



Annual report and accounts 2022-23

**The Charity Commission for Northern Ireland
annual report and accounts
for the year ended 31 March 2023**

*Laid before the Northern Ireland Assembly
under the Charities Act (Northern Ireland) 2008
by the Department for Communities
on 11 July 2023*

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

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Performance report

1. Overview	5
• Statement from the Interim Chair and Chief Executive	5
• Statement of the Commission's vision, objectives	8
• The Board and Senior Management Team	10
• Highlights from the year	14
• Key issues and risks	15
• Going concern	15
2. Performance analysis	16
• Service-related indicators	17
• Detailed analysis	19
3. Future focus	37

Accountability report

4. Corporate governance report	38
• Directors' report	38
• Statement of Accounting Officer's responsibilities	38
• Governance statement 2022-23	40
5. Remuneration and staff report	53
6. Assembly accountability and audit report	73
• Assembly accountability disclosure notes	73
• The Certificate of the Comptroller and Auditor General	74

Financial statements

7. Statement of comprehensive net expenditure	79
8. Statement of financial position	80
9. Statement of cash flows	82
10. Statement of changes in taxpayers' equity	83
11. Notes to the accounts of the Charity Commission for Northern Ireland	84

Performance Report

The purpose of this performance report is to provide the reader with an outline of the Commission's vision, objectives and activities during the 2022-23 year. This includes a summary of its performance against key indicators as well as an overview of the challenges and key risks faced in delivering its main objectives and strategies and the likely developments in the coming year.

1. Overview

Statement from the Interim Chair and Chief Executive



As Interim Chair and Chief Executive of the Charity Commission for Northern Ireland, we are proud to introduce the 2022-23 annual report and accounts, highlighting the achievements and challenges of the past 12 months.

The year began with a significant milestone - the Charities Act (Northern Ireland) 2022 reinstating the full *register of charities* and annual reporting duties for all registered charities. This was marked by the issuing of letters to over 46,000 charity trustees to advise them of their legal duties under the new law, as well as ongoing work to highlight the advice and information for charities on our website. This includes written guidance, video tutorials, vlogs and online information sessions on various aspects of the Act, much of which was shared not only on our website but also on social media as we moved towards new ways of communicating with, and enabling, our stakeholders.

On that note, we were delighted this year to be back on the road again, with our annual public meeting 2022 at Lagan Valley Island Centre providing an opportunity to meet some of our Commissioners and staff, as well as find out more about our work and future plans.

This year also saw us begin to implement some of the recommendations in the Ministerial Review of Charity Regulation, and to develop further as an enabling, responsive and collaborative regulator (see page 30). As we move into our next chapter, we are on a path to provide more support and guidance to charities, engaging with the sector as much as we can. As a step towards this goal, during the year we consulted on a new three-year strategic plan and an engagement strategy. We would like to thank all those who took the time to participate in this joint consultation and share their comments with us.

Another major development saw important updates to annual reporting. In recent years, some charities have not been under a legal duty to submit accounts and reports to the Commission each year. However, this has now changed with all charities legally required to report annually to the Commission. The updates made to the annual reporting system will not only enable charities to submit accounts and reports for each year they are legally required to but, if feasible, to voluntarily backfill for previous years.

We also introduced a number of changes to the online charity registration application. Since the introduction of charity registration in December 2013, some risks have become more prominent, including safeguarding, cyber-crime and fraud. The changes made to the online application (see page 21) are in response to these issues. The answers will support the Commission in gathering vital information which, in turn, will increase transparency around these areas of risk, contributing to public confidence in the charity sector.

This annual report gives a flavour of our development during 2022-23. As we reflect, we would also like to also pay tribute to the dedication, hard work and diligence of our Board of Commissioners and staff, who continue to go above and beyond the expectations of their roles. We also like to acknowledge the leadership of Nicole Lappin, who stepped down as Chief Charity Commissioner in November 2022. We thank her for her commitment and work and wish her well in her new role.

And we hope, as we look ahead, that the new Act and our continued development as a charity regulator has brought with it a renewed certainty and confidence across the charity sector.



Gerry McCurdy
Interim Chair



Frances McCandless
Chief Executive

Statement of the Commission's vision, objectives 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 (DfC). 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 regulatory body, 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 role.

Our objectives

The objectives of the Commission are set out in the Charities Act.

- **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 regulatory framework for the charitable sector in Northern Ireland. The previous framework, dating back to the 1960s, 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.

During the year under review our strategic themes were:

1. developing compliance regarding the use of charitable resources
2. progressing charity registration to enhance accountability
3. demonstrating the public benefit arising from charitable giving and activities
4. developing as a properly governed, transparent and independent decision-making regulator.

To achieve these, the Commission's activities during 2022-23 have included the following.

- The ongoing maintenance and population of an accurate and up-to-date public register of all charities.
- 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.
- Implementing an annual reporting programme for all charities, making accounts available to the public.
- 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

The Board



Chief Charity Commissioner (to 4 November 2022), Nicole Lappin



Interim Chair and Chief Commissioner (from 21 December 2022) and Deputy Chief Charity Commissioner (to 21 December 2022), Gerard McCurdy



Legal Commissioner, Patricia Kelly



Charity Commissioner, Kieran Donaghy



Charity Commissioner, Alan Hunter



Charity Commissioner, Seamus Magee



Charity Commissioner, Hugh McKeag

On 4 November 2022, Nicole Lappin stepped down as Chief Charity Commissioner to take up a role with the Northern Ireland Housing Executive. The Commission would like to thank Mrs Lappin for her hard work, support and commitment during her time with the Commission and wish her every success in her future endeavours.

The Department for Communities announced the interim appointment of Gerard McCurdy as Chair of the Commission, with the appointment taking effect from 21 December 2022.

The Board register of interests for the Board is available on the Commission's website at: www.charitycommissionni.org.uk/about-us/about-the-charity-commission/our-governance/register-of-interests/.

The Commission has a conflicts of interest policy which provides details on how to avoid conflicts of interest and how to act appropriately if a conflict

of interest does develop when carrying out their duties and responsibilities. In accordance with the policy, registers of interest for staff and Commissioners are maintained, with declarations reviewed annually. Each Board and committee meeting includes a declaration for all attendees regarding conflicts of interest.

Senior Management Team



Chief Executive, Frances McCandless



Head of Charity Services, Punam McGookin

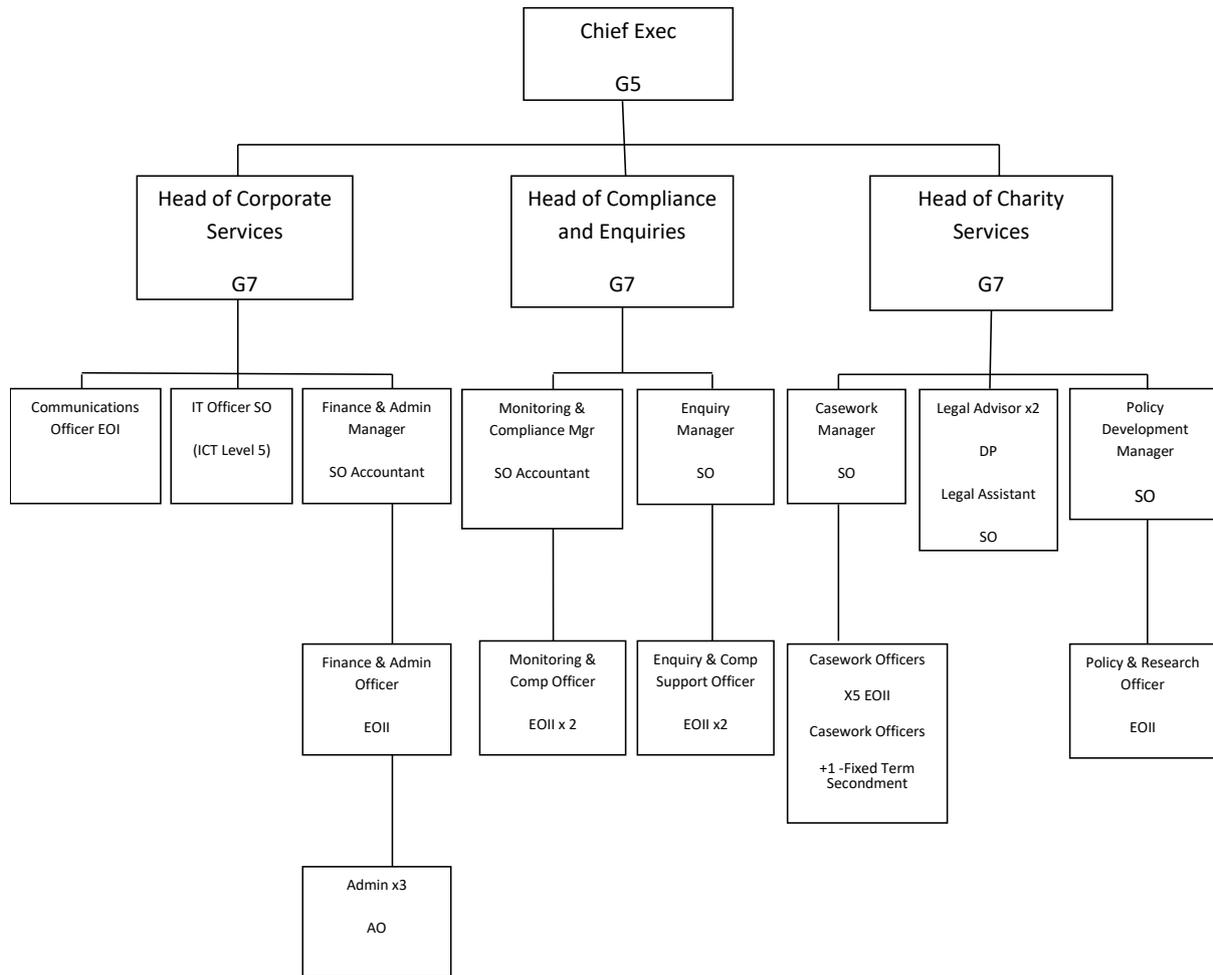


Head of Corporate Services, Aubrey McCrory



Head of Compliance & Enquiries, Rossa Keown

Organisation structure



Highlights from the year

- ✓ In April 2022, the Chief Executive of the Commission, Frances McCandless, gave a brief overview of the impact of the new Charities Act (Northern Ireland) 2022 in the first of a series of vlogs, which are available on the Commission's YouTube channel.
- ✓ To help guide charities, and their support networks and organisations, in understanding the changes which the Charities Act (Northern Ireland) 2022 brought in, the Commission hosted two online information sessions. The sessions were held via Zoom with one of the sessions now also available to watch on the Commission's YouTube channel.
- ✓ To build on their existing shared work in supporting registered charities to further enhance levels of public trust and confidence in the sector, the Charity Commission for Northern Ireland and the Charities Regulatory Authority signed a Memorandum of Understanding (MoU).
- ✓ Chief Commissioner, Nicole Lappin, stepped down from her role as Northern Ireland's Chief Charity Commissioner to take up another appointment. She penned an open letter to announce the move and look back at the work of the regulator during her tenure.
- ✓ In response to the humanitarian crisis in Turkey and Syria in February 2023, interim Chair Gerry McCurdy urged the public to take some practical steps to ensure their donations were used as they should be, and to the best possible potential.
- ✓ The Commission's joint public consultation on a new strategic plan 2023-26 and a new engagement strategy, both of which were undertaken following the [Independent Review of Charity Regulation](#) commissioned by the Minister for Communities, opened in November 2022 and closed on in March 2023.
- ✓ March 2023 saw the Commission publish two important blogs, one was to provide advice on supporting staff and volunteers during the cost-of-living crisis while the second was for charity trustees dealing with financial difficulties.

