined during the year.

New risks were also identified, particularly around long-term resourcing to deliver compliance monitoring and the strategic agenda of ICT delivery partners. The latter materialised during the second part of the year and an update to the online registration portal became necessary.

For further information on the Commission's risk and control framework, please see the *Governance statement* section of this annual report.

Performance summary

During the year, the Commission achieved 80% of its corporate key performance indicators (KPIs). This included the following achievements above target.

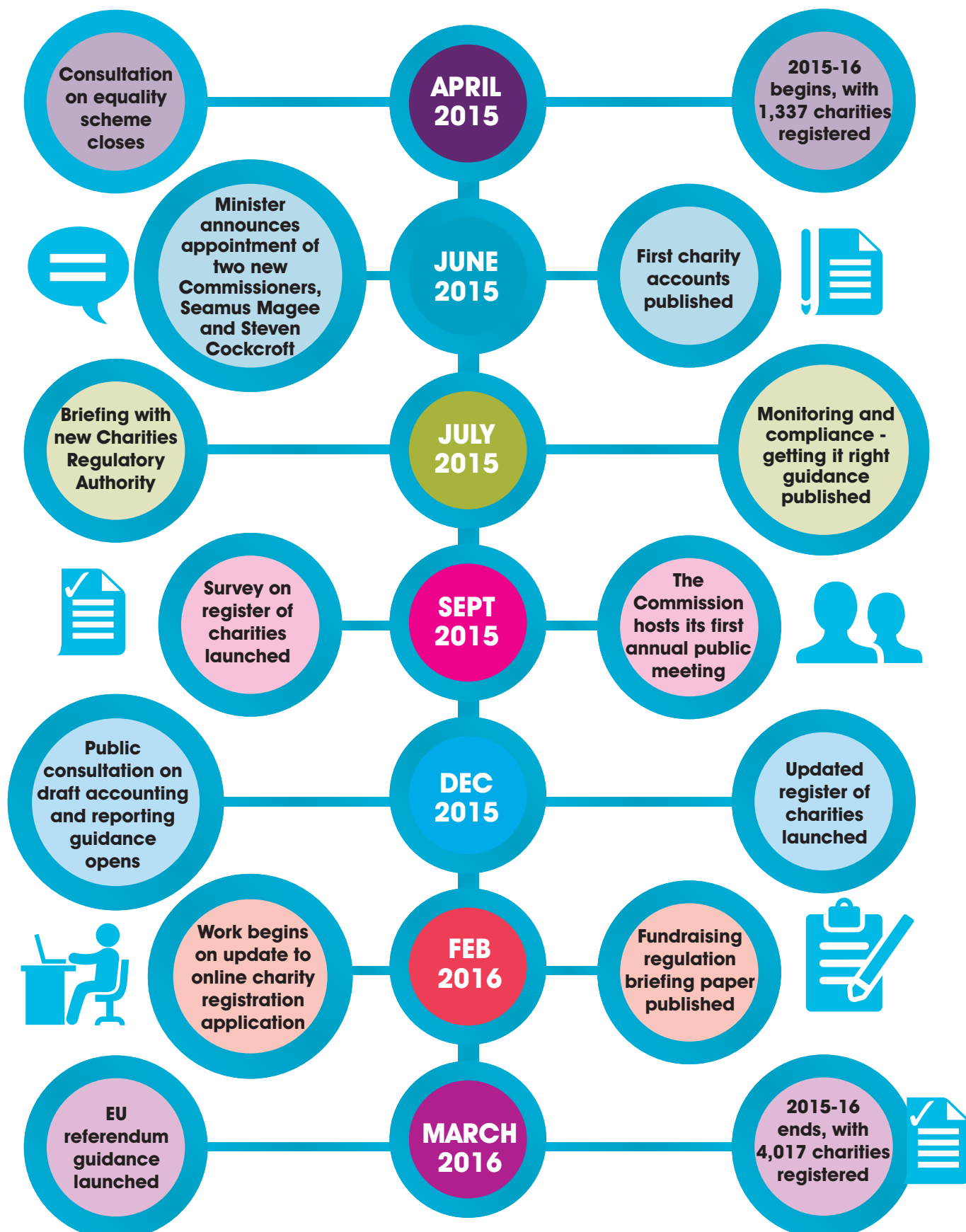
- > 2,697 registration application decisions made (target: 2,500).
- > 19,544 telephone and email queries dealt with (target: 10,000).
- > 12 pieces of external guidance published (target: 10).
- > 99.5% of creditors' invoices paid with 10 working days (target: 90%).

In light of the time taken by the sponsor department to decide on resourcing going forward, two registration related KPI targets were missed. This included the calling forward of charitable institutions to apply for charity registration and the related applications received. In total, the Commission called forward 1,591 institutions to apply for registration, against a target of 2,000. This resulted in 2,412 applications being received, against a target of 2,500 applications. The Commission outperformed its target on registrations.

For further information on the Commission's performance during the year, including measurement against all key indicators, see the *Detailed analysis* section of this annual report.

2. Performance analysis

Overview: the year at a glance



Performance report

Overview: the year in figures

The Charity Commission Board holds the organisation to account through regular reporting on progress against the annual business plan.

REGISTRATION



During 2015 -16, the Commission registered 2,680 charities, bringing the total registered up to 4,017 by 31 March 2016.

ENQUIRIES



The Commission received 100 concerns about charities in 2015 - 16. During the year, 121 concerns were closed, leaving 37 in progress at year end.

ANNUAL REPORTING



42 charities submitted accounts and reports in accordance with annual reporting requirements for 2015-16, with 76% passing basic compliance checks.

KEY INDICATORS

- 01** Website visits - 148,182 visits, based on cumulative monthly totals (target 75,000)
- 02** Decisions on charity registrations:
Called forward - 1,591 (target 2,000)
Applications received - 2,412 (target 2,500)
Decisions made - 2,697, which included 2,680 organisations registered and 17 refused registration (target 2,500)
- 03** Number of telephone and email queries dealt with - 19,544 (target 10,000)
- 04** Number of concerns received about charities - 100 (target to process up to 130)
- 05** Concerns risk assessed within 30 days of receipt of final information - 100% (target 90%)
- 06** Reports on the findings of our investigations work - 6 (target 6)
- 07** Pieces of external guidance - 12 (target 10)
- 08** Satisfaction with public benefit guidance - 91% (target 75%)
- 09** Staff sick leave - 1.7% (target <8%)
- 10** Creditors' invoices paid within 10 working days - 99.5% (target 90%)
- 11** Budget spend year end - 98.4% total spend, broken down as 98.4% revenue 99.4% capital (target 99% of overall budget)

IMPACT**9,973**

views of the registration
support section of the
Commission's
website

IMPACT**1,989**

views of the
Commission's online
running your
charity guidance

IMPACT**1,556**

followers of
@CharityCommNI
on Twitter

IMPACT**900**

Expressions of
intent received

IMPACT**919**

attendees at registration
workshops, held across
Northern Ireland

IMPACT**163**

casework decisions
made, including 110
section 96 consents
granted

IMPACT**105**

engagement meetings,
including
presentations,
seminars
and events

IMPACT**26**

workshops held with
charity registration
applicants,
with a further four
held with
helper groups

IMPACT**25**

orders issued by the
Commission's
enquiries
team

IMPACT**10**

directions issued to
charities under
statutory inquiry

IMPACT**17**

registration applications
refused as applicants
didn't meet the legal
requirements

IMPACT**5**

thematic reports
published, providing
information on
common concerns
about charities

Detailed analysis

Charity registration

The increasing knowledge and experience of both the Commission and the charity sector is reflected each year in a notable increase in the number of registration decisions made, as highlighted in the chart below.

By the end of March 2016, there were a total of 4,017 charities registered, with 20 organisations having been refused charity registration since registration commenced in Northern Ireland on 16 December 2013.

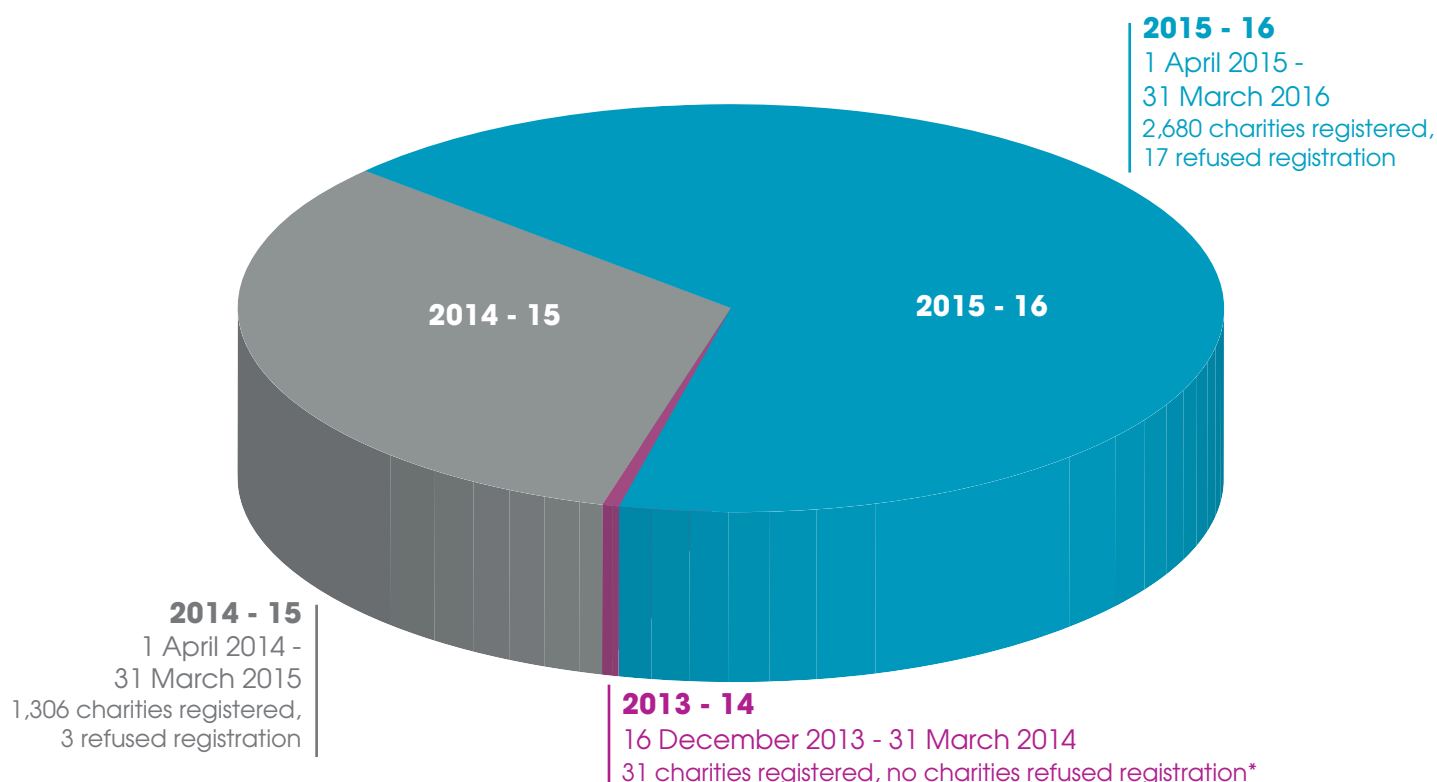
The Commission also continues to maintain its registration list. An interim checking measure for the public, this regularly updated online resource lists the names of the over 11,000 organisations of which the Commission is currently aware.

To support the public in using this list as a checking tool, it also details whether a charity has been registered by the Commission to date, is closed, has been refused registration or is required to contact the Commission to provide further contact details.

If an organisation is not on the list and meets the criteria for registration, the onus is on the charity's trustees to submit an online Expression of Intent form as soon as possible, providing the Commission with their contact details so they can be called forward for registration.

During 2015-16, 142 charities on the registration list informed the Commission they had closed and were subsequently entered into the process by which the Commission verifies the closure.

Charities registered by the Commission since registration began



*An organisation will be refused registration as a charity if it fails to demonstrate that it meets the legal requirements to be registered

Annual reporting

On 1 January 2016, *The Charities (Accounts and Reports) Regulations 2015* commenced, bringing into place a full annual reporting regime for all registered charities in Northern Ireland for the first time.

The new regulations, made by the Department for Communities (formerly Department for Social Development), set out the form and content requirements for charity accounts and the trustees' annual report, and the level of review and scrutiny these documents must have. Registered charities are now required to comply with these regulations for each full financial period following 1 January 2016 or their date of registration with the Commission, if later.

Annual reporting is a key way for the Commission to regulate charities, to keep the *register of charities* up to date and, if a charity may not be meeting its duties, to step in and take action to set things right.

With each charity's accounts and reports published, annual reporting also provides charities with a meaningful way to be more open and accountable to the public.

A great deal of preparatory work has gone into ensuring the Commission is ready for the full annual reporting programme to commence, including developing, implementing and testing the integrated IT systems which will support the online reporting process.

In preparation for the introduction of the regulations, and to support charities in understanding their new duties, the Commission also developed a suite of draft accounting and reporting guidance. The Commission launched this guidance for public consultation on 18 December 2015, as well as calling for views on new, draft *Directions for Independent Examiners*, which examiners must follow when reviewing charity accounts.

With the guidance consultation closing on 11 March 2016, the end of 2015-16 also marked a busy period for the Commission as work began to collate and analyse all responses received, and prepare the final guidance for publication later in 2016.

Prior to the commencement of the full regulations, an interim annual reporting programme was put in place, covering the transitional period between the commencement of registration and the full annual reporting regulations.

This means that, while the full regulations did not commence until January 2016, the Commission had already started to receive – and publish – accounts and reports of registered charities.

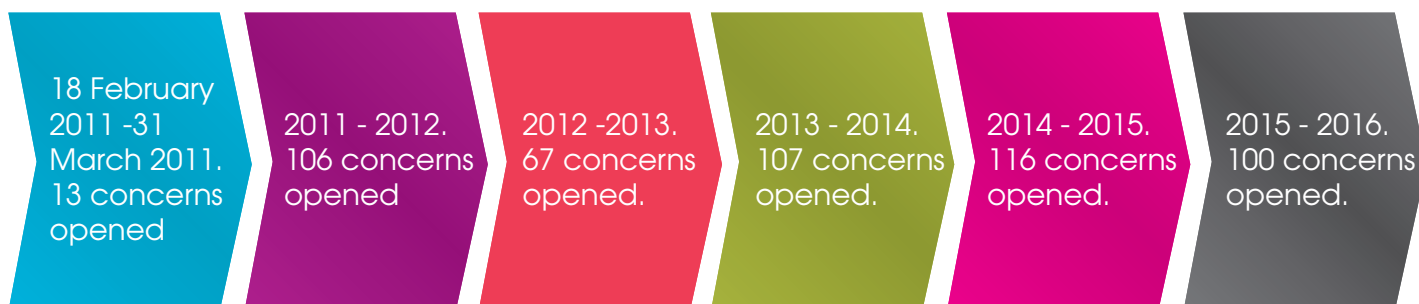
As at 31 March 2016 the first 42 charities required to submit accounts and reports to the Commission had done so within their ten month deadline. Using these first submissions, the Commission was able to commence its monitoring programme and carry out basic compliance checks on 41 accounts by year end. Of that number, 19 were required to resubmit or clarify because of failed accounts. Common reasons for this included submission of partial accounts or accounts relating to another financial year.

Enquiries

On 18 February 2016, the Commission marked another development milestone - the fifth anniversary of gaining the legal powers required to investigate charities within Northern Ireland for the first time.

Since then, the Commission's enquiries team has progressed rapidly and has, over the years, grown in experience and knowledge. During the past year, the Commission received 100 concerns, and progressed 121 concerns to conclusion. At 31 March 2016, 37 concerns about charities remained live.

Number of concerns opened, by year



As always, the nature of the concerns received covered a wide spectrum of areas, from minor issues, easily resolved with the right guidance, through to more serious issues. Giving an insight into the concerns received, the Commission published five thematic reports during the year, providing confidential case studies on common issues and guiding charities on how they can avoid making similar mistakes.

Those thematic reports are:

- > *Disqualified trustees.*
- > *Why is evidence so important?*
- > *Regulatory case study: Calling an Annual General Meeting.*
- > *Regulatory case study: Using professional fundraisers.*
- > *500 concerns about charities in five years.*

Where there is a serious risk to a charity's beneficiaries, services or assets, the Commission has demonstrated that it will not hesitate to use its legal powers to help the charity get back on track. For example, during the past year the Commission has:

- > issued 25 orders to individuals and/or organisations as part of its investigatory work, for example, orders to organisations such as banks to produce specific financial information
- > issued 10 directions to individuals and/or organisations under its powers of inquiry, including directions to produce information and provide a statutory declaration stating the information is a true and accurate record
- > published one statutory inquiry report, namely an interim report into the Commission's statutory inquiry into the Disabled Police Officers' Association Northern Ireland (DPOANI).

As always, the Commission continues to follow the principles of best regulatory practice, ensuring our actions are proportionate, accountable, consistent, transparent and targeted.

Engagement and guidance

Over the past 12 months, the Commission has continued working to engage with stakeholders through a wide range of events and activities. In total during the year, the Commission participated in 105 engagement events. This included running 26 workshops for registration applicants, attended by 919 charity representatives, in venues across Northern Ireland. A further four workshops were held with helper groups, supporting and training the organisations which offer charities help and support through the registration application process.

To assist understanding of charity law, and the work of the Commission, staff also undertook seminars and presentations with a wide range of bodies throughout the year, including CO3 Chief Officers 3rd Sector, SportNI, local solicitors' associations, Age NI, NICVA, the Law Society and NI Environment Link, to name but a few.

The Commission also held its first annual public meeting in September 2015, which provided an opportunity to explain our work in more depth and answer questions from charities and the public.

November 2015 in particular marked a busy month for the Commission, with the hosting of the *UK and Ireland Charity Regulators' Forum* and, for the first time, the *International Charity Regulators' Forum*. This international forum was attended by representatives from charity regulators in Australia, Canada, New Zealand, Scotland, England and Wales, the Republic of Ireland and Singapore, as well as representatives from Her Majesty's Revenue and Customs (HMRC) and the Office of the Revenue Commissioners (Republic of Ireland).

As always, the promotion of good governance within Northern Ireland's charities has remained a key focus, with the Commission working to update and build on its online library of guidance and support. This included the addition of a further 12 pieces of guidance, including *Religious designation*, *How to raise a concern about a charity*, *Dealing with concerns about charities*, *Guidance for charities on campaigning in the run up to the EU Referendum*, updated model governing documents and a *Changes to fundraising regulation* briefing paper. During the past year, the Commission also introduced a new resource for stakeholders, with its quarterly online newsletter, *CCNI News*, offering charity trustees, advisers and supporters updates on the Commission and charity regulation news.

Budget

One key performance indicator for the Commission is achieving a budget spend within 99% of overall budget, which is set at £1,859,331. During 2015-16, the Commission reported a 98.4% total spend, broken down as 98.4% of revenue budget and 99.4% of capital budget.

Complaints about our services

The Commission has published information on its complaints policy, including how to submit a complaint, and the Commission's approach for dealing with complaints received about service standards, in the *About us* section of www.charitycommissionni.org.uk.

During 2015-16, the Commission received seven complaints which were dealt with in accordance with the Commission's published policy.

Two complaints were resolved informally, two complaints were not upheld following investigation, one complaint was withdrawn by the complainant and two remained in progress at year end. The monitoring of complaints received by the Commission forms an important part of the Commission's quality assurance process, providing a means by which trends and common issues about service delivery may be identified and resolved. It also allows the Commission to determine how successfully it has dealt with the complaints. The Commission monitors complaints and these are reported through the Chief Executive's report to the Board.