- ✓ The Commission engaged with the Department for Communities and sectoral representatives as part of the Registration Threshold, Registration and Proportionality of Annual Reporting Working Group to commence work on introducing a threshold for charity registration.

Key issues and risks

During 2022-23 the Audit & Risk Assurance Committee supported the Board and the Accounting Officer in their responsibilities regarding the identification and management of risks, control and governance, and associated assurances. The Accounting Officer in her 2022-23 Governance Statement details the Commission's risk and control framework along with the various risks managed and the committee's oversight role.

Notably at the start of the year the A&RA committee formulated a refreshed risk register recognising the new strategic agenda signalled by the Independent Review of Charity Regulation for the Commission, sponsor department and the charity sector. Throughout the year the Committee examined the way risks were articulated and assessed and took a new approach of a deep dive into a specific risk at each meeting.

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

Going Concern

The Charity Commission for Northern Ireland is an Executive Non-Departmental Public Body, sponsored by the Department for Communities (DfC), having been established by statute under the Charities Act (NI) 2008. The Commission received its core resource and capital funding from the DfC during 2022-23, and an indicative budget allocation letter was received from DfC for 2023-24. While the financial environment is challenging, the Commission is of the opinion that the going concern basis of preparation of the Annual Report and Accounts is appropriate. The Commission is not aware of any events which would impact upon the entity's status as a going concern.

2. Performance Analysis

Performance summary

The purpose of this performance reporting is to provide the reader with a summary of performance to progress the Commission's vision and objectives. During 2022-23 the Commission achieved five of its seven (71%) key performance indicators (KPIs) and delivered against forty-five service-related measures, as detailed below. The two KPIs not achieved related to spend down of budget at year end and staff absence levels. In total sixty-nine (91%) of the actions in the business plan were achieved at year end. The remainder included for example, exploring options for a simplified registration process for smaller organisations, evaluating new online annual monitoring return form and guidance and seeking feedback from users on changes enquiry processes. These were either not started or completed by year end and will be carried forward into subsequent business plans.

For further information on the Commission's performance during the year, including service indicators and actions progressed, see the *Detailed analysis* section of this annual report.

External KPIs

- 555 registration application decisions made (target: 550). The results of a streamlined registration pilot were reviewed in June 2022 with the new processes now embedded. This has supported the Commission in speeding up the registration process.
- 75% of registration applications were processed within six months of receiving an application (target: 75%). This rose to 98% processed within six months of receiving a 'complete' application
- 69% of enquiry cases were processed to closure within nine months of receiving a concern about a charity (target: 60%).
- 17% of annual returns due subject to a basic compliance check (target: 15%).

Internal KPIs

- 98.30% of creditors' invoices paid within 10 working days (target: 90%).
- total budget managed within 97.7% (target: 99%)

- staff absence levels managed within 8.74% (target: 3%).

Service-related indicators

Strategic Aim 1: Progressing charity registration to enhance accountability

- 339 new applications for charitable status received.
- 44 charity registration refusals.
- 419 expressions of intent added to the Commission's published combined list. An expression of intent form is received from an organisation to notify the Commission of its existence and that it should be called forward to apply for registration in due course.
- 642 letters issued to organisations to call them forward to apply for registration during the 2022-23 year.
- 1,415 organisations potentially requiring to be called forward by the Commission to apply for charity registration during the year.
- 222 casework applications/notifications received.
- 227 casework processes completed, including 44 statutory decisions made by Commissioners (remainder are administrative functions carried out by staff).
- One decision review was completed.

Strategic Aim 2: Developing as an enabling regulator

- During the year, 373 charities that were registered after May 2019 were due to submit their annual report and accounts. Of this number, 234 (63%) filed by their ten-month deadline date.
- 37% of annual returns due to be submitted were not submitted on time. This equated to 140 charities.
- No concerns were received from the public about charity accounts.
- No section 23 or section 65 orders issued in relation to charities in default (section 23 orders are where a charity has been ordered to supply accounts and reports to the Commission, section 65 is an order to a charity to undertake an audit).
- No statutory inquiries needed to be opened for default cases (this refers to charities which have failed to submit accounts and reports, and are therefore in default of their annual reporting duty).
- 15 matters of material significance were received during the year, but none presented an adverse qualification (an adverse qualification is an opinion made by an auditor indicating that a

company's financial statements are misrepresented, misstated or inaccurate).

- 83% of concerns about charities had initial enquiry risk assessments completed within 30 days.
- 4% of enquiry cases older than 12 months processed to closure.
- No statutory inquiries were opened (a statutory inquiry is the highest level of investigation the Commission may open; only concerns that identify the most serious risks to a charity, its assets or beneficiaries will be dealt with through the opening of a statutory inquiry).
- Regulatory guidance was offered in 137 cases, eight related to enquiries and 129 related to monitoring and compliance issues.
- Self-Regulatory guidance was offered in 17 cases.
- No directions were issued by the Commission (a direction is a legal document issued when the Commission requires a specific action to be undertaken, for example, to provide the Commission with particular information or documents, or to attend a meeting).
- Five orders issued (orders may be used in many circumstances, for example, to authorise trustees to do something that their trusts don't otherwise allow, or to do something which is in the interest of the charity. They can also be used to protect charities and their property).
- 29 organisations notified the Commission they had closed prior to being registered.
- 133 charities notified the Commission they had closed since their registration.
- The Commission's SORP representative attended five out of the six SORP committee meetings held during the year.
- Changes made to the annual reporting return, registration application and concern form implemented in 2022-23 will be evaluated in 2023-24.

Strategic Aim 3: Delivering proportionate regulation

- 53,651 calls and emails processed by the Commission.
- 137 concerns about charities opened.
- 86 concerns about charities progressed to conclusion.
- 47 decisions were made by Commissioners in connection to enquiries work.

- No concerns were received from the public about public benefit, and no regulatory guidance was issued on improved public benefit reporting.
- Two pieces of written guidance published along with 7 blogs, and 11 videos/vlogs. The Commission also introduced a new, shorter guidance format this year with the publication of the 10-minute guide on *How to complete the annual monitoring return*.
- No thematic reports published.
- Two statutory inquiry reports were published.
- Two helper groups events held.
- 23,037 page views of the *Annual reporting* webpage.
- 5,472 page views of *Combined list and expression of intent form* webpage.
- 1,834 page views of the *Concerns about charities guidance* web page.
- 5,833 page views of the *Registration support* webpage.

Strategic Aim 4: Developing as a properly governed, transparent and independent decision-making regulator

- 387,969 unique website visitors.
- 53 engagement events attended.
- 98.3% creditor invoices paid within ten working days (target 90%).
- Three challenges made via Charity Tribunal or court.
- One Tribunal decision appealed to the High Court on a point of law.
- No research reports were published during the year.
- User testing was completed prior to the implementation of changes to the annual reporting return, registration application and concern form, with feedback incorporated into the final version where feasible.

Detailed analysis

Our vision is for 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 role.

We work to achieve this aim through:

- **Registration:** the building of a comprehensive and accurate *register of charities*, which provides the public with detailed information on the thousands of charities in Northern Ireland.
- **Annual reporting:** supporting charities in being open and accountable to the public by publishing their annual accounts and reports online.
- **Enquiries:** taking proportionate and robust action to set things right where mismanagement or misconduct has occurred within a charity, giving the public confidence that a strong and decisive regulator is in place.
- **Casework:** providing the legal consents required for charities to ensure charities can be managed effectively.
- **Engagement and guidance:** educating and raising awareness amongst the charity sector of legislation and best practice.

The analysis on the following pages provides a deeper insight into our progress in each of these areas.

Registration

The [*register of charities*](#) is a comprehensive and public list of the thousands of registered charities operating within Northern Ireland, each listed charity having indicated it exists for charitable purposes. A living database, the register is regularly updated with newly registered charities as well as incorporating information such as mergers, closures, and name changes. The Commission is responsible for building and maintaining the register, making registration one of the regulator's key priorities. However, there have been a number of setbacks to progressing registration in recent years. These have included the Court of Appeal ruling of February 2020 which impacted on the Commission's decision-making procedures, including those related to registration.

The Charities Act (Northern Ireland) 2022 brought a resolution to registration decisions made prior to May 2019, reinstating them and, thereby, the full *register of charities*. However, while all registration decisions are now valid, the judgment continues to have an impact on how the commission makes registration decisions. A permanent solution

to this issue is being sought (see details below on the scheme of delegation) but, in the interim, temporary procedures are in place to ensure registration decisions can be taken in compliance with the judgment. This means that registrations have continued during the year, but the volume of decisions has been temporarily reduced.

At the start of 2022 there were over 6,600 charities on the register with their charitable purposes and other details available. During the 2022-23 financial year, there were 555 registration decisions (511 registered, 44 refused) made against a performance target of 550 decisions. The number of registrations processed within six months of a completed application being received was 75%, against a target of 75%.

On 20 March 2023, the Department for Communities (DFC) opened a public consultation on a prospective Scheme of Delegation for the Commission. The consultation, which was ongoing at year-end, was to seek the public's views on the making of a scheme to allow some of the Commission's decision-making functions to be delegated to staff, as they are in other jurisdictions.

Spotlight: Changes to the charity registration application and annual return

Registration is an assessment of whether an organisation is a charity in accordance with the law. However, registration is only one part of the overall regulatory picture. The Commission also provides a wider oversight function involving enquiries and annual reporting, which together has an overall aim of building public trust and confidence in charities.

During 2022-23, the Commission introduced a number of additional questions in both the online application for registration and the Annual Return Regulations 2019. The changes include:

- new questions on safeguarding, related parties and classifications
- mandatory questions on charity trustees' details
- new questions on protection of personal data, fundraising and governance
- new questions on the use of charitable purposes.

This was in response to risks around issues such as safeguarding, cybercrime and fraud having grown in prominence - issues which have the potential to have a negative impact on the public's trust and confidence in the charity sector.

The information provided from the new questions at registration and via annual reporting will support the Commission in gathering vital information which will, in turn, increase transparency around these areas of risk, contributing to public confidence in the charity sector.

In addition, the changes to the Commission's annual monitoring return will also assist the Commission in its engagement with charity trustees.

The Commission's experience has shown us that when the regulator engages with a charity on a compliance matter, the individual charity trustees may be unaware of previous communication with the regulator. As soon as the Commission make them aware of any issues regarding their charity, they can be swiftly resolved. One of the ways the Commission will facilitate this kind of engagement is via changes to the annual reporting process with all charities must now provide contact details for the trustees including their individual email address and mobile telephone number.