The Commission is also committed to a process of continuous learning and development, with complaints providing an important means by which stakeholders may share their views and feedback with the Commission and, where appropriate, lessons may be learned for the future.

Sustainability

The Commission is aware of its environmental responsibilities and follows Northern Ireland Civil Service practices regarding recycling. Given the size of the organisation, the Commission has considered the need for a sustainability report and believes an in-depth report would not be of benefit to the readers of the accounts at this time.

Equality and diversity

The Commission's *Equality scheme and action plan 2012-2017*, which is available to view on www.charitycommissionni.org.uk, demonstrates our commitment to promoting equality, diversity and accessibility across all aspects of our work. In keeping with this commitment, the Commission has undertaken a range of activities during 2015-16 aimed at mainstreaming equality and good relations considerations into all aspects of our activities. This has included:

- > ongoing implementation of internal systems to monitor the Commission's integrated *Equality scheme and action plan 2012-17* and how the Commission works with charities and the public
- > ongoing publication of quarterly screening decisions on the *Equality* page of the Commission's website
- > annual awareness training for all staff undertaken in October and November 2015, supporting staff understanding of equality, diversity and good relations
- > the publication of new *Equality guidance for charities in Northern Ireland*.

3. Future focus

As we move into the 2016-17 financial year, the Commission is once again preparing for a year that will bring with it significant progress.

Charity registration will continue apace, the Northern Ireland *register of charities* increasing in numbers and, as it grows, in purpose. As more charities are added, more information on those individual charities and the sector as a whole will be opened up to public view, enhancing openness and transparency of all charities. That can only have positive effects, helping to build public trust and confidence in charities, as well as developing a wider understanding of the sector as a whole and its contribution to society.

Coupled with progress in registration, annual reporting requirements will also move increasingly to the fore as more charities approach their first annual reporting deadline. Once submitted, those charity reports and accounts will also be available for public view on the *register of charities* – a further enhancement to charity transparency. Over the next year, the Commission will also launch a finalised suite of accounting and reporting guidance, supporting charities in understanding the format and content of the information they are required to submit for inspection.

While we look to our future plans, we are also aware of the challenges ahead. Alongside progressing registration, our big challenge will be embedding annual reporting and monitoring and compliance work. With limited resources, we will design and implement a compliance regime with the maximum ability to analyse information submitted by Northern Ireland's thousands of charities. A key aim for our monitoring and compliance programme, we will also work to support charity trustees in developing best practice in running charities.

Our enquiries work will also progress as we continue investigating suspected or alleged charity misconduct and mismanagement, taking the necessary action to resolve the situation and protect charities. Knowing a robust and proportionate charity regulator is in place, the public can now have confidence that they have somewhere they can go when they have a concern about a charity.

On a wider basis, we will continue promoting and building awareness of good governance practices across all charities. We will increase our library of guidance and support tools, undertake seminars, presentations and other events, where our resources allow and, a particular highlight, in September 2016, we will launch new research on public confidence and trust in Northern Ireland's charity sector.

While this annual report is primarily a focus on the past year, and our achievements to date, it also marks a strong starting point for the future. As we move into yet another year, we do so with increasing experience, knowledge and assurance, and we look forward to the challenges and milestones ahead.

This *Performance report* was signed by the Accounting Officer of the Charity Commission for Northern Ireland on 22 June 2016.



Frances McCandless
Chief Executive
Charity Commission for Northern Ireland

4. Corporate governance report

Directors' report

The Charity Commission for Northern Ireland is the regulator of charities in Northern Ireland, a non-departmental public body sponsored by the Department for Communities (formerly Department for Social Development).

The Chief Commissioner is Tom McGrath, and the Chief Executive is Frances McCandless.

The Board of the Commission comprises a Chief Charity Commissioner, a Deputy Chief Charity Commissioner and five Charity Commissioners. Legislation determines that at least one Commissioner must be a barrister or solicitor of at least seven years standing.

The Register of interests for the Commission Board can be viewed at:
<http://www.charitycommissionni.org.uk/about-us/about-the-charity-commission/our-governance/register-of-interests/>

During 2015-16, the Commission did not formally report any personal data related incidents to the Information Commissioner's Office (ICO). The Commission takes its data processing responsibilities extremely seriously and is a statutory body with the appropriate security clearance to process and hold sensitive data securely and lawfully.

Statement of Accounting Officer's responsibilities

Under Schedule 1, section 8(2), of the Charities Act (Northern Ireland) 2008, the Department for Communities (formerly Department for Social Development), with the approval of the Department of Finance (formerly Department of Finance and Personnel), has directed the Charity Commission for Northern Ireland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- > observe the Accounts Direction issued by the Department for Communities (formerly Department for Social Development), including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- > make judgements and estimates on a reasonable basis
- > state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements and
- > prepare the financial statements on a going concern basis.

The Accounting Officer of the Department for Communities (formerly Department for Social Development) has designated the Chief Executive of the Charity Commission for Northern Ireland as Accounting Officer of the Commission.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper accounting records, and for safeguarding the Commission's assets, are set out in *Managing Public Money Northern Ireland* published by the Department of Finance (formerly Department of Finance and Personnel).

As the Accounting Officer of the Commission, the Chief Executive confirms that:

- > as far as she is aware, there is no relevant audit information of which the entity's auditors are unaware
- > she has taken all steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information
- > the annual reports as a whole are fair, balanced and understandable
- > she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance statement 2015-16

Introduction

As a regulator, the Charity Commission for Northern Ireland is dedicated to operating to the highest standards of corporate governance. The Commission's Board is accountable to the sponsor department, the Department for Communities (formerly Department for Social Development), and the Northern Ireland Assembly for good corporate governance.

The Commission's arrangements to meet that commitment are detailed in a formal corporate governance framework which brings together a variety of related policies and procedures. The Commission's assessment of its governance is informed by various internal and external opinions including those of auditors, other stakeholders such as service users and staff, fellow regulatory bodies that oversee aspects of its work, the Charity Tribunal and the courts.

In this statement, the Board and Accounting Officer outline how they have discharged their responsibilities to manage and control the Charity Commission for Northern Ireland's resources throughout the financial year ended 31 March 2016. As indicated in last year's governance statement, it is for the Accounting Officer, with Board support and input, to decide the format and content of this governance statement. In developing this statement the Accounting Officer has considered guidance set out in *DAO (DFP) 10/12, Managing Public Money NI Annex 3.1*, the relevant NI Audit Office fact sheet (2014) and feedback from governance experts so as to tailor the disclosure to the organisation and its features during 2015-16.

Scope of responsibility

The Charity Commission for Northern Ireland is the independent regulator of charities in Northern Ireland. The Commission is a non-departmental public body (NDPB), established by Royal Assent to deliver the legislative requirements of the Charities Act (Northern Ireland) 2008. It is sponsored by the Department for Communities (formerly Department for Social Development). The Commission's strategic aims are:

- > to increase public trust and confidence in charities
- > to promote awareness and understanding of the operation of the public benefit requirement
- > to promote compliance by charity trustees with their legal obligations in exercising control and management of the administration of their charities
- > to promote the effective use of charitable resources
- > to enhance the accountability of charities to donors, beneficiaries and the public
- > to manage the Commission as an effective and efficient non-departmental public body.

The purpose of the governance framework

The Commission's governance framework is designed to allow the organisation to operate as an accountable, efficient and effective public body and to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The framework is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised and to manage them efficiently, effectively and economically.

A governance framework has been implemented within the Commission since establishment. During 2015-16 the Board reviewed its own operating policies, having adopted a formal corporate governance framework in December 2014 which collated various governance policies and procedures.

The Charity Commission for Northern Ireland's governance framework

Board

The Board provides strategic leadership and directs the Commission's strategic planning, financial and operational management, governance and risk assessment to ensure that statutory obligations are met. The Board provides strategic direction, challenge and oversight to the Senior Management Team which is responsible for operational management and performance. The Board comprises 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 seven years' standing. Appointments of Charity Commissioners, who constitute the Board, are required to be made by the Minister for Communities (formerly, the Minister for Social Development) in accordance with the Northern Ireland Code of Practice for Ministerial Appointments to public bodies issued by the Commissioner for Public Appointments.

Board membership changed during 2015-16 with Philip McDonagh and Rosemary Connolly (Legal Commissioner) completing their terms and Séamus Magee and Steven Cockcroft (Legal Commissioner) being appointed.

The Board acts independently of senior management in line with a formal governance agreement known as the Management Statement and Financial Memorandum (MSFM). This was reviewed and a new version agreed and signed during 2015-16. It is the responsibility of the Board members to ensure the Commission fulfils the aims and objectives set by its sponsor department and approved by the Minister, and promotes the efficient, economic and effective use of staff and other resources.

During the year the Board undertook these responsibilities by:

- > submitting a three-year strategic plan and an annual business plan for departmental approval to chart the overall strategic direction of the Commission within the policy and resources framework determined by the sponsor department and the Charities Act (Northern Ireland) 2008. The three-year strategic objectives were the subject of a public consultation, to engage and inform stakeholders. At year end, the plans for 2016-19 were subject to further revision following budget confirmation
- > ensuring the sponsor department was kept informed of developments, changes in assumptions and departmental policy which were likely to impact on the strategic direction of the Commission or on the attainability of its targets, and determining the steps needed to deal with such changes through sharing of Board information including business plan progress reports and the corporate risk register, an annual meeting between the Chief Commissioner and the Minister (this year also including other Commissioners), quarterly meetings between the Accounting Officer and the Deputy Permanent Secretary of the sponsor department and bi-monthly meetings of Senior Management Team with officials from the sponsor branch. During 2015-16 the sponsor department was informed in a timely manner that the Commission was choosing to miss one of its key targets relating to charity registration. This was due to the fact that future resources were unconfirmed at a late stage in the year and the Board considered that the risk of not delivering the target was outweighed by the risk of proceeding as planned and thereby overloading the charity registration system with applications which resources were not in place to process, thus exposing the Commission to serious reputational risk and possible future failure to meet targets
- > ensuring any statutory or administrative requirements for the use of public funds were complied with and that the Board operated within the limits of its statutory authority and any delegated authority agreed with the sponsor department through six-monthly reviews of the terms of the MSFM. These found full compliance, as no breaches had been identified
- > receiving and regularly reviewing financial and performance management information in terms of budget updates and forecast spend at each Audit and Risk Assurance Committee and Board meeting, and quarterly business plan progress reports, which provided positive assurance to the sponsor department that performance was being assessed and appropriate action was being taken to meet performance commitments, or take appropriate alternative action in an open and timely manner
- > demonstrating high standards of corporate governance at all times, including using an independent Audit and Risk Assurance Committee member to help the Board address the key financial and other risks facing the Commission
- > undertaking a Board effectiveness review to inform the strategic governance agenda and reviewing the Board's *Terms of Reference, Standing Orders and Code of Conduct*
- > continuing to implement actions from an organisation-wide programme to review and develop the Commission's culture to inform the governance agenda
- > operating a live *Register of interests* on the Commission's website with conflicts a standing agenda item at Board meetings and a formal annual review undertaken by the Board
- > having in place a Chief Executive and, in consultation with the sponsor department, annually setting performance objectives for the Chief Executive which give due weight to the proper management and use of public monies

Accountability report

- > receiving reports at meetings from its Audit and Risk Assurance and Human Resources Sub-Committees, and ensuring that the recommendations from these sub-committees receive properly proposed and recorded approvals by the Board itself. This includes, in addition to regular updates, one meeting per year largely devoted to audit and risk issues and, from 2016, the Board has also decided to focus one meeting specifically on HR-related issues
- > taking account of fraud awareness reports from the Department of Finance (formerly Department of Finance and Personnel) as appropriate
- > ongoing work on fraud, including reviewing the policy and updating the organisational bribery assessment to reflect new statutory remits that came into effect. In 2015-16 this included consideration of the Northern Ireland Audit Office Guidance on Managing Fraud Risk in a Changing Environment and completion of the associated checklists to inform review of policy effectiveness
- > ensuring an effective risk management process is in place, annually updating the policy and setting a risk appetite, and reviewing the corporate risk register at each Board meeting following its prior assessment by the Audit and Risk Assurance Committee.
- > holding, in 2015-16 the Commission's first annual public meeting to enable it to engage better with stakeholders, increase accountability and communicate its work to the widest possible audience.

Attendance at Board meetings during the year:

Board member	No. of meetings attended
Tom McGrath, Chief Commissioner	7 out of 7
Walter Rader, Deputy Chief Commissioner	7 out of 7
Norman Bennett, Commissioner	6 out of 7
Geraldine Donaghy, Commissioner	7 out of 7
Brenda Maitland, Commissioner	6 out of 7
Rosemary Connolly, Legal Commissioner (until October 2015)	4 out of 4
Philip McDonagh, Commissioner (until May 2015)	1 out of 1
Séamus Magee, Commissioner (from June 2015)	4 out of 5
Steven Cockcroft, Legal Commissioner (from November)	4 out of 4



Board performance and assessment of its own effectiveness

In 2015-16 the Board met seven times, the Audit and Risk Assurance Committee four times, and the Human Resources Committee four times. Board and committee minutes are published regularly on the Commission's website. The annual planner, set at the start of the year for committee and Board meetings, was implemented.

In terms of assessment processes Commissioners were subject to annual appraisal and results reported to the sponsor department. Shortly before year end a review of the Board's effectiveness was carried out. This consisted of an element of self-assessment and interviews by an external facilitator. The full report was not available by year end, and the Board will consider this and continue the process of developing its effectiveness in 2016-17.

The Board also held a two-day development residential session during 2015-16 to enable members to look in more detail at various aspects of the Commission's work and thus increase understanding of the organisation and its role. This will underpin the strategic approach to the delivery of the coming year's business objectives.

Key decisions of the Board in 2015-16

The Board's main focus in the year under review included progressing charity registration and compliance work, along with some major statutory inquiries. In this year, a new 'data hub' report was introduced to provide Board members with more effective statistical information to underpin decisions and performance monitoring. In addition to standing item discussions of budget and finance, business plan performance and risk management, other issues considered and agreed during the year included the following.

- > Annual Report (including governance statement) and Accounts to the Assembly.
- > A refreshed risk appetite linked to the business plan.
- > Consideration of a capacity review to inform future work planning and budget bids. This was based on detailed work undertaken by workforce planning experts in the Department for Communities (formerly Department for Social Development) Staff Resource Unit and provided the Board with more verifiable and robust baseline data than had previously been available to underpin planning.
- > Approval of the annual internal audit plan.
- > Revised finance and a variety of human resources policies and procedures.
- > A decision, after consideration of options, costs and risks, to contract with HR Connect for the Commission's HR services.
- > Adopted a three year communications strategy.
- > Agreed Memoranda of Understanding with a range of other bodies.
- > Approved a series of amendments to existing process manuals which underpin the Commission's decision making.
- > Approved new procedures and policies relating to religious designation, failure to apply for charitable status, trustee checks and trustee remuneration.
- > Agreed a refreshed business continuity plan.
- > Approved the Commission's annual equality report.
- > Approved an environmental policy for the Commission.

In addition, Board members were updated at each Board meeting throughout the year on the use of the Commission's statutory powers relating to specific casework, including the completion of inquiries under section 22 of the Charities Act (Northern Ireland) 2008, as well as the first use of any new powers and any refusals of charity registration applications. During the year the Board made use of various task and finish groups comprised of Commissioners and staff to look in detail at the development of policies and procedures including accounting and reporting guidance, communications, risk and registration procedures.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee was established in June 2009. The Committee supports the Board and the Accounting Officer in their responsibilities regarding issues of risk, control and governance, and associated assurances. During the period under review its oversight role

included, but was not limited to, internal and external audit, the budgetary control system, the Commission's financial statements, and risk management. The senior executives report risks to the Audit and Risk Assurance Committee, which reviews and challenges the assessment and planned actions before reporting to the Board on governance matters and, in particular, risk management issues. Risk is reviewed and discussed at each meeting by the Audit and Risk Assurance Committee and, in turn, the committee informs the Board of any emerging issues which are then discussed.

The committee undertook an annual self-assessment in October 2015 using the National Audit Office Checklist. In broad terms the committee were content with their approach. In terms of areas under their control, the committee noted various conclusions and recommendations of the checklist and a number of actions were identified including:

- > deciding to keep under review any further technical skills that might be required by the Board
- > reviewing a schedule of relevant governance policies due for review over the course of the year and programming these into its future work agenda
- > using the work on capacity undertaken by the Staff Resources Unit as a further assurance of the Commission's processes and outputs.

The committee also undertook an annual review of its *Terms of Reference* and recommended one minor change.

During the year the committee received and considered the new Northern Ireland Audit Office Guidance on Managing Fraud Risk in a Changing Environment. The associated checklists were completed by staff and discussed by the committee. This highlighted a number of useful additions and revisions which could be made to existing policies, such as the whistle blowing policy and the fraud response plan.

The Audit and Risk Assurance Committee added the regular review of a number of key policies into its annual agenda schedule and, using this new schedule, it reviewed the risk management policy, fraud policy and finance procedures.

In the course of the year the Board identified a weakness in communication relating to high risk registration cases. The Audit and Risk Assurance Committee will monitor revised procedures put in place to address this in the coming year.

During the year the committee received independent assurance from Internal Audit which was provided by the Internal Audit function of the Department for Communities (formerly Department for Social Development). Representatives of Internal Audit attended all four Audit and Risk Assurance Committee meetings during 2015-16.

This was the third year of a three year internal audit strategy which was supported by an audit plan for 2015-16, that included two phases of audit work during the year. This co-ordinated with the work of external audit. The areas audited during the year in line with the agreed audit plan for 2015-16 were as follows.

- > Phase 1 - Registration of charities, risk management, business continuity and section 9 consents.
- > Phase 2 - IT systems, finance, human resources and previous recommendations.

The internal audit report on their 2015-16 audit work gave a 'satisfactory assurance' rating, reflecting the view that management had established a satisfactory system of internal control to mitigate risks relating to the activities examined. There were no category 1 recommendations.

In February 2016, the Audit and Risk Assurance Committee agreed a new, three-year internal audit strategy, which was approved by the Board in March 2016.

Although the Audit and Risk Assurance Committee may commission reports on specific issues, this was not felt necessary during the year under review. The Audit and Risk Assurance Committee also considered the systems and controls in place to protect Commission information and no data handling issues that required notification to the regulator were identified. Quarterly information assurances were completed and forwarded to the Departmental Senior Information Risk Officer and an annual *Senior Risk Management Overview* (SRMO) report was submitted to the Department for Communities (formerly Department for Social Development) to inform the overall report to the Cabinet Office on Information Risk Management.

During the year under review the Northern Ireland Audit Office (NIAO) attended all four committee meetings. The committee considered the *2014-15 NIAO Report to Those Charged with Governance* which indicated no significant audit judgements were made in reaching their audit opinion on the 2014-15 financial statements. Having reviewed the accounting policies, the NIAO were content at their appropriateness, no significant issues were identified regarding regularity, and the audit did not identify any significant internal control weaknesses. The report also stated that in the NIAO opinion, in all material respects expenditure and income had been applied to the purposes intended by the Assembly and the financial transactions conformed to the authorities which govern them. The report was laid before the Assembly in June 2015.

Membership of the Commission's committees was refreshed during 2015-16, with the change in Board membership. The Audit and Risk Assurance Committee Chair changed as part of this process. Departmental observers also attended all meetings.