The registration form has also been redesigned to make it much easier and more intuitive to use for the person filling it in. It will only show some of the questions if the applicant has answered yes to other questions, the questions which are not relevant to your charity won't appear. Similarly, with the annual return, not all questions apply to all charities as the return is streamlined by income, with smaller charities required to complete fewer questions than larger charities.

For more information and guidance on submitting a charity registration application or submitting a charity's annual return, see www.charitycommissionni.org.uk

Annual reporting

Following on from registration, the next step in the regulatory process for charities is annual reporting. Once a charity is registered, the charity's trustees are required to report annually to the Commission on the charity's finances, resources and activities. This is known as "annual reporting", with the information (annual accounts, trustees' annual report and an independent examination or audit, as applicable) once submitted, then displayed on the charity's register entry. This allows the public, the charity's supporters and organisations such as funders to undertake their own checks.

As with charity registration, the February 2020 Court of Appeal judgment, had an impact with there being no legal requirement for charities registered prior to the end of May 2019 to file annual reporting information with the Commission. This has changed with the Charities Act (Northern Ireland) 2022. It is now a legal requirement for all registered charities to submit their accounts and reports each year, albeit there are differing annual reporting requirements for charities registered before and after the end of May 2019.

The trustees of charities registered after the end of May 2019 have a legal requirement to prepare and submit their annual return, accounts and reports for their first full financial year after registration and every year after that.

For charities registered before the end of May 2019, the charity trustees have a legal requirement to prepare and submit their annual return, accounts and reports for their first full financial year on or after 1 April 2022 and every year after that. If feasible, the Commission also encourages charities to backfill accounts and reports for years which they may not have had to submit reports. In keeping with this, the Commission has developed a system which will allow charities to “backfill” accounts and reports for financial years prior to those beginning before 1 April 2022.

In 2022-2023 there were 373 charities that were registered after May 2019 which were due to submit their annual report and accounts. Of this number, 234 (63%) filed by their 10-month deadline date. At the year-end, 83 charities had failed to submit their reports and accounts with 16 out of the 83 overdue charities falling into the over six months in default category.

Although charities that were registered prior to May 2019 did not have any legal obligation to file, a significant number (3,848) of charity annual report and accounts were voluntarily submitted to the Commission during 2022-23. The overall percentage of charities that voluntarily filed their annual returns within 10 month of their financial year end was 44% (2,647).

A survey on the Commission’s website aims to gather feedback on the users’ experience of annual reporting, with results from 1 December 2022 – 31 March 2023 indicating that:

- *59% (40) of users found the online monitoring return was easy and 19% (13) difficult.*
- *18% (12) of users experienced difficulty while submitting their return and contacted the Commission for support.*

Spotlight: New traffic light display system for charity annual reports and accounts

During 2022-23, work commenced on a new traffic light display, which will indicate if a charity has submitted their accounts and reports to the Charity Commission for Northern Ireland on time.

The public register, available on charitycommissionni.org.uk, lists all the charities registered in Northern Ireland as well as providing information such as what they do, where they work and their annual accounts and reports for applicable years.

Under the new traffic light system, due to go live later in 2023, the public will be able to see if a charity has submitted their accounts and report to the Commission on time or late, and by how many days they are overdue if you don't submit at all. The system, once live, will indicate if a charity is:

Recently registered – this will display on a registered charity's entry up until their first annual reporting deadline date has been reached.



Received: on time – displays on a charity's entry when they have filed their annual reporting information on time.



Received: x days late – displays on a charity's entry when the charity's accounts and reports have been filed after their deadline date, including the number of days overdue.



Overdue: x days – displays on a charity's entry for the X number of days after their 10 month deadline. The text will be amber if the charity is in default for 2 weeks or less.



Overdue: x days – displays, in red text, on a charity's entry when the charity's accounts and reports are outstanding for more than two weeks.

Removed – displays on a charity's entry when they have been removed from the register. This is usually because the charity has closed or merged with another charity.

Enquiries

One of the most high-profile areas of the Commission's work is enquiries, where the regulator is tasked with investigating concerns received about charities, assessing serious incident reports (SIRs), and reviewing the reporting of matters of material significance (MOMs).

Concerns about charities range from minor issues where self-regulatory guidance can provide the right support, through to the most serious of cases which require the opening of a statutory inquiry by Commissioners. MOMs are issues which independent examiners and auditors must report to the Commission should they encounter them while reviewing the accounts of a charity. The Commission regards a serious incident as an adverse event, whether actual or alleged, which results in, or risks, a significant loss of charity money or assets, damage to charity property and/or harm to the work of the charity, its beneficiaries or reputation.

During 2022-23, the enquiries team received a total of 227 cases, which can be broken down into:

- Concerns received: 137 (84 cases were concluded during the year)
- SIRs received: 75 (57 closed)
- MOMs received: 15 (9 closed).

During the year, the Commission published a statutory inquiry report into the charity Woodvale & Shankill Community Housing Association Limited (WSCHA).

The regulator opened an inquiry into the charity in February 2020 following concerns that the accounts and auditor's report for the year ending 31 March 2018, which had been uploaded to the *register of charities*, had not been completed or signed by the independent auditor appointed by the charity. Having worked with the charity trustees since the opening of the inquiry, the Commission is content the trustees are now fully aware of their annual reporting obligations and are maintaining effective governance within the charity.

In August 2022, the Commission also published its statutory inquiry report into Victoria Housing Estates Limited (including Bangor Provident Trust Limited). The Commission had instituted a statutory inquiry into the charity Victoria Housing Estates Limited in July 2012 following concerns raised with the Commission by Her Majesty's Revenue & Customs (HMRC). This inquiry has been complicated and lengthy due to the court processes and the complexity and volume of the issues involving the charity's assets. However, the Commission's action, and that of the Interim Manager and the charity's new trustees, has ensured that the charity's remaining assets are used to fulfil its charitable purposes.

The Commission takes a risk-based and proportionate approach to our investigatory work. This means targeting our help and resources at the highest risks to charities' beneficiaries, services and assets and where we think our intervention will have the greatest impact.

Spotlight: New “smart” form for charity concerns launched

A new, intuitive smart form for anyone who wishes to submit a complaint about a charity to the Charity Commission for Northern Ireland went live to the public in March 2023.

The new, logic-based form aims to support individuals and organisations in providing the right information to the charity regulator, when they have a concern about a charity - guiding them to specific sections for their particular concern and being clear on what information they need to provide.

It will also help the regulator to gather all the information from the outset as well as use the data in a “smarter” way, to identify wider patterns and trends, which the Commission can then focus in on with guidance and advice.

For the first time, the form will not only support charity trustees, volunteers, staff, the public or charity beneficiaries in bringing concerns to the Commission’s attention but will also allow charity trustees, auditors or independent examiners to submit serious incident reports and matters of material significance.

For more information on what you should do if you have a concern about a charity, the types of concerns which should be raised with the Commission and the information and evidence you will need to provide, please see the Concerns about charities guidance available on www.charitycommissionni.org.uk

Casework

The Commission’s casework team processes applications whereby charity trustees require approval from the Commission to make a change or undertake an action or transaction. These legal processes support the charity in ensuring it is well managed, is aware of and complies with the requirements of the law and is keeping its procedures and policies up to date. However, as with registration, the method of making casework decisions has been affected by the court judgment referred to above, with an interim process introduced to ensure work can continue in line with the law.

During the 2022-23 year, 222 casework applications/notifications were received with 227 casework processes were completed by year end. This included 44 statutory decisions taken by a committee of Commissioners and 183 being administrative functions completed out by staff.

Engagement and guidance

During the 2022-23 year the Commission participated in 53 engagement events, including hosting two online information sessions on the new Charities Act (Northern Ireland) 2023 and participation in the Good Governance roadshow run by the Developing Governance Group. The roadshow provides a series of seminars, offering charities advice and information on the latest developments in charity regulation. The Commission also took part again this year – for the sixth year in a row – in the Boardroom Apprentice Scheme, highlighting its commitment to increasing the diversity of candidates for public and charity appointments.

A particular highlight saw staff taking part in a number of on-site charity visits, to get a feel for the good work being undertaken by Northern Ireland's charities on the ground. This included visits to the charities HEReNI, Women's Aid Federation Northern Ireland and the Family Caring Centre, Antrim.

The Commission dealt with 7,555 calls and email enquiries during the year. New "eforms" were introduced during the year, which mean that the NIDirect call handlers could send a message directly to a specific Commission team within when a caller requested a call or email back in relation to an issue or query. Plans are also in place for a survey to roll out in 2023-24 to evaluate how the Commission communicates with customers.

In addition to general queries, responses were made to 39 information requests (made under access to information legislation such as the Freedom of Information Act 2000). Of that number, information was disclosed fully or partially in 20 cases.

During the year the Commission's website had 387,969 unique website visitors and the Commission's Twitter feed ended the year with 4,163 followers. A number of vlogs and blogs were published as the Commission shared advice and guidance with the public via a number of new formats. This covered the following topics:

- Dealing with financial difficulties, for charity trustees
- Supporting staff and volunteers during the cost-of-living crisis
- How taking part in public consultations can make a difference
- Recent changes to the online application for registration
- Charities encouraged to ensure trustee contact details are up to date.

The Commission has an online library of information and advice for charities, offering advice and guidance on trustees' legal duties. Overall, there have been 88 pieces of guidance published on the Commission's website. The Commission's top five webpages were: *Update your charity's details, Online portals, Annual reporting, Manage your charity and About us.*

This year saw 305 views of the Commission's online registration workshop, which was published in April 2021. The online workshop is in four parts, with each one providing practical tips and checklists to ensure applicants can easily access and are ready to complete your online registration application.

Work also commenced in 2022-23 on reviewing the Commission's current website, to identify areas of potential improvement and updating for the future. This work included gathering feedback from analytic sources as well as from users themselves. For example, a website survey hosted on www.charitycommissionni.org.uk saw 60% of the respondents detailing their experience of the website as either positive (30%) or neutral (30%). Other user experience research identified that while some users found the content on the site was good with a range of guidance, there were areas for improvement. For example the content was text heavy and could be broken up into bite-size areas.

An added source of support for charities is the network of 23 helper groups, which offer various supports and tools to organisations preparing for registration or submitting an annual monitoring return. Questions and feedback from the helper groups have also helped the regulator improve services throughout 2022-23.

Spotlight: Commission's stakeholder forum going strong with twelve new members

Launched in the summer of 2021 with 14 members, the Commission's stakeholder forum provides a means by which the charity sector can engage directly with the Commission on issues and priorities important to them and to charity regulation.

To ensure a diversity of voices, members of the forum have been drawn from a cross section of the sector in terms of size, income, location and the beneficiaries they work with. Members serve a three-year term, and the forum is currently chaired by Charlene Brooks, Chief Executive of Parenting NI and Deputy Chair of NICVA's executive committee.

The forum met three times in 2022-23, with some of the key issues and activities undertaken including the following.

- Providing feedback on the Commission's draft strategic plan and engagement strategy before consultation was launched.
- Seeking an update from DfC on the introduction of Charitable Incorporated Organisation structure in Northern Ireland.
- Providing feedback on the new safeguarding questions that form part of the annual monitoring return and on the tone of communications.
- Providing feedback on the user's experience of the Commission website and how this experience could be improved.

The Chairperson also wrote to DfC on behalf of the forum to warmly welcome the Minister's decision to introduce a threshold for registration and to urge the introduction of the Scheme of Delegation so that the process of decision making at the Commission can be improved.

In December 2022, the Commission issued an open call for new members with twelve new charity representatives appointed to the forum in early 2023. Both the new and current representatives bring a wealth of charity experience and perspective to the table, as well as being committed to representing views from across the charity world.

Independent Counsel review

In February 2021, the Charity Commission for Northern Ireland appointed an independent Counsel to conduct a review of complaints arising from the Commission's regulation of the charities, Lough Neagh Rescue Ltd and Disabled Police Officers' Association of Northern Ireland (DPOANI). The review was intended to establish whether there were lessons which could be learned from the handling of the cases, which had not yet been learned.

To provide an overview of the review and its recommendations, a summary of Counsel's final report is published on the Commission's website at www.charitycommissionni.org.uk/news/summary-report-published-following-independent-counsel-review

The Commission has embarked on an action plan to address the eighteen recommendations made, which highlights the actions to be taken and an indicative timescale for completion. The action plan, as updated in April 2023, is published on the Commission's website at www.charitycommissionni.org.uk/news/summary-report-published-following-independent-counsel-review. In total, the plan identifies 39 actions of which 18 were completed and 21 were ongoing at year end.

Independent Review of Charity Regulation

The Minister for Communities commissioned an Independent Review Charity Regulation in Northern Ireland, which commenced in January 2021.

The Review considered the Charities Act (Northern Ireland) 2008 and the roles of the Commission and its sponsor body, the Department for Communities (DfC). In particular, the review looked at whether the Commission's performance within the existing legal framework struck the right balance, in light of best practice, between supporting charities to do the right thing with advice and guidance and deterring, or dealing with, misconduct, and mismanagement through enforcement activities.

In January 2022, the Independent Review Panel report was published, listing 93 recommendations to improve the delivery of services and the operation of the regulatory framework going forward. The Commission welcomed the report and, alongside the Department for Communities, has begun work to implement the recommendations. During 2022-23 the following recommendations were completed:

Recommendation number	Recommendation
14	Board members should play an active role in the Stakeholder Forum.
20	The Commission should set up a learning opportunity, for both the Board and staff, with CCEW to better understand both the importance of a language shift to authoritative and engaging and how that shift can be achieved.
21	The Commission should set up a learning opportunity, for both the Board and staff, with OSCR to better understand what is meant by becoming an 'enabling' regulator.
23	<p>The Commission should separate those charities on the Combined List who are awaiting registration call forward from those which are dormant or closed and those who have failed to come forward for registration.</p> <p>In respect of this recommendation, it is important to note that the "unfinished business" nature of the Combined List can become a tool of disempowerment for both the Commission and the sector. With this in mind, the Panel further recommends:</p>
24	<p>The Commission should not list charities that fail to come forward when called as actively applying for registration and once removed, the onus should be on the charity trustees to reapply.</p> <p>In respect of this recommendation the Panel notes the Commission's view that the current Combined list "is an asset." The Panel appreciates that this is the Commission's view but finds it is not a view shared by the sector.</p>

30	<p>With regard to progressing registration (Recommendations 30-32): The Commission's main focus should be on registering those charities which have come forward and are actively awaiting registration and that this focus should frame how the Commission's sets its priorities at this time.</p> <p>In respect of this recommendation the Panel notes the importance that registration plays in the regulatory framework. Clearing the backlog of organisations awaiting registration will require the Commission to manage its staff and resources so that registration is front and centre in terms of staged priorities. No charity should be waiting prolonged periods of time – in the Commission's current regime, years -- for its registration application to be processed. The Panel therefore makes recommendations about the Combined List to assist with the registration process.</p>
33	<p>With regard to s.167 charities (Recommendations 33-37): The Commission should prioritise the agreement of an MoU with the Irish CRA in the interests of furthering a consistent regulatory approach.</p> <p>The Panel notes existing MoUs with OSCR and CCEW and believes completing this task would provide the Commission with formalised contact across these Islands in support of learning and development.</p>
60	<p>The Commission review its operating procedures to ensure that staff are fully briefed on the nature and format of material that Commissioners need to exercise the full scope of their powers effectively.</p> <p>In respect of this recommendation, the Panel emphasises that for the Commissioners to exercise their responsibilities they should be fully informed and able to engage in deliberative decision-making in a manner that properly records the procedures followed and the reasons for the decisions reached.</p>
63	<p>To assist the Commission to regulate in an effective and proportionate manner the Review Panel recommends:</p> <p>In line with best practice elsewhere, the Commission should revise its approach of automatically naming charity trustees in its statutory inquiry reports.</p>

72	The Panel is also conscious of staff required to attend Schedule 1 Committee meetings and further recommends that (see 72-80): Commissioners should consider, when reviewing Terms of Reference for Schedule 1 Committees, the staff attendance requirement for such meetings.
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Work on a range of other recommendations also commenced during the year and will be continued in the coming twelve months.

Financial Performance

Budget

The Commission has a key performance indicator of achieving a budget spend within 99% of overall budget, which for 2022-23 was set at £2,001,000. The resource budget was £1,923,000 and the capital budget was £78,000.

During 2022-23, the Commission reported a 97.7% total spend, broken down as 99.5% of resource budget and 48.6% of capital budget.

Statement of Comprehensive Net Expenditure

Total expenditure for the year excluding asset revaluations has decreased by £119K from £2,176K to £2,057K. This is mainly due to the decrease in staff costs throughout the year as well as legal and profession fees compared to the previous year.

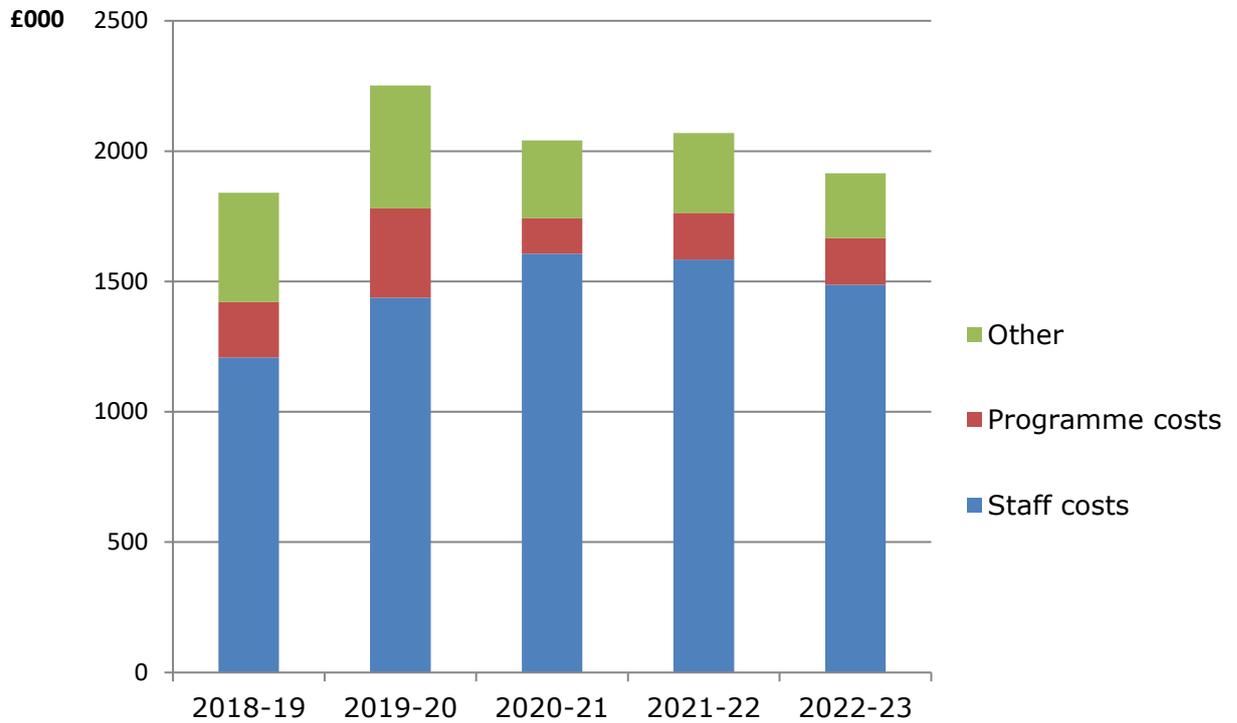
Statement of Financial Position

Non-current assets at the year-end were £647K, an increase of £24K on 2021-22.

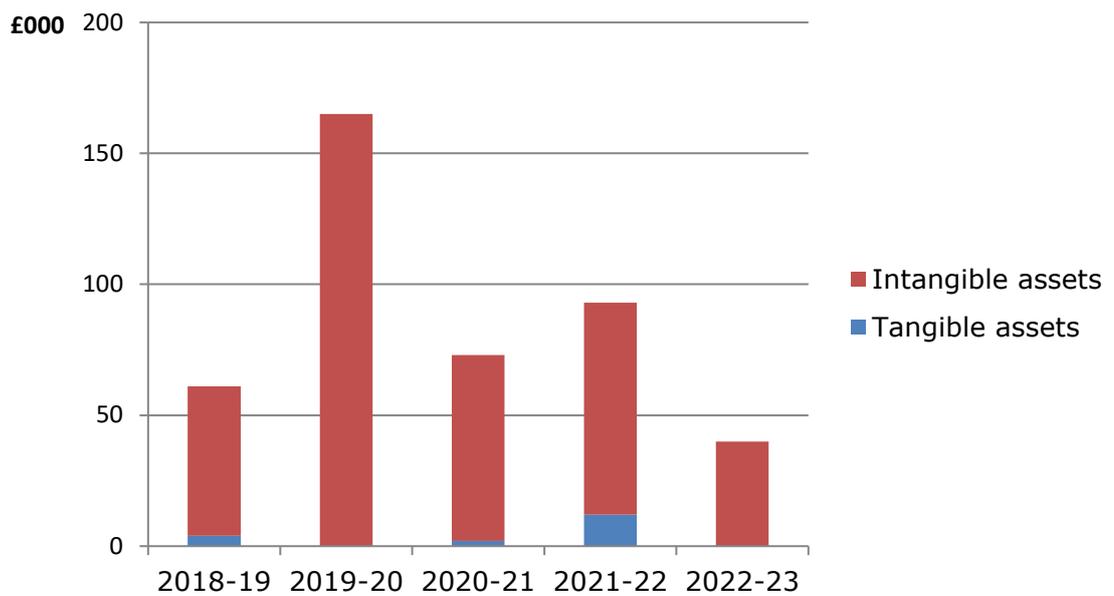
Financial results and position are set out in detail in the financial statements at page 79 and page 80 respectively.

Long-term expenditure trends

Resource expenditure over the last five years was as follows:



Capital expenditure over the last five years was as follows:



Complaints about our services

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

During 2022-23, the Commission received two complaints. One was partially upheld, with apologies issued. It was then reviewed, as requested by the complainant, and was again, partially upheld with apologies issued. The second complaint was not upheld. The Commission did not receive any complaints in relation to the information available about charities on its website.

The internal complaints about service manual was also updated during the year to reflect the ongoing learning process for the handling of complaints. For example, the manual now includes offering the complainant an opportunity to suggest a resolution or remedy at the outset of the process.