Attendance at Audit and Risk Assurance Committee meetings during the year was as follows:

Committee member	No. of meetings attended
Philip McDonagh, Chair (until May 2015)	1 out of 1
Norman Bennett, Chair (from September 2015)	4 out of 4
Brenda Maitland (until May 2015)	0 out of 1
Walter Rader (from September 2015)	3 out of 3
Séamus Magee (from September 2015)	3 out of 3
Kieran Donaghy, Independent Member of committee	4 out of 4



Human Resources Committee

The Human Resources Committee supports the Board in its responsibilities regarding issues of staff resource and staff performance including, but not limited to, recruitment, staff structure, remuneration and resource, human resource policies and practice and legislative compliance.

During the period under review the committee oversaw the first drafts of a people strategy to underpin the next strategic plan and a decision to move the Commission's human resources and payroll services onto the shared services platform, HR Connect. The committee recommended and the Board took this decision on the basis that it would reduce the risks of the Commission, as a small body, operating a stand-alone staff handbook.

The committee made recommendations to the Board on changes to existing human resources policies, in particular on maternity leave and pay, probation, working hours and leave, parental leave, competency framework, references, performance management and shared parental leave. The committee also reviewed any human resources related audit recommendations.

Due to the change in Board membership, membership and the chair of this committee changed during the year. Attendance at Human Resources Committee meetings during the year was as follows.

Committee member	No. of meetings attended
Walter Rader, Chair (until June 2015)	1 out of 1
Brenda Maitland, Chair (from September 2015)	3 out of 3
Rosemary Connolly, Legal Commissioner (until September 2015)	1 out of 2
Geraldine Donaghy, Commissioner	4 out of 4
Steven Cockcroft, Legal Commissioner (from December 2015)	1 out of 2



During the year departmental observers began to attend Human Resources Committee meetings.

Risk and control framework

The Commission's approach to risk management and internal control is proactive and reflects reviews and assurances at various levels within the organisation. During 2015-16, the Commission sought to enhance the top down/bottom up identification and consideration of risk within the organisation through wider application of assurance checking to reflect developments in the statutory remits of the Commission and development of its middle managers forum. In addition the Commission used its approach to risk management to ensure audit resources were detailed to areas of perceived serious and treatable risks. Significant time and effort was given to addressing all audit recommendations and updating the Audit and Risk Assurance and Human Resources Committees on progress.

The systems in place included:

- > a risk policy that specifically required identification of risks, an assessment of their impact and an action plan that accorded ownership, was time bounded and monitored regularly
- > monthly review of the corporate risk register by Senior Management Team and sign off by the Chief Executive

- > signed monthly assurance reports and statements by management along with monthly review of risks by middle management relating to various project and programme team risk registers
- > quarterly stewardship statements to the sponsor department which were informed by business level assurance statements
- > bi-monthly review of the corporate risk register with sponsor branch at liaison meetings
- > consideration and updating of the risk register as a standing item at Audit and Risk Assurance Committee and at subsequent Board meetings
- > annual fundamental review of the risk policy and organisational appetite linked to business plan objectives
- > assurance framework covering all policies and procedures subject to various monthly, quarterly and annual checks, which inform the overall stewardship statement by the Accounting Officer
- > annual internal and external audit programmes, which are informed by a review of strategic business risks.

Although the Corporate Governance in Central Government Departments Code of Good Practice (NI) 2013 is for central government departments, the Commission's own governance policies comply with the principles of this central government code. *The Commission's Board terms of reference, Code of conduct and Standing orders*, in conjunction with its MSFM, set out the roles, duties, procedures and values of the organisation's governance function. Ongoing training and development for Board members was undertaken during the year, including sessions on finance for board members, Audit and Risk Committee training, the law surrounding trusts and charitable incorporated organisations.

As part of the Commission's strategic planning process, the Commission identified the inherent risk appetite for each corporate objective. In addition, it assessed each policy and procedure for impact and likelihood using a risk matrix to provide an overview of key areas of risk, and levels of assurance checking were assigned for progression and monitoring.

Significant control/governance issues

The Commission's assessment of the risk environment was reconfigured at the start of the year, in line with the 2015-16 business plan. The inherent and residual risk assessments, and mitigating actions to reduce all risks, were regularly discussed by the the Audit and Risk Assurance Committee and put into practice by the Senior Management Team.

A series of risks related to delivery of the business plan were managed during the year, including a small number in the highest category in the risk register. These related to:

- > public confidence in charities being diminished by delays and difficulties in registration and operating the charity register because of the poor quality and quantity of applications
- > failure to have necessary resourcing (people, budget, systems and facilities) compromising ability to deliver efficient and effective services because of ineffective plans, policies, and performance monitoring.

Other risks, such as the lack of accounting regulations and impact of complaints and Tribunal work, declined during the year. New risks were identified, particularly around long-term resourcing to deliver compliance monitoring and the strategic agenda of ICT delivery partners. The latter materialised during the second part of the year and an update to the online registration portal became necessary.

To address perceived risks arising from having adopted a bespoke set of policies and terms and conditions as outlined in the staff handbook, the Commission opted to join HR Connect on 1 April 2016. Risks related to resourcing that the Human Resources Committee considered included delays in formal confirmation of the Commission's 2015-16 budget, and responding to potential resource reductions signalled by the sponsor department in light of public warnings about the Northern Ireland Executive's financial position. In relation to this risk, the Board considered a number of potential budget scenarios and their impacts.

In the previous year, there was a significant risk to a business plan commitment to develop compliance monitoring, in light of the continuing absence of departmental regulations on accounting and annual reporting for charities. These regulations were put in place for 1 January 2016, thus decreasing this risk substantially. Although such external factors lie outside of the organisation's internal control mechanisms, the risk framework has included mitigating actions where feasible. These have included relying on the legal provision that allows the Commission to introduce an interim annual return requirement to enable ongoing work on compliance and charity governance. Others, such as the poor quality and volume of registration applications remained, but are largely outside the Commission's control. In 2013-14 the Commission had transferred risks related to building security to the department.

Review of effectiveness of internal control

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, those within the organisation who have responsibility for the development and maintenance of the organisation's internal control framework and comments made by external auditors in their *Report to Those Charged with Governance*.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit and Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In respect of 2015-16 I have been informed by internal audit on the adequacy and effectiveness of internal controls operating within the Charity Commission for Northern Ireland. In the internal auditors' report they have stated that, in their opinion, the Commission's internal control systems were adequate and operated effectively thereby providing satisfactory assurance regarding the effective and efficient achievement of the Commission's objectives.



Frances McCandless
Chief Executive
Date: 22 June 2016

5. Remuneration and staff report

Remuneration policy

The Commissioners of the Charity Commission for Northern Ireland are appointed by the Minister for Communities (formerly the Minister for Social Development) in line with the Code of Practice issued by the Commissioner for Public Appointments.

The Board has corporate responsibility to appoint, subject to the Minister's and sponsor department's approval, a Chief Executive to the Commission. In consultation with the sponsor department, the Board sets performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use of public monies.

Service contracts

The Chief Commissioner and Deputy Chief Commissioner have been appointed for a five year term of office. Five Commissioners have been appointed for a three year term. The Chief Executive of the Commission was appointed in April 2010 and this appointment is open-ended.

Salary and pension entitlements

Emoluments of Commissioners, Chief Executive and senior management

The following sections provide details of salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the Commission.

Remuneration (Audited information)

Commissioners	2015-16		2014-15	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Tom McGrath, Chief Commissioner	5-10	Nil	5-10	Nil
Walter Rader, Deputy Chief Commissioner	0-5	Nil	0-5	Nil
Brenda Maitland, Commissioner	0-5	Nil	0-5	Nil
Rosemary Connolly, Legal Commissioner (term ended November 2015)	0-5	Nil	0-5	Nil
Geraldine Donaghy, Commissioner	0-5	Nil	0-5	Nil
Norman Bennett, Commissioner	0-5	Nil	0-5	Nil
Philip McDonagh, Commissioner (term ended May 2015)	0-5	Nil	0-5	Nil
Séamus Magee, Commissioner, (started June 2015)	0-5	Nil	0-5	Nil
Steven Cockcroft, Legal Commissioner (started November 2015)	0-5	Nil	0-5	Nil

Accountability report

Remuneration (Audited information)

Senior management	2015-16		2014-15	
	Salary £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Chief Executive Frances McCandless	65-70	Nil	65-70	Nil
Head of Charity Services Punam McGookin	45-50	Nil	45-50	Nil
Head of Compliance and Enquiries Myles McKeown	45-50	Nil	45-50	Nil
Head of Corporate Services Aubrey McCrory	45-50	Nil	45-50	Nil

Fair pay review disclosure

	2015-16	2014-15
Band of highest paid directors total remuneration	£65k-£70k	£65k-£70k
Median total remuneration	£26,431	£25,871
Ratio	2.6	2.6

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in the Commission in the financial year 2015-16 was £65k-£70k (2014-15, £65k-£70k). This was 2.6 times (2014-15, 2.6) the median remuneration of the workforce, which was £26,431 (2014-15, £25,871).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Salary

'Salary' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

Bonuses

The Charity Commission for Northern Ireland does not operate any form of performance pay, bonus scheme, overtime or private office allowances.

Pension benefits (audited information)

No Commissioners received pension benefits. In the 2012-13 year, Department of Finance (formerly Department of Finance and Personnel) approval was given to provide pension benefits through membership of the Principal Civil Service Pension Scheme to the Chief Executive and staff. Details of the Commission's pension benefits and entitlements are detailed as follows.