The monitoring of complaints received by the Commission forms an important part of our 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. We monitor complaints and these are reported regularly 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 us 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.

Open Data

The Commission is committed to sharing as much of the data it holds as possible. The Commission publishes the *register of charities* using the Open Government Data License on data.nicva.org and

www.opendatani.gov.uk, in line with the Department of Finance's Open Data strategy for the Northern Ireland public sector.

Equality and diversity

The Commission's published *Equality scheme and action plan* demonstrates our commitment to promoting equality, diversity and accessibility across our work.

In keeping with this commitment, the Commission undertakes a range of activities during the year aimed at ensuring equality and good relations are integrated into all our activities. During 2022-23, these activities included:

- ongoing implementation of internal systems to monitor the Commission's integrated *Equality scheme and action plan* and how the Commission works with charities and the public.
- annual equality awareness training for all staff on 15 November 2022, supporting understanding of equality, diversity and good relations.

A statutory five-year review of the Commission's *Integrated Equality Scheme and action plan* was completed during the year.

The Commission's *Equality scheme and action plan* is available to view on www.charitycommissionni.org.uk.

3. Future focus

As demonstrated within this report, the Commission has embraced the opportunity to review recommendations from the Ministerial review, commencing work on to implement as many possible, where they apply to the Commission. As we move into the next year, we will continue on this endeavour, progressing as an enabling, responsive and collaborative regulator whilst managing the risks presented by the political and financial situation in government at the start of the new financial year.

Our primary focus for the year ahead will be to deliver the regulatory agenda on the resources made available by our sponsor department, which will be difficult, given the overall budget situation in Northern Ireland. This will include registration, casework, enquiries and compliance services. Despite the pressure, we also aim to continue moving forward with a number of the review recommendations which the Commission is solely responsible for and work with sponsor department on areas they are leading on. Key developments, for example, will be the implementation of the new traffic light display on the register of charities, which will indicate if a charity has submitted their accounts and reports to the Commission on time and a redesign of the Commission's website, so materials and guidance are easier to find.

The Commission's strategic plan for 2023-26 and business plan for 2023-24 will give more detail on our work for the years ahead and will be made available on www.charitycommissionni.org.uk when approved, following finalisation of budget and alignment with sponsor department's strategic priorities relating to the Ministerial Review.



Frances McCandless
Chief Executive,
Charity Commission for Northern Ireland

Accountability report

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.

The Interim Chair is Gerard McCurdy, and the Chief Executive is Frances McCandless.

The Board of the Charity 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 2022-23, the Commission did not formally report any personal data related breaches to the Information Commissioner's Office (ICO). The Commission takes its data processing responsibilities extremely seriously and as a statutory body maintains appropriate data management procedures in accordance with the law, including vetting and security.

Statement of Accounting Officer's responsibilities

Under Schedule 1, Section 8(2), of the Charities Act (Northern Ireland) 2008, the Department for Communities, with the approval of the Department of Finance, 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, Statement of Financial Position, 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, 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.
- Prepare the financial statements on a going concern basis.

The Accounting Officer of the Department for Communities 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.

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 2022-23

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 its sponsor department, the Department for Communities, and the Northern Ireland Assembly.

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, staff, fellow regulatory bodies, 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 2023. 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 A.3.1*, the relevant NI Audit Office fact sheet and feedback from governance experts so as to tailor the disclosure to the organisation and its features during 2022-23.

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 as amended. It is sponsored by the Department for Communities. The Commission's strategic aims in 2022-23 were:

- Progressing charity registration and casework to enhance accountability
- Developing compliance regarding the use of charitable resources
- Demonstrating the public benefit arising from charitable giving and activities

- Developing as a properly governed, transparent and independent decision making 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. It is impossible to eliminate all risk of failure to achieve policies, aims and objectives and 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 and is published on the Commission's website.

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 in accordance with the Northern Ireland Code of Practice for Ministerial Appointments to public bodies issued by the Commissioner for Public Appointments. One Board position was vacant at year end, with one Commissioner resigning during the year.

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 last reviewed with DfC, and a

new version agreed and signed during August 2016. Work was begun over three years ago to develop a new Partnership Agreement which will replace the MSFM. This has not yet been formally agreed. It is the responsibility of the Board members to ensure the Commission continues to act within the law, fulfil the aims and objectives set by its sponsor department and approved by the Minister, and deliver the efficient, economic and effective use of staff and other resources.

The role of the Board changed following a High Court ruling in May 2019 and a Court of Appeal ruling upholding the High Court position in February 2020 when the Court delivered its judgment in the case of [*McKee & Others v Charity Commission for Northern Ireland*](#). This upheld a legal challenge to the delegation of decision-making powers by the Commission to members of staff. The case addressed a technical point of law, namely that all Commission orders and decisions must be made by the Board of Commissioners or a committee to include Commissioners with delegated authority, rather than Commission staff following manuals approved by Commissioners. New decision-making procedures were put in place at that time and remained in place at year end.

Following the judgment, the Minister for Communities appointed an Independent Review Panel to carry out a review of the legal and regulatory framework within which the Commission operates and of the Commission's relationships with stakeholders. The independent review reported in early 2022 and a Departmental response was published in autumn 2022, accepting virtually all recommendations. These form the basis of the Commission's new strategic plan which was consulted on during this year.

In February 2022 the NI Assembly passed the Charities Act (Northern Ireland) 2022. Royal Assent was given on 30 March 2022. Implementation of this was begun during the year and was ongoing at year end. Provision was made within this for a scheme of delegation which was under consultation at year end. This may alter the role of Board members again if implemented. The Board resumed in-person meetings during 2022-23, following the pandemic, and committee meetings continued to be a mix of in person and virtual.

During the year the Board undertook its responsibilities by:

- agreeing a business plan for approval by DfC.
- agreeing a draft strategic plan and new engagement strategy for consultation.
- ensuring the sponsor department was kept informed of developments, changes in assumptions and policy which were likely to impact on the strategic direction of the Commission or on the attainability of its 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 a review of the terms of the MSFM. This was done twice during the year and 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, plus an additional co-opted member with accounting skills, to help the Board address the key financial and other risks facing the Commission.
- undertaking an annual Board effectiveness review to inform the strategic governance agenda, including agreeing an associated action plan, and reviewing the Board's *Standing Orders, Operating Framework* and *Code of Conduct*.
- operating a live *Register of interests* on the Commission's website, with conflicts a standing agenda item at Board meetings.
- 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.
- taking account of fraud awareness reports from the Department of Finance as appropriate and undertaking ongoing work on fraud, including reviewing the policy and the organisational bribery assessment.

- 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.
- ensuring that effective implementation of UKGDPR continued throughout the year.
- monitoring and publishing progress on an action plan produced in response to a review commissioned in 2020-21 by independent counsel of two early statutory inquiries.
- signing off its Annual Report and Accounts for laying before the Assembly.
- ensuring the Commission implemented the provisions in the Charities Act (NI) 2022.
- consideration of legal issues, ongoing litigation and related risks and feedback from its Legal Advisory Group.
- consideration of feedback from the Commission’s Stakeholder Forum, whose membership was expanded during the year.
- approval of the Commission’s annual equality report.

Due to taking up a new public appointment, the Chair resigned from the Commission in October 2022. The Deputy Chief Commissioner was appointed as Interim Chair in December 2022 and recruitment for a new Chair was underway at year end. No Ministerial directions were given during the period which have a bearing on the activities of the Commission.

Attendance at Board meetings during the year:

Board member	Number of meetings attended
Nicole Lappin, Chief Commissioner (resigned October 2022)	3 out of 3
Gerard McCurdy, Deputy Chief Commissioner (appointed Interim Chief Commissioner December 2023)	6 out of 7
Patricia Kelly, Legal Commissioner	7 out of 7
Séamus Magee, Commissioner	5 out of 7
Kieran Donaghy, Commissioner	6 out of 7
Hugh McKeag, Commissioner	6 out of 7
Alan Hunter, Commissioner	7 out of 7

Board performance and assessment of its own effectiveness

In 2022-23 the Board met seven times. The Audit and Risk Assurance Committee met four times, and the Human Resources Committee met four times. Board and committee minutes are published regularly on the Commission's website. Following the High Court ruling on the interpretation of the Charities Act (NI) 2008, committees continued to operate to make statutory decisions under Schedule 1 of the Act.

The Board continued its own development in this year by undertaking training on safeguarding and effective challenge and scrutiny.

Commissioners were subject to annual appraisal and the results were reported to the sponsor department. During the year the Board undertook a self-assessment exercise which rated its operation as effective but identified the lack of a scheme of delegation as one of the issues affecting its performance. The Department for Communities launched a public consultation on a potential scheme of delegation for the Commission in March 2023. The self-assessment exercise also considered and concluded appropriate information of a suitable quality was provided to the board on a regular basis to enable oversight.

During this year the Board participated for a sixth time in the Boardroom Apprentice Scheme, to demonstrate its commitment to increasing the diversity of candidates for public and charity appointments in Northern Ireland.

Audit and Risk Assurance Committee

The Audit and Risk Assurance (A&RA) 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. At each meeting the Commission's Chief Executive and Head of Corporate Services report risks to the Committee, which reviews and challenges assessments and planned actions, and identifies its own view on emerging issues and the organisational risk agenda. This year a 'deep dive' into an individual risk at each meeting was introduced as a recommendation from the previous year's self-assessment exercise. The

Committee, in turn, reports to the Board on governance matters and informs the Board of any emerging issues which are then discussed.

The committee undertook an annual self-assessment in January 2023 using the National Audit Office Checklist. In broad terms the committee were content with their approach. The committee also undertook an annual review of its *Terms of Reference*.

The committee undertook reviews of a number of key policies as part of its annual schedule. This work covered Finance Procedures, the Business Continuity Plan, a review of the Raising Concerns about the Commission policy and a review of the Internal Audit Plan. The committee also received updates on cyber security.

Also, during this period, the committee received independent assurance from Internal Audit which was provided by the Internal Audit function of the Department for Communities. Representatives of Internal Audit attended all four Audit and Risk Assurance Committee meetings during 2022-23.

The committee agreed an Internal Audit strategy three years ago which was supported in this year by an audit plan for 2022-23 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 2022-23 were as follows.

Phase 1 – Registration Processes (Operation of Schedule 1 Procedures); Organisational Policies to ensure Compliance with UK GDPR; Testing and Deployment of New IT Systems; and Version Control Policy.

Phase 2 – Performance Management, Staff & Board Training & Development plans; External legal advice – management of budget and spend; Independent Counsel Review Recommendations; Ministerial Review - implementation of recommendations; and the implementation of previously accepted audit recommendations.

The Head of Internal Audit (HIA) provides an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Commission's framework of governance, risk management and control. Based the work performed to deliver the 2022-23 internal audit plan, the HIA provided an overall satisfactory opinion on the Commission's arrangements. There were no category one recommendations.

During the year under review the Northern Ireland Audit Office (NIAO) attended all four committee meetings. The committee considered the *2021-22 NIAO Report to Those Charged with Governance* which indicated an unqualified audit opinion, without modification, on the 2021-22 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 made no recommendations. The Commission's annual report and accounts was laid before the Assembly on 14 July 2022.

As usual, the committee met during the year with both sets of auditors without staff present.

The membership of the committee was changed during 2022-23, with the co-option of an independent member with accountancy skills, Andrea Quail, in September 2022. Independent member Caron Alexander was reappointed for a year in February 2023.

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

Séamus Magee, Chair	4 out of 4
Gerard McCurdy	2 out of 4
Caron Alexander, Independent Member of committee (reappointed February 2023)	3 out of 4
Alan Hunter	4 out of 4
Andrea Quail, Co-opted member (appointed September 2022)	2 out of 2

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, human resource policies and practice and legislative compliance.

The committee met four times in 2022-23. One of the major pieces of work this year was implementation and testing of a new hybrid working policy, supported by regular staff surveys considered by the committee. During the year the committee also considered: staff wellbeing and health

& safety, amendments to a number of HR policies to bring them into line with centrally-agreed Northern Ireland Civil Service (NICS) policies, evaluation of training provided, updates on HR-related audit recommendations, the People Strategy action plan and staff performance appraisal outcomes. The Committee reviewed its own Terms of Reference.

Attendance at Human Resources Committee meetings during the year was as follows.

Committee member	Number of meetings attended
Gerry McCurdy, Chair	3 out of 4
Hugh McKeag	3 out of 4
Kieran Donaghy	4 out of 4

Schedule 1 Committees

The Charity Commission for Northern Ireland has established Schedule 1 decision-making committees to support it in the discharge of its statutory functions under the Charities Act (Northern Ireland) 2008. A committee is composed of at least one Commissioner and one other person. The role of the committees is to discharge certain functions of the Commission through a committee rather than through the full Board acting in a Board meeting. The committees' decisions do not require ratification by the full Board of Commissioners.

There were 27 Schedule 1 committees during the year, as follows:

Board member	Number of committees
Nicole Lappin, Chief Commissioner	4
Gerard McCurdy, Deputy Chief Commissioner/Interim Chief Commissioner	7
Patricia Kelly, Legal Commissioner	6
Séamus Magee, Commissioner	6
Kieran Donaghy, Commissioner	6
Alan Hunter, Commissioner	8
Hugh McKeag, Commissioner	7

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 2022-23, the Commission continued to enhance the identification and consideration of risk within the organisation.

During the year a series of risks related to the delivery of the 2022-23 business plan were managed. The approach to risk was amended in this year to reflect a new approach being adopted by our sponsor department to capture the risks of opportunities not fully realised.

The 2022-23 risk register did not include risks in the highest category. However, there were a small number of high risks and details on these issues are set out in the section below on significant control/governance issues. Staff time and effort was given to addressing audit recommendations and updating the Audit and Risk Assurance and Human Resources Committee members 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/quarterly assurance reports and statements by management along with monthly review of risks by middle management relating to various project and programme team risk registers.
- twice-yearly assurance statements to the sponsor department which were informed by business level assurance statements and agreed by the Board and the Audit & Risk Assurance Committee.
- regular 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 assurance statement by the Accounting Officer.
- annual internal and external audit programmes, which are informed by a review of strategic business risks.

As part of the Commission's business planning processes, the Commission identified the inherent risk appetite for each 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.

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 Operating Framework, 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.

The Commission has in place a 'Raising Concerns about the Commission' policy, formerly known as Whistleblowing. A Commissioner, Kieran Donaghy, is designated with special responsibility for this issue. The policy was tested and reviewed during the year. There were no issues raised under the policy during this year.

Sources of external assurance

During this year the Commission drew assurance from a number of external sources including NIAO and from external counsel as part of extending assurance mapping on enquiry and casework.

Significant control/governance issues

The Commission's assessment of the risk environment was reconfigured at the start of the year, in line with the 2022-23 business plan and consideration of the Department for Communities' evolving approach to risk.

A series of risks related to delivery of the business plan were managed during the year. At the start of the year these were assessed by the Board to be in the moderate to minor category in the risk register. During the year four moved to high risk. These related to:

- delivery of the transition in systems and processes to being a more enabling regulator not being properly managed, thus reducing the ability to demonstrate real change which impacts on public confidence in the regulator.
- perceived slowness in effecting the culture change to an enabling regulator recommended in the Independent Review of charity regulation and lack of visible evidence which may lead to further complaints and criticism.

- The opportunities for better staff retention and satisfaction, and better work/life balance presented by hybrid working may not be realised because of HR challenges, impacting on staff motivation and service outputs.
- Resources may be reduced in year leading to reduced quality or levels of service and reputational damage.

At year end these risks were lowered following consideration of steps by sponsor department to instigate project management arrangements to progress independent review recommendations, steps by the Commission to progress ten recommendations itself, positive staff feedback on the hybrid working pilot and lack of budget reduction. Overall, continuing to operate statutory regulatory decisions made by Commissioners meant business targets relating to the registration of charities and other areas of regulation remained lower than in previous years presenting a global strategic risk to the sector.

As a result of the impact of the May 2019 High Court and the subsequent February 2020 Court of Appeal decision, the Commission has received claims for compensation from individuals connected to two charities which had been subject to statutory inquiries. At the year-end these claims were still being considered and assessed and as the matter has not been concluded on, an amount has been provided for in the accounts for some claims and with the remainder being included as contingent liabilities.

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 2022-23 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. The internal control systems have been in place for the year under review and up to the date of approval of the annual report and accounts.

A handwritten signature in black ink, appearing to read 'Frances McCandless', is positioned above the printed name.

Frances McCandless
Chief Executive
Date: 26 June 2023

5. Remuneration and staff report

Remuneration policy

The Commissioners of the Charity Commission for Northern Ireland are appointed by the Minister for Communities 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, such staff as the Commission considers necessary. 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.

The pay remit for the Northern Ireland Civil Service, including senior civil servants (SCS), is approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 24 November 2022 Written Ministerial Statement (WMS) on the Budget and the NI (Executive Formation) Act receiving Royal Assent on the 6 December 2022, the NI public sector pay policy guidance was published on 8 December 2022.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2022/23 has been finalised and is due to be paid in June 2023. During 2022, Department of Finance further streamlined the pay remit approval process, with provision of delegation to arm's length bodies regarding the pay remit/approvals process for their staff groups legally entitled to the NICS pay award. Following DfC agreement the Commission followed this approach for the 2022 pay award. The pay award for NICS industrial staff has not been agreed yet and negotiations continue with unions.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance. The Commission employs only non-industrial grade staff, and its pay policy is to mirror that of the NICS.

Service contracts

The Civil Service Commissioners (NI) Order 1999 requires appointments to be made on merit on the basis of fair and open competition. The

Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

The Chief Charity Commissioner and Deputy Chief Charity Commissioner are appointed for a five year term of office. Five Commissioners are normally appointed for a three to five year term. In 2022-23 no new Commissioners were appointed. The Chief Commissioner resigned in November 2022; the Deputy Chief Commissioner was appointed interim Chief Commissioner and Chair to the Board of the Commission on 21 December 2022. The Chief Executive of the Commission, who is also the Accounting Officer, was appointed in April 2010 and this appointment is open-ended.

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at www.nicscommissioners.org

Remuneration and pension entitlements

Emoluments of Commissioners, Chief Executive and senior management

The following sections provide details of the remuneration and pension interests of the most senior members of the Commission.

Remuneration and pension entitlements (Audited information)

Single total figure of remuneration				
Commissioners	2022-23		2021-22	
	Salary* £'000	Benefits in kind (to nearest £100)	Salary £'000	Benefits in kind (to nearest £100)
Nicole Lappin, Chief Charity Commissioner (resigned 4 November 2022)	10-15 <i>(15-20 full-year equivalent)</i>	n/a	25-30	n/a
Gerard McCurdy, Deputy Chief Commissioner (term began 01 March 2019, appointed Interim Chair on 21 December 2022)	10-15	n/a	10-15	n/a
Séamus Magee, Commissioner (term began 1 June 2015)	5-10	n/a	10-15	n/a
Kieran Donaghy, Commissioner (term began 01 March 2019)	5-10	n/a	10-15	n/a
Hugh McKeag, Commissioner (term began 01 September 2019)	5-10	n/a	10-15	n/a
Carmel Mullan, Commissioner (resigned 30 November 2021)	n/a	n/a	5-10 <i>(5-10 full-year equivalent)</i>	n/a
Patricia Kelly, Legal Commissioner (term began 01 June 2021)	5-10	n/a	5-10 <i>(5-10 full-year equivalent)</i>	n/a
Alan Hunter, Commissioner (term began 01 February 2022)	5-10	n/a	0-5 <i>(5-10 full-year equivalent)</i>	n/a

**The salary figure above includes payments made to Commissioner for statutory decision-making duties carried out in the year.*

The table below shows the Salary bands in relation to additional statutory decision-making duties in Schedule 1 committees only, these figures are also included in the salary table above and is presented below for information purposes only.

Schedule 1	2022-23	2021-22
Nicole Lappin, Chief Commissioner (resigned 04 November 2022)	0-5	0-5
Gerard McCurdy, Deputy Chief Commissioner	5-10	5-10
Séamus Magee, Commissioner	0-5	5-10
Kieran Donaghy, Commissioner	0-5	5-10
Hugh McKeag, Commissioner	5-10	5-10
Carmel Mullan, Commissioner (resigned 30 November 2021)	n/a	0-5
Patricia Kelly, Legal Commissioner	5-10	0-5
Alan Hunter, Commissioner	0-5	n/a

**The payments made to Commissioners for statutory decision-making duties in Schedule 1 committees are paid in relation to time spent for each of the meetings including preparation for meetings. This can vary from meeting to meeting and between Commissioners depending on the complexity of papers being reviewed, individuals' experience and knowledge, and nature of decision to be made.*

Remuneration and pension entitlements (Audited information)

Single total figure of remuneration								
Senior Management	2022-23				2021-22			
	Salary	Benefits in kind	Pension Benefits*	Total	Salary	Benefits in kind	Pension benefits*	Total
	£'000	Nearest £100	£'000	£'000	£'000	Nearest £100	£'000	£'000
Chief Executive Frances McCandless	80-85	-	25	105-110	80-85	-	39	120-125
Head of Charity Services Punam McGookin	55-60	-	5	60-65	55-60	-	18	70-75
Head of Compliance and Enquiries Sarah Finnegan (left 26/08/2021)	n/a	-	n/a	n/a	20-25 <i>(50-55 full-year equivalent)</i>	-	30	50-55 <i>(80-85 full-year equivalent)</i>
Head of Compliance and Enquiries Rossa Keown	50-55	-	22	75-80	35-40 <i>(50-55 full-year equivalent)</i>	-	15	50-55 <i>(65-70 full-year equivalent)</i>
Head of Corporate Services Aubrey McCrory	55-60	-	17	75-80	55-60	-	22	75-80

**The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*

Fair pay review disclosure (Audited information)

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 2022-23 was £80,000-£85,000 (2021-22: £80,000-£85,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below. The percentage changes in respect of the Commission are shown in the following table. It should be noted that the calculation for the highest

paid director is based on the mid-point of the band within which their remuneration fell in each year.