Pension entitlements

Officials	Accrued pension at age 60 as at 31/3/16 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/16	CETV at 31/3/15	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Frances McCandless Chief Executive (alpha scheme)	15-20 plus lump sum of Nil	0-2.5 plus lump sum of Nil	209	175	14	-
Aubrey McCrory Head of Corporate Services (alpha scheme)	0-5 plus lump sum of Nil	0-2.5 plus lump sum of Nil	57	41	9	-
Punam McGookin Head of Charity Services (premium scheme)	5-10 plus lump sum of Nil	0-2.5 plus lump sum of Nil	137	113	14	-
Myles McKeown Head of Compliance and Enquiries (alpha scheme)	10-15 plus lump sum of 35-40	0-2.5 plus lump sum of 0-2.5	191	166	8	-

Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service (NICS) pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between

moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is also a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate will be 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Increases are applied from April and are determined by the CPI figure for the preceding September. The CPI in September 2015 was negative (-0.1%) and HM Treasury has announced that there will be no increase to public service pensions from April 2016. Therefore public service pensions will remain at their current level.

Employee contribution rates for all members for the period covering 1 April 2016 – 31 March 2017 are as follows:

Scheme year 1 April 2016 to 31 March 2017

Pay band – assessed each pay period		Contribution rates – classic members	Contribution rates – classic plus, premium, nuvos and alpha
From	To	From 1 April 2016 to 31 March 2017	From 1 April 2016 to 31 March 2017
£0	£15,000.99	3.8%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 14.7% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or

over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal pension age in alpha will be linked to the member's state pension age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The actuarial factors used to calculate CETVs changed during the 2015-16 year and, consequently, CETV figures increased even without any further pension accrual. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff costs comprise:

	2015-16			2014-15
	Permanently employed staff £	Others £	Total £	Total £
Wages and salaries	920,817	73,816	994,633	972,426
Social security costs	61,832	-	61,832	61,972
Other pension costs	166,935	-	166,935	138,727
Total staff costs	1,149,584	73,816	1,223,400	1,173,125

Staff report

The Chief Executive has remuneration at senior civil servant band 5. The remuneration of all other staff follows that of the Northern Ireland Civil Service.

During 2015-16, the Commission continued the employment of its permanent staff complement and provision of pension benefits through membership of the Principal Civil Service Pension Scheme (Northern Ireland) to the Chief Executive and staff. The permanent costs include staff seconded from the Department for Communities (formerly Department for Social Development). Other staff costs relate to temporary agency staff engaged within the Commission during 2015-16.

Pension

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but the Commission is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the Department of Finance (formerly Department of Finance and Personnel) Superannuation and Other Allowances Resource Accounts as at 31 March 2016.

For 2015-16, employers' contributions of £150,731 were payable to the NICS pension arrangements (2014-15 £126,758) at one of four rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2015-16, the new rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account: a stakeholder pension with an employer contribution. Employers' contributions of £13,273 (2014-15, £13,273) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 13% (2014-15 3% to 13%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £572, 0.5% (2014-15 £954, 0.8%) of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

Commissioners' costs comprise:

	2015-16			2014-15
	Permanently employed staff £	Others £	Total £	Total £
Commissioners' remuneration	20,700	-	20,700	20,700

Average number of persons employed

The average number of whole-time equivalent persons (including senior management but excluding Charity Commissioners) employed during the year was as follows:

	2015-16			2014-15
	Permanently employed staff	Others	Total	Total
Directly employed	25	6	31	31

Staff composition

At 31 March 2016 there were 30 staff employed. The staff composition was as follows:

	Male	Female
Chief Executive (SCS)	-	1
Permanent staff	8	16
Other employees	3	2
Total staff composition	11	19

Other employees relate to staff seconded from the Department for Communities (formerly Department for Social Development) and temporary agency staff.

Sickness absence

The Commission has an attendance management policy and the monitoring and management of employee attendance is based on this. Sickness absence in 2015-16 was 1.7% (2014-15 6.6%) against a target of 8%.

Staff policies

The Commission has an equal opportunities policy and is committed to a policy of equality of opportunity in its employment practices and aims to ensure that no actual or potential job applicant or employee is discriminated against, either directly or indirectly, on the grounds of gender, marital status, disability, race, community background or political persuasion, age, dependants, sexual orientation or trade union membership. The Commission is an Equal Opportunities Employer and all applications for employment are considered strictly on the basis of merit.

A training and development policy is also in operation. Each employee shall have equal opportunity for training and advancement on the basis of ability, qualifications and performance. This maximises the effective use of human resources in both the organisation and the individual's best interests. The policy includes discretion for managers to consider a range of training and learning support as well as funding of additional learning to enable employees with disabilities to continue employment.

The recruitment policy sets out that applicants are given the opportunity to advise the Commission of any reasonable adjustments that they may require. It also allows the desirable criteria to be set aside to enable candidates with disabilities to participate further in the recruitment process.

To facilitate equality of opportunity the Commission offers a range of family friendly policies.

To help ensure that we are meeting our equality of opportunity obligations, the Commission monitors the composition of employees and applicants. This monitoring helps to identify if any of our policies, procedures or activities are operating to the detriment of any individual from any particular grouping within our diverse society.

Compensation payments

No compensation payments were made in the 2015-16 financial year.

Ex-gratia payments

No ex-gratia payments were made in the 2015-16 financial year.

Exit packages

No exit packages were awarded in the 2015-16 financial year.

Expenditure on consultancy

In line with the Department for Communities (formerly Department for Social Development) guidance on classification of expenditure, in the 2015-16 financial year, no external consultancy was undertaken.

6. Assembly accountability and audit

Assembly accountability disclosure notes

Regularity of expenditure

Losses and special payments

The Charity Commission for Northern Ireland has experienced no losses and has made no special payments during the financial year.

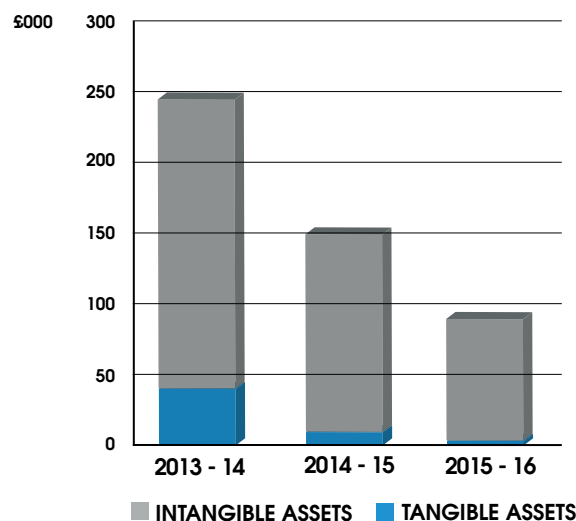
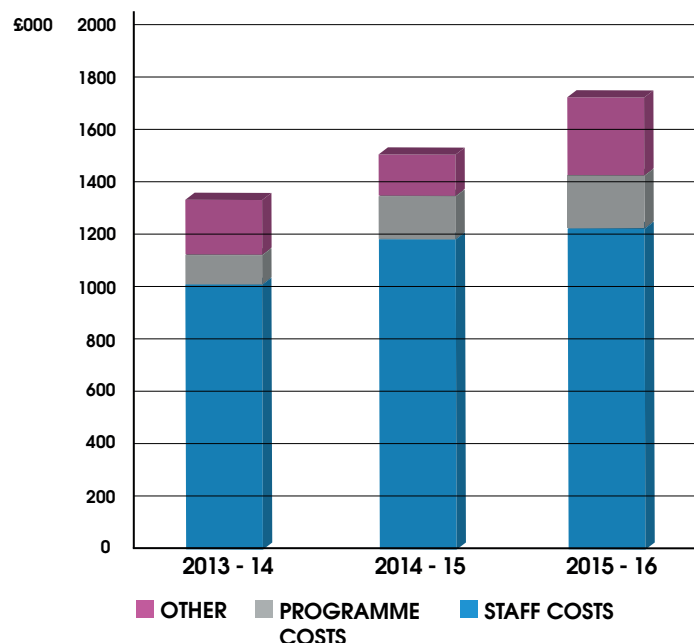
Remote contingent liabilities

The Charity Commission for Northern Ireland had no remote contingent liabilities at 31 March 2016 (2015 £nil).

Long-term expenditure trends

Resource expenditure over the last three years was as follows:

Capital expenditure over the last three years was as follows:



This Accountability report was signed by the Accounting Officer of the Charity Commission for Northern Ireland on 22 June 2016.

Frances McCandless
Chief Executive
Charity Commission
for Northern Ireland



Ballykelly Parent Teacher and Friends Association (NIC100368)

The Certificate of the Comptroller and Auditor General

CHARITY COMMISSION FOR NORTHERN IRELAND

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Charity Commission for Northern Ireland for the year ended 31 March 2016 under the Charities Act (Northern Ireland) 2008. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Assembly Accountability Disclosures that is described in that report as having been audited.

Respective responsibilities of the Board, Chief Executive and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Charities Act (Northern Ireland) 2008. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity Commission for Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Charity Commission for Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Charity Commission for Northern Ireland's affairs as at 31 March 2016 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act (Northern Ireland) 2008 and the Department for Communities (formerly the Department for Social Development) directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the Department of Finance (formerly the Department of Finance and Personnel) directions made under the Charities Act (Northern Ireland) 2008; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

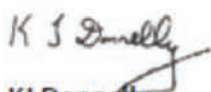
Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance's (formerly Department of Finance and Personnel) guidance.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

28 June 2016

7. Statement of comprehensive net expenditure

For the year ended 31 March 2016

	Notes	2015-16 £	2014-15 £
Expenditure			
Staff costs	2	1,223,400	1,173,125
Commissioners' remuneration	2	20,700	20,700
Depreciation	3	90,917	76,035
Other expenditure	3	498,646	462,365
Notional costs	4	17,875	15,236
Net expenditure		1,851,538	1,747,461
Reversal of notional costs	4	(17,875)	(15,236)
		1,833,663	1,732,225
Other comprehensive expenditure			
Net loss/(gain) on revaluation of Property, plant and equipment	5	(161)	(2,822)
Net loss/(gain) on revaluation of Intangible assets	6	(7,849)	(3,117)
Total comprehensive expenditure for the year ended 31 March 2016		1,825,653	1,726,286

Other than Grant-in-Aid from the Department for Communities (formerly Department for Social Development), the Charity Commission for Northern Ireland received no other income in the year.