	2022-23	2021-22
Band of highest paid director's total remuneration (£000)	80-85	80-85
Percentage changes in the highest paid director's salary and allowances	0%	5.95%
Percentage changes in the highest paid director's performance pay and bonuses payable	n/a	n/a
For employees the average percentages changes from the previous financial year of salary and allowances (excluding the highest paid director's) (2021-22 percentage restated)*	-2.45%	4.46%
For employees the average percentages changes from the previous financial year of performance pay and bonuses payable (excluding the highest paid director's)	n/a	n/a

**The minus percentage has been a result of staff who have left the Commission who were on the top scale of their pay grade; replaced with staff who join at the bottom of the scale.*

2022-23	25th percentile	Median	75th Percentile
Total remuneration (£)	26,295	26,575	34,570
Pay Ratio	3.1:1	3.1:1	2.4:1

2021-22	25th percentile	Median	75th Percentile
Total remuneration (£)	26,295	26,575	34,570
Pay Ratio	3.1:1	3.1:1	2.4:1

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

For 2021-22 and 2022-23, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments. These ratios have not changed since the previous year due to the 2022 pay award not being paid to staff in this financial year, thus salary figures remain the same at the end of the financial year.

Remuneration ranged from £22,519 to £82,500 (2021-22, £22,519 to £82,500)

Salary

'Salary' includes gross salary; 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 severance or ex gratia payments. This report is based on the accrued payments made by the Commission and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs 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 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 (Audited information)

Officials	Accrued pension at pension age as at 31/3/23 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/23 £'000	CETV at 31/3/22 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Frances McCandless Chief Executive <i>(alpha scheme)</i>	35-40 plus lump sum of Nil	0-2.5 plus lump sum of Nil	490	439	13	-
Punam McGookin Head of Charity Services <i>(alpha scheme)</i>	15-20 plus lump sum of Nil	0-2.5 plus lump sum of Nil	328	295	-3	-
Aubrey McCrory Head of Corporate Services <i>(alpha scheme)</i>	10-15 plus lump sum of Nil	0-2.5 plus lump sum of Nil	197	172	8	-
Rossa Keown Head of Compliance and Enquiries <i>(alpha scheme)</i>	10-15 plus lump sum of Nil	0-2.5 plus lump sum of Nil	99	84	7	-

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP). The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also 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 (full protection) 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 (tapered protection).

McCloud Judgment

In 2018, the Court of Appeal found that the protections put in place in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps are being taken by the Department of Finance to remedy those 2015 reforms, making the pension scheme provisions fair to all members. Some active members will have seen changes from April 2022.

The remedy is made up of two parts. The first part was completed last year with all active members now being member of alpha from 1 April 2022, this provides equal treatment for all active pension scheme members. The second part is to put right, 'remedy,' the discrimination that has happened between 2015 and 2022. We are currently working on a new scheme regulations and processes in readiness for this.

It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative scheme e.g., legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completed Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PCSPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the

implementation of the Deferred Choice Underpin. This is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>

Alpha 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 rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Information on the PCSPS(NI) – Closed Scheme

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a 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%.

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). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

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.

Partnership Pension Account

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (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).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy **Classic**, **Premium**, and **Classic Plus** arrangements and 65 for any benefits accrued in **Nuvos**. Further details about the NICS pension schemes can be found at the website: www.finance-ni.gov.uk/civilservicepensions-ni

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2022 was 10.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2023.

Employee contribution rates for all members for the period covering 1 April 20223 – 31 March 2024 are as follows:

Scheme Year 1 April 2023 to 31 March 2024

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates for All members
From	To	From 01 April 2023 to 31 March 2024
£0	£25,049.99	4.6%
£25,050.00	£56,999.99	5.45%
£57,000.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

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 2015 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. 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 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.

Staff costs (Audited information)

	2022-23			2021-22
	Permanently employed staff £	Other £	Total £	Total £
Wages and salaries	946,150	81,398	1,027,548	1,090,714
Social security costs	100,246	-	100,246	102,537
Other pension costs	293,625	-	293,625	303,383
Sub Total	1,340,021	81,398	1,421,419	1,496,634
Less recoveries in respect of outward secondments	-	-	-	-
Total net costs	1,340,021	81,398	1,421,419	1,496,634

During 2022-23, 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. Other staff costs comprise temporary agency staff.

Pension

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes, but the Commission is unable to identify its share of the underlying assets and liabilities.

The Public Sector Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by

employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation required adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs with a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information can be found on the Department of Finance website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for the devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also included provisions that employees will not experience and detriment if the adjusted valuation costs breach the set

cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2022-23, employers' contributions of £293,625 were payable to the NICS pension arrangements (2021-22: £299,958) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account: a stakeholder pension with an employer contribution. Employers' contributions of £0 (2021-22: £5,425) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2021-22: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £0, 0% (2021-22: £0, 0%) of pensionable pay, were payable to the NICS pension schemes 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.

0 persons (2021-22: 0 persons) retired early on ill-health grounds.

Commissioners' costs (Audited information)

	2022-23			2021-22
	Permanently employed staff £	Other £	Total £	Total £
Commissioners' remuneration	63,784	-	63,784	82,746
Social security costs	2,916	-	2,916	4,932
Total net costs	66,700	-	66,700	87,678

In addition to their salary, subsequent to the High Court ruling, commissioners are paid a fee for attendance at Schedule 1 Committee meetings to make statutory decisions. In 2022-23 the commissioners were required to work additional days over and above their contracted days, excluding Schedule 1 committee work, therefore additional remuneration was paid to them for this work. The costs above include the total remuneration received throughout the year.

Average number of persons employed (Audited information)

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

	2022-23			2021-22
	Permanently employed staff	Other	Total	Total
Directly employed	34	3	37	38

Other employees relate to temporary agency staff.

Staff composition (Audited information)

At 31 March 2023 there were 29 staff employed and 3 temporary agency staff. The staff composition was as follows:

	Male	Female
Chief Executive (SCS)	-	1
Permanent staff	7	21
Other employees	-	3
Total staff composition	7	25

Sickness absence

The Commission has an attendance management policy, and the monitoring and management of employee attendance is based on this. Sickness absence in 2022-23 was 8.74% (2021-22: 3.56%) against a target of 3%, this was split 1.89% for short term absences and 6.85% for long term absences.

Staff turnover percentage

The staff turnover percentage in 2022-23 was 5.88%. (2021-22: 14.29%) This is calculated using the number of leavers in the period divided by the average staff in post in the period. This calculation is based on guidance issued from the Cabinet Office. The figures used are of those permanently employed and excludes other staff which refers to temporary agency staff.

Staff policies

The Commission values and welcomes diversity and is committed to creating a truly inclusive workplace for all. 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. Panel members must have completed mandatory recruitment and selection training prior to participating on selection panels. This training includes specific learning on equality and diversity, relevant legislation and adjustments for disabled candidates. Unconscious bias training is available to all staff. The Commission continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return to the Equality Commission for NI (ECNI).

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. To retain existing employees with a disability or long-term health condition, or employees who have become disabled during the period of employment, the Commission facilitates training and progression. The Commission provides a range of reasonable adjustments to facilitate employees, including training and workstation assessments and adaptations, providing flexible working arrangements and assessing job criteria and duties. 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 Commission operates internal communication and consultation arrangements to exchange information and share ideas and has a people strategy in place. These comprise regular team meetings and weekly all staff briefings. These cover key corporate and operational policy developments such as health and safety or updated charity guidance. Staff are involved in project groups tasked with developing regulatory programmes. The Commission consults and engages with local and official representatives of the recognised trade union, NIPSA, through a Joint Consultative and Negotiating Committee.

The recruitment policy sets out that applicants are given the opportunity to advise the Commission of any reasonable adjustments that they may require. Applicants with a disability who meet the essential requirements will be shortlisted.

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. The Commission continues to meet its statutory obligations under Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return, which assess the composition of the Commission and the Composition of applicants and appointees.

Compensation payments (Audited information)

No compensation payments were made in the 2022-23 financial year.

Ex-gratia payments (Audited information)

No ex-gratia payments were made in the 2022-23 financial year.

Exit packages (Audited information)

No exit packages were awarded in the 2022-23 financial year.

Expenditure on consultancy

In line with the Department for Communities' guidance on classification of expenditure, in the 2022-23 financial year, no external consultancy was undertaken.

Expenditure on temporary staff

Total expenditure on temporary agency staff for 2022-23 was £81,398 (2021-22: £112,061). This was to progress additional work to address some of the recommendations from the Independent review of charity regulation for the Commission, support re introduction of annual reporting requirements, as well as support for an improved charity registration programme.

Off-payroll engagements

There were no off-payroll engagements during the financial year (2021-22: Nil).

6. Assembly accountability and audit report

Assembly accountability disclosure notes

Regularity of expenditure

Losses and special payments (Audited information)

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

Remote contingent liabilities (Audited information)

In addition to contingent liabilities reported within the meaning of IAS 37, the Charity Commission for Northern Ireland had no remote contingent liabilities at 31 March 2023 (2022: £nil).

Notation of gifts (Audited information)

The Charity Commission for Northern Ireland made no gifts over the limits proscribed in Managing Public Money Northern Ireland during the financial year.

This *Accountability report* was signed by the Accounting Officer of the Charity Commission for Northern Ireland on 26 June 2023.



Frances McCandless
Chief Executive
Charity Commission for Northern Ireland

The Charity Commission for Northern Ireland

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

Opinion on financial statements

I certify that I have audited the financial statements of the Charity Commission for Northern Ireland for the year ended 31 March 2023 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 including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Charity Commission for Northern Ireland's financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

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 2023 and of the Charity Commission for Northern Ireland's net expenditure the year then ended; and
- have been properly prepared in accordance with the Charities Act (Northern Ireland) 2008 and Department of Communities directions issued thereunder.

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.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Charity Commission for Northern Ireland in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Charity Commission for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity Commission for Northern Ireland's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Charity Commission for Northern Ireland is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Commission and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Commission and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Communities 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

In the light of the knowledge and understanding of the Charity Commission for Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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 Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Report Manual are not made; 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 the Department of Finance's guidance.

Responsibilities of the Commission and Accounting Officer for the financial statements

As explained more fully in the Statement of the Accounting Officer Responsibilities, the Commission and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the Annual Report, which includes the Remuneration and Staff Report, is prepared in accordance with the Government Financial Reporting Manual;
- assessing the Charity Commission for Northern Ireland's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Charity Commission for Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Charities Act (Northern Ireland) 2008.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Charity Commission for Northern Ireland through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Charities Act (Northern Ireland) 2008;
- making enquires of management and those charged with governance on the Charity Commission for Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Charity Commission for Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: expenditure recognition and the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;

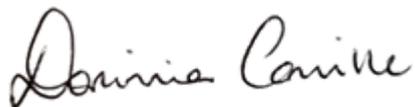
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, 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.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

29 June 2023

Financial Statements

7. Statement of Comprehensive Net Expenditure

for the year ended 31 March 2023

This account summarises the expenditure and income consumed on an accruals basis. It also includes other comprehensive expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as expenditure

	Notes	2022-23 £	2021-22 £
Income			
Other operating income	5	0	16,291
Total operating income		0	16,291
Expenditure			
Staff costs	2	1,421,419	1,496,634
Commissioners' remuneration	2	66,700	87,678
Depreciation and amortisation	3	120,754	75,175
Provision expense	3	21,184	14,436
Other operating expenditure	3	426,108	498,959
Loss on Disposal	6	0	3,189
Lease interest	3	712	0
Total operating expenditure		2,056,877	2,176,071
Net expenditure for the year		2,056,877	2,159,780
Other comprehensive net expenditure			
Net (gain)/loss on revaluation of property, plant and equipment	6	(402)	(106)
Net (gain)/loss on revaluation of intangible assets	7	(19,681)	8,432
Comprehensive net expenditure for the year		2,036,794	2,168,106

The notes on pages 84 to 101 form part of these accounts.