The notes on pages 46 to 56 form part of these accounts.

8. Statement of financial position

As at 31 March 2016

	Notes	2015-16 £	2014-15 £
Non-current assets:			
Property, plant and equipment	5	46,218	86,592
Intangible assets	6	518,120	471,238
Total non-current assets		564,338	557,830
Current assets:			
Trade and other receivables	8	18,688	14,537
Cash and cash equivalents	9	40,467	226,469
Total current assets		59,155	241,006
Total assets		623,493	798,836
Current liabilities			
Trade and other payables	10	(173,952)	(262,114)
Provisions	11	(31,468)	(38,353)
Total current liabilities		(205,420)	(300,467)
Total assets less current liabilities		418,073	498,369
Taxpayers' equity			
Revaluation reserve		22,398	14,388
General reserve		395,675	483,981
		418,073	498,369

The financial statements on pages 42 to 45 were approved by the Board on 22 June 2016 and were signed on its behalf by:



Frances McCandless
Chief Executive
Charity Commission for Northern Ireland
Date: 22 June 2016



Tom McGrath CBE
Chief Commissioner
Charity Commission for Northern Ireland
Date: 22 June 2016

9. Statement of cash flows

For the year ended 31 March 2016

	Notes	2015-16 £	2014-15 £
<i>Cash flows from operating activities</i>			
Net expenditure		(1,833,663)	(1,732,225)
<i>Adjustments for non-cash transactions</i>			
(Increase)/Decrease in trade and other receivables		(4,151)	4,330
Increase/(Decrease) in trade and other payables		26,300	26,447
Increase/(Decrease) in provisions		(6,885)	38,353
Depreciation charge	5+6	90,917	76,035
Net cash outflow from operating activities		(1,727,482)	(1,587,060)
<i>Cash flows from investing activities</i>			
Purchase of property, plant and equipment	5	(2,100)	(9,577)
Purchase of intangible assets	6	(87,315)	(139,271)
Increase/(Decrease) in capital payables	10.1	(114,462)	(13,128)
Net cash outflow from investing activities		(203,877)	(161,976)
<i>Cash flows from financing activities</i>			
Grants from sponsor department – DfC (formerly DSD)		1,745,357	1,800,522
Net financing		1,745,357	1,800,522
Net increase/(decrease) in cash and cash equivalents in the period		(186,002)	51,486
Cash and cash equivalents at the beginning of the period		226,469	174,983
Cash and cash equivalents at the end of the period	9	40,467	226,469

The notes on pages 46 to 56 form part of these accounts.

10. Statement of changes in taxpayers' equity

For the year ended 31 March 2016

	Notes	SoCNE Reserve £	Revaluation Reserve £	Total Reserves £
Balance at 31 March 2014		415,684	8,449	424,133
<i>Changes in taxpayers' equity 2014-15</i>				
Total comprehensive expenditure		(1,732,225)	5,939	(1,726,286)
Total recognised income and expenditure for 2014-15		(1,732,225)	5,939	(1,726,286)
Grants from sponsor department – DfC (formerly DSD)		1,800,522	-	1,800,522
Total grant from sponsor Department		1,800,522	-	1,800,522
Balance at 31 March 2015		483,981	14,388	498,369
<i>Changes in taxpayers' equity 2015-16</i>				
Total comprehensive expenditure		(1,833,663)	8,010	(1,825,653)
Total recognised income and expenditure for 2015-16		(1,833,663)	8,010	(1,825,653)
Grants from sponsor department – DfC (formerly DSD)		1,745,357	-	1,745,357
Total grant from sponsor department		1,745,357	-	1,745,357
Balance at 31 March 2016		395,675	22,398	418,073

The notes on pages 46 to 56 form part of these accounts.

11. Notes to the accounts of the Charity Commission for Northern Ireland

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Charity Commission for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Charity Commission for Northern Ireland are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act 2006 and of the accounting standards issued or adopted by the Accounting Standards Board, so far as those requirements are appropriate. The accounts direction is reproduced as an appendix to these financial statements.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention modified to account for the revaluation of fixed assets, at their value to the Charity Commission for Northern Ireland by reference to their current costs.

1.2 Financing

In accordance with the amendments to FReM, Grant-in-Aid has been treated as Financing and had been credited directly to the income and expenditure reserve. Capital Grant-in-Aid has been credited to the income and expenditure reserve.

1.3 Property, plant and equipment

Expenditure on property, plant and equipment of £1,000 or more is capitalised. On initial recognition, assets are measured at cost including any costs attributable to bringing them into working condition. Individual assets may be grouped together where deemed significant.

1.4 Intangible assets

Expenditure on intangible assets, which are primarily the Commission's database, CRM system and the online annual reporting application and the associated costs of implementation, are capitalised where the cost is £1,000 or more.

1.5 Depreciation

Non-current assets, with the exception of leased assets, are depreciated on a straight line basis in order to write off the cost, less estimated residual value of each asset over its expected useful life at the following rates.

Furniture, fixtures and fittings	20% per annum
Equipment	25% per annum
Information technology	25% per annum
Charity Commission database	10% per annum
CRM system	10% per annum
Annual reporting application	10% per annum
Leased equipment	Period of Lease
Buildings under lease	Period of Lease
Leasehold improvements	Period of Lease

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as non-current assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in current liabilities net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period. Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Impairments

The value of non-current assets is reviewed at the end of each full financial year after acquisition for evidence of reduction in value. Where impairment is identified that is attributable to the clear consumption of economic benefit, the loss is charged to the statement of comprehensive net expenditure. Impairment reviews will also take place in other periods if events or changes in circumstances occur which indicate that the carrying values may not be recoverable.

1.8 Foreign currencies

There were no foreign currencies purchased during 2015-16. Any monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. Translation differences are dealt with in the statement of comprehensive net expenditure.

1.9 Value added tax

All items in these financial statements are inclusive of VAT, which is not recoverable.

1.10 Staff costs

Under IAS 19 Employee Benefits legislation, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. The cost of untaken leave has been determined using data from electronic leave records.

1.11 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pensions Scheme (Northern Ireland) (PCSPS) (NI). Detailed information on pensions can be found in the Remuneration Report and in the notes to the accounts.

1.12 Accounting estimates

No material accounting estimates or judgements were made by the Commission in preparing these accounts.

1.13 Financial instruments

The Commission does not hold any complex financial instruments. The only financial instruments in the accounts are receivables and payables (Notes 8 and 10). Receivables are recognised initially at fair value less a provision for impairment. A provision for impairment is made when there is evidence that the Commission will be unable to collect an amount due in accordance with agreed terms.

1.14 Analysis of net expenditure by segment

The Charity Commission for Northern Ireland has one purpose, and as such is considered to have only one operating segment. All income, expenditure, assets and liabilities relate to the Commission's sole activity.

1.15 Accounting standards, interpretations and amendments to published standards adopted to the year ended 31 March 2016

The Commission has reviewed the standards, interpretations and amendments to published standards that became effective during 2015-16 and which are relevant to its operations. The Commission anticipates that the adoption of these standards will have no material impact on the Commission's financial position or results of operations.

1.16 Accounting standards, interpretations and amendments to published standards not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Commission's accounting periods beginning on or after 1 April 2016, but which the Commission has not adopted early. The Commission does not anticipate that the adoption of these standards will have a material impact on its accounts in the period of initial application.

1.17 General reserve

The general reserves of the Commission represent the net of its total assets and total liabilities at the Statement of Financial Position date. The non-current assets of the Commission have been funded through Grant-in-Aid and capitalised in accordance with the policies set out under notes 1.3 and 1.4. The current assets and liabilities are a result of receivables, cash and payables arising due to the timing of invoices received and payments made as at 31 March 2016. The reserves of the Commission are non-distributable.

1.18 Revaluation reserve

All property, plant and equipment and intangible assets are carried at fair value and any revaluation of assets are taken to the Revaluation reserve. The Commission's assets are re-valued annually on the basis of appropriate indices from the Office for National Statistics.

1.19 Provisions

The Commission makes provision for liabilities and charges where, at the Statement of Financial Position date, a legal or constructive liability exists (that is a present obligation from past events), where the transfer of economic benefits is probable and a reasonable estimate can be made. IAS 37 requires that where the effect of the time value of money is material the amount of a provision should be the present value of the expenditures expected to be required to settle the obligation. Where cash flows have been adjusted for risk the standard requires the use of a risk free discount rate.

2. Staff costs

	2015-16 £	2014-15 £
Wages and salaries	994,633	972,426
Social security costs	61,832	61,972
Other pension costs	166,935	138,727
Sub total	1,223,400	1,173,125
Less recoveries in respect of outward secondments	-	-
Total	1,223,400	1,173,125

A breakdown of the above costs into permanent staff and others can be found in the staff report within the *Accountability Report*.

Commissioners' costs comprise:

	2015-16			2014-15
	Permanently employed staff £	Others £	Total £	Total £
Commissioners' remuneration	20,700	-	20,700	20,700

3. Other expenditure

	2015-16 £	2014-15 £
Commission costs:		
Rent and service charges	34,093	34,093
Rates	13,656	10,251
Maintenance and repairs	7,908	5,815
Cleaning	6,344	6,007
Telephone and postage	17,700	23,979
Heat, light and power	5,817	6,956
IT support	16,599	13,430
Stationery and consumables	12,564	13,872
Publicity, printing and advertising	11,496	4,559
Staff/Commissioners' training	19,696	57,204
Travel and subsistence	14,877	17,465
Conference fees	1,718	2,289
Recruitment costs	4,475	2,541
Events and hospitality	5,379	5,777
Legal and professional fees	186,063	175,012
Miscellaneous expenses	20	20
Membership and licence fees	10,273	8,554
Commission library costs	2,351	747
Charity register maintenance	91,230	61,620
Minor equipment	3,408	1,297
Computer software	102	1,170
Communication and research costs	32,877	9,707
Total	498,646	462,365
Non-cash items		
Depreciation	90,917	76,035
	589,563	538,400

4. Notional costs

	2015-16 £	2014-15 £
Notional costs incurred during the year relate to:		
Audit fee	10,500	10,500
Internal audit fee	7,375	4,736
	17,875	15,236

During the year the Commission purchased no non-audit services from its auditor, the Northern Ireland Audit Office, and the notional cost above relates to the audit of the financial statements.

5. Property, plant and equipment

2015-16				
	Buildings £	Furniture & fittings £	Information technology £	Total £
Cost or valuation				
At 31 March 2015	148,651	39,221	38,264	226,136
Additions	2,100	-	-	2,100
Revaluations	-	-	353	353
At 31 March 2016	150,751	39,221	38,617	228,589
Depreciation				
At 31 March 2015	92,957	23,756	22,831	139,544
Charged in year	29,840	7,758	5,037	42,635
Revaluations	-	-	192	192
At 31 March 2016	122,797	31,514	28,060	182,371
Net book value at 31 March 2016	27,954	7,707	10,557	46,218
Net book value at 31 March 2015	55,694	15,465	15,433	86,592

2014-15				
	Buildings £	Furniture & fittings £	Information technology £	Total £
Cost or valuation				
At 31 March 2014	134,872	37,918	36,825	209,615
Additions	9,577	-	-	9,577
Revaluations	4,202	1,303	1,439	6,944
At 31 March 2015	148,651	39,221	38,264	226,136
Depreciation				
At 31 March 2014	60,960	15,378	17,273	93,611
Charged in year	28,892	7,584	5,335	41,811
Revaluations	3,105	794	223	4,122
At 31 March 2015	92,957	23,756	22,831	139,544
Net book value at 31 March 2015	55,694	15,465	15,433	86,592
Net book value at 31 March 2014	73,912	22,540	19,552	116,004

The Commission owns all assets and has no finance leases or PFI contracts.

The Commission's assets are re-valued annually on the basis of appropriate indices from the Office for National Statistics.

6. Intangible assets

Intangible assets represent the integrated IT system in the Commission to facilitate the registration and regulation of charities. The integrated IT system comprises:

- > the Commission's charity registration database
- > a Customer Relationship Management (CRM) software package
- > a website
- > an online application for submitting annual returns and the associated costs of implementation.

Database

The Commission's charity registration database was brought into use in June 2011. Legislation amending the registration requirements was put in place in January 2013 and registration applications went fully operational in December 2013. An update of the registration database to improve functionality was progressed by March 2016 and has been amortised in the 2015-16 financial year.

CRM

CRM was initially configured to manage registration workflows and this element of the software package has been operational since 2014-15. Further development of CRM was undertaken to allow other workflows to be incorporated into the software package. This additional element was operational during 2015-16. At 31 March 2016 all planned workflows were operational and have been amortised in the 2015-16 financial year.

Annual return

The annual reporting module was developed in 2014-15 to allow organisations to submit returns using an online form. This became operational in the 2015-16 financial year and has been amortised.

2015-16	Database	CRM operational	CRM in development	Annual return	Total £
Cost or valuation					
At 1 April 2015	219,796	229,091	64,562	52,000	565,449
Additions	83,343	3,972	-	-	87,315
Reclassification	-	64,562	(64,562)	-	-
Revaluation	4,664	4,578	-	800	10,042
At 31 March 2016	307,803	302,203	-	52,800	662,806
Amortisation					
At 1 April 2015	81,612	12,599	-	-	94,211
Charged in year	21,454	25,095	-	1,733	48,282
Revaluation	1,586	580	-	27	2,193
At 31 March 2016	104,652	38,274	-	1,760	144,686
Net book value at 31 March 2016	203,151	263,329	-	51,040	518,120
Net book value at 31 March 2015	138,184	216,492	64,562	52,000	471,238

2015-16	Database	CRM operational	CRM in development	Annual return	Total £
Cost or valuation					
At 1 April 2014	217,542	204,033	-	-	421,575
Additions	-	22,709	64,562	52,000	139,271
Revaluation	2,254	2,349	-	-	4,603
At 31 March 2015	219,796	229,091	64,562	52,000	565,449
Amortisation					
At 1 April 2014	58,501	-	-	-	58,501
Charged in Year	21,754	12,470	-	-	34,224
Revaluation	1,357	129	-	-	1,486
At 31 March 2015	81,612	12,599	-	-	94,211
Net book value at 31 March 2015	138,184	216,492	64,562	52,000	471,238
Net book value at 31 March 2014	159,041	204,033	-	-	363,074

7. Financial instruments

As the cash requirements of the Commission are met through Grant-in-Aid provided by the Department for Communities (formerly Department for Social Development), financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Commission's expected purchase and usage requirements and the Commission is therefore exposed to little credit, liquidity or market risk.

8. Trade and other receivables

	2015-16	2014-15
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	17,257	14,537
Other receivables	1,431	-
Total	18,688	14,537

During 2015-16 a discrepancy between PAYE payments and pension contributions relating to previous years was identified. An underpayment of PAYE was identified and the Commission paid this on behalf of its employees. A corresponding over claim of pension rebate from HMRC by pension providers on behalf of these employees was also identified. Refunds will be sought from the pension providers to offset the PAYE payment.

9. Cash and cash equivalents

	2015-16	2015-16
	£	£
Balance at 1 April	226,469	174,983
Net change in cash and cash equivalent balances	(186,002)	51,486
Balance at 31 March	40,467	226,469
The following balances at 31 March were held at:		
Commercial banks and cash in hand	40,467	226,469
Balance at 31 March	40,467	226,469

10.1 Trade and other payables

	2015-16	2014-15
	£	£
Amounts falling due within one year:		
Trade payables	13,800	-
Capital payables	2,100	116,562
Pension	11,019	11,019
Other Tax and Social Security	23,091	18,614
Accruals and deferred income	123,942	115,919
	173,952	262,114

10.2 Public sector payment policy – measure of compliance

The department requires that the Commission pay their non Commission trade creditors in accordance with the Account NI Prompt Payment Code and Government Accounting Rules. The Commission payment policy is consistent with the Accounts NI Prompt Payment Codes and Government Accounting rules and its measure of compliance for invoices paid 1 April 2015 to 31 March 2016.

	2015-16		2014-15	
Total invoices in accounting period	777		789	
Invoices paid within 10 days	773	99.5%	772	97.9%
Invoices paid 10 - 30 days	4	0.5%	16	2.0%
Invoices paid over 30 days	0	0%	1	0.1%

11. Provision for liabilities and charges

	2015-16	2014-15
	Legal Costs	Legal Costs
	£	£
Balance at 1 April	38,353	-
Provided in the year	31,468	38,353
Provisions not required written back	(11,491)	-
Provisions utilised in the year	(26,862)	-
Balance at 31 March	31,468	38,353

The Commission has included provisions for the future legal costs associated with existing legal cases that are listed with the Charity Tribunal, the High Court and the Court of Appeal.

12. Commitments under leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2015-16 £	2014-15 £
Buildings		
Not later than one year	17,047	34,093
Later than one year and not later than five years	-	17,047
Later than five years	-	-
Total	17,047	51,140

	2015-16 £	2014-15 £
Other		
Not later than one year	620	1,063
Later than one year and not later than five years	-	620
Later than five years	-	-
Total	620	1,683

The Charity Commission for Northern Ireland had no commitments under finance leases at the statement of financial position date (2015 £nil).

13. Capital commitments

The Charity Commission for Northern Ireland has capital commitments at 31 March 2016 not otherwise included in these accounts as follows

	2015-16 £	2014-15 £
Property, plant and equipment	-	-
Intangible assets	22,701	-
Total	22,701	-

14. Contingent liabilities

The Charity Commission for Northern Ireland had no contingent liabilities at 31 March 2016 (2015 £nil).

15. Related party transactions

The Charity Commission for Northern Ireland is a non-departmental public body (NDPB) sponsored by the Department for Communities (formerly Department for Social Development).

The Department for Communities (formerly Department for Social Development) is regarded as a related party. During the year the Commission had a number of material transactions with the department. In addition, the Commission had a small number of material transactions with other government departments and other central government bodies.

The Commission received grants of £1,745,357 from the sponsor department. The Commission also paid £146,733 to the Department for Communities (formerly Department for Social Development) during 2015-16 for seconded staff members.

None of the Commissioners have undertaken any material transactions with the Commission in the financial year.

16. Events after the reporting period

There were no events after the reporting period, as defined by IAS 10, between the statement of financial position date and the date the accounts were signed. The accounts were authorised for issue on 28 June 2016.



ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT FOR COMMUNITIES, (FORMERLY DEPARTMENT FOR SOCIAL DEVELOPMENT), WITH THE APPROVAL OF THE DEPARTMENT OF FINANCE, (FORMERLY DEPARTMENT OF FINANCE AND PERSONNEL, IN ACCORDANCE WITH SCHEDULE 1 SECTION 8(2) OF THE CHARITIES ACT (NI) 2008

- 1.** This direction applies to the Charity Commission for Northern Ireland.
- 2.** Charity Commission for Northern Ireland shall prepare accounts for the financial year ended 31 March 2016 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared, together with any additional disclosure or other requirements as agreed with the department. The accounting policies contained in the Government Financial Reporting Manual apply International Financial Reporting Standards as adapted or interpreted for the public sector context.
- 3.** The accounts shall be prepared so as to:
 - (a) give a true and fair view of the state of affairs at 31 March 2016 and subsequent financial year-ends, and of the income and expenditure, total recognised gains and losses and cash flows for the financial year then ended; and
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Assembly or material transactions that have not conformed to the authorities which govern them.
- 4.** Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgment should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed with the Department for Communities (formerly Department for Social Development) and the Department of Finance (formerly Department of Finance and Personnel).





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