8. Statement of Financial Position

as at 31 March 2023

This statement presents the financial position of Charity commission for Northern Ireland. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Notes	2023 £	2022 £
Non-current assets:			
Property, plant and equipment	6	10,497	14,408
Leased Assets	6	46,906	0
Intangible assets	7	589,388	608,442
Total non-current assets		646,791	622,850
Current assets:			
Trade and other receivables	9	22,469	21,991
Cash and cash equivalents	10	10,636	71,643
Total current assets		33,105	93,634
Total assets		679,896	716,484
Current liabilities			
Trade and other payables	11	(239,553)	(159,120)
Provisions	12	(71,184)	(50,000)
Lease liability	13	(37,642)	0
Total current liabilities		(348,379)	(209,120)
Total assets less current liabilities		331,517	507,364
Taxpayers' equity			
Revaluation reserve		85,127	65,146
General reserve		246,390	442,218
Total equity		331,517	507,364

The financial statements on pages 79 to 80 were approved by the Board on 26 June 2023 and were signed on its behalf by:



Frances McCandless
Chief Executive
Charity Commission for
Northern Ireland



Gerard McCurdy
Interim Chief Commissioner
Charity Commission for
Northern Ireland

9. Statement of Cash Flows

for the year ended 31 March 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Charity Commission for Northern Ireland during the reporting period. The statement shows how the Commission generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Commission. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Charity Commission for Northern Ireland's future public service delivery.

	Notes	2022-23 £	2021-22 £
Cash flows from operating activities			
Net Operating Expenditure		(2,056,877)	(2,159,780)
Adjustments for non-cash transactions (Increase)/decrease in trade and other receivables	3	142,650 (478)	92,800 1,553
Increase in trade and other payables		45,513	12,183
Adjustments to net operating expenditure		(1)	0
Net cash outflow from operating activities		(1,869,193)	(2,053,244)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	0	(11,743)
Purchase of intangible assets	7	(40,181)	(81,258)
Increase in capital payables (Increase)/decrease in investing receivables		34,920 (9,500)	0
Net cash outflow from investing activities		(14,761)	(93,001)
Cash flows from financing activities			
Repayment of lease	13	(38,000)	0
Grants from DfC		1,860,947	2,184,179
Net Financing		1,822,947	2,184,179
Net (decrease)/increase in cash and cash equivalents in the period		(61,007)	37,934
Cash and cash equivalents at the beginning of the period		71,643	33,709
Cash and cash equivalents at the end of the period	10	10,636	71,643

The notes on pages 84 to 101 form part of these accounts.

10. Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2023

This statement shows the movement in the year on the different reserves held by the Charity Commission for Northern Ireland. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Reserve represents the total assets less liabilities, to the extent that the total is not represented by other reserves and financing items

	General Reserve	Revaluation Reserve	Taxpayers' Equity
	£	£	£
Balance at 31 March 2021	415,850	75,441	491,291
Grants from sponsor department - DfC	2,184,179	-	2,184,179
Comprehensive net expenditure for the year	(2,159,780)	-	(2,159,780)
Revaluation gains and losses	1,969	(10,295)	(8,326)
Balance at 31 March 2022	442,218	65,146	507,364
Grants from sponsor department - DfC	1,860,947	-	1,860,947
Comprehensive net expenditure for the year	(2,056,877)	-	(2,056,877)
Revaluation gains and losses	102	19,981	20,083
Balance at 31 March 2023	246,390	85,127	331,517

The notes on pages 84 to 101 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 2022-23 Government Financial Reporting Manual (FReM) issued by Department of Finance. 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 general reserve. Capital Grant-in-Aid has been credited to the general reserve.

1.3 Property, plant and equipment

Expenditure on property, plant and equipment of £1,500 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 £1,500 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 Online Services .	10-17% per annum
CRM system	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 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 Statement of Comprehensive Net Expenditure so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Right-of-use assets obtained under lease agreements 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. The right-of-use asset, and the lease liability is initially measured at the present value of unavoidable future lease payments, together with both (i) periods covered by an option to extend the lease if it is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease if it is reasonably certain to exercise that option.

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 2022-23. 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

As a result of uncertainties in some business activities, some items in the financial statements cannot be measured with precision and can only be estimated, these include estimates for the useful lives of intangible assets and provisions. Where estimates have been required on order to prepare

these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information. Management continually review estimates to take into account of any changes in the circumstances on which the estimate was based or as a result of new information.

1.13 Financial instruments

The Commission does not hold any complex financial instruments. The only financial instruments in the accounts are receivables and payables. 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. Financial assets and liabilities are generated by operational activities and are not held to handle the risk profile facing the Commission in undertaking its operations.

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 2023

. IFRS 16 Leases replaced IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 was implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022. The Commission held an operating lease at 31 March 2022 for the premises it occupies, which has been assessed in accordance with the requirements of IAS 17, which is subject to the requirements in paragraph 28 of IAS 8. The Commission applied IFRS 16 to contracts that were previously identified as leases applying IAS 17. The lease will expire on 30 June 2024, and no decision has been taken in relation to extending it beyond this time. From 1 April 2022 the Commission recognised the cumulative effect of initially applying the asset, representing its right to use the underlying leased asset and a lease liability, and representing its obligations to make lease payments. The Commission has measured the right to use asset at an amount equal to the lease liability, adjusted by the amount of a prepaid lease payment relating to the lease recognised in the statement of financial position immediately before the date of initial application. The lease liability will

be discounted using the HM Treasury discount rate promulgated in PES papers as the incremental borrowing rate. Upon transition from IAS 17, in accordance with FReM the Commission has recognised the cumulative effect of initially applying the Standard at the date of initial application as an adjustment to the opening balance of taxpayers' equity.

The impact of adopting IFRS 16 in 2022-23 is:

SoCNE impacts IFRS 16	£
Depreciation -2022-23	37,525
Interest expense – 2022-23	712
IAS 17 basis Rental payments – 2022-23	38,000
Increased Expenditure	237
CSoFP Impacts IFRS 16	£
Right of use assets – 1 April 2022	84,431
Lease Liabilities – 1 April 2022	74,931

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 2022, but which the Commission has not adopted early. IFRS 17 is the new accounting standard for insurance contracts. It will be effective for annual reporting periods beginning on or after 1 January 2023. The exact date of adoption in the public sector is subject to confirmation. The Commission does not anticipate that the adoption of these standards will have a material impact on its accounts.

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 2023. 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 owned assets are re-valued annually on the basis of appropriate indices from the Office for National Statistics. The Commission's Right-of-use assets are carried at fair value and are valued in accordance with the terms of the lease, which requires a review of lease payments.

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

	2022-23	2021-22
	£	£
Wages and salaries	1,027,548	1,090,714
Social security costs	100,246	102,537
Other pension costs	293,625	303,383
	1,421,419	1,496,634

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:

	2022-23			2021-23
	Permanently employed staff	Others	Total	Total
	£	£	£	£
Commissioners' remuneration	63,784	-	63,784	82,746
Social Security costs	2,916	-	2,916	4,932
	66,700	-	66,700	87,678

In addition to their salary, subsequent to the High Court ruling, Commissioners are paid a fee for attendance at Schedule 1 Committee meetings to make statutory decisions. In 2022-23 Commissioners were required to work additional days over and above their contracted days, excluding Schedule 1 Committee work, therefore additional remuneration was paid to them for this work. The costs above include the total remuneration received throughout the year.

3. Other operating expenditure

	2022-23	2021-22
	£	£
Rent and service charges	3,128	40,536
Relocation expenses	-	16,291
Rates	18,761	6,590
Security	9,156	14,941
Maintenance and repairs	10,621	6,262
Cleaning	6,875	4,613
Telephone and postage	26,691	15,980
Heat, light and power	35,160	15,638
IT network support	14,926	12,904
Stationery and consumables	1,632	2,358
Publicity, printing and advertising	1,115	93
Staff/Commissioners' training	19,683	19,425
Travel and subsistence	3,421	235
Recruitment costs	26,190	15,082
Events and hospitality	6,649	42
Legal and professional fees	116,476	210,971
Miscellaneous expenses	20	20
Membership and licence fees	13,359	14,563
Charity digital services maintenance	46,648	55,662
Minor equipment	5,177	1,310
Communication and research costs	60,420	45,443
Total	426,108	498,959
Non-Cash items:		
Loss on disposal of assets	-	3,189
Depreciation and amortisation	120,754	75,175
Provision expense	21,184	14,436
Unwinding of lease discount	712	-
Total	142,650	92,800

4. Notional Costs

	2022-23	2021-22
Notional costs incurred during the year relate to:	£	£
NIAO audit fee	14,000	11,000
Internal audit fee	14,200	13,970
	28,200	24,970

During the year the Commission did not purchase any 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. Other operating income

The Commission had no other income during the year. (2021-22: £16,291). The Commission moved location in July 2021. It was agreed with DfC that costs incurred in relation to the relocation would be reimbursed and would not be recorded as Grant in Aid income, this income has been classified as Relocation Income. The equal amount of expense in relation to this income is recorded in other expenditure as relocation expenses (see note 3).

6. Property, plant and equipment

2022-23	Buildings	Furniture & fittings	Information technology	Total
	£	£	£	£
Cost or valuation				
At 01 April 2022 (restated)	-	4,273	28,324	32,597
Restate balance 1 April 2022	84,431	-	-	84,431
Additions	-	-	-	-
Disposals	-	-	(2,558)	(2,558)
Revaluations	-	394	478	872
At 31 March 2023	84,431	4,667	26,244	115,342
Depreciation				
At 31 March 2022	-	2,492	15,697	18,189
Charged in year	37,525	855	3,458	41,838
Disposals	-	-	(2,558)	(2,558)
Revaluations	-	309	161	470
At 31 March 2023	37,525	3,656	16,758	57,939
Carrying amount at 31 March 2023	46,906	1,011	9,486	57,403
Carrying amount at 31 March 2022	-	1,781	12,627	14,408
Asset Financing:				
Owned	-	1,010	9,487	10,497
Right of Use	46,906	-	-	46,906
Carrying amount at 31 March 2023	46,906	1,010	9,487	57,403
2021-22				
	Buildings	Furniture & fittings	Information technology	Total
	£	£	£	£
Cost or valuation				
At 31 March 2021	163,217	43,407	37,360	243,984
Additions	-	-	11,743	11,743
Disposals	(163,217)	(39,380)	(20,783)	(223,380)
Revaluations	-	246	4	250
At 31 March 2022	-	4,273	28,324	32,597
Depreciation				
At 31 March 2021	159,363	41,528	35,671	236,562
Charged in Year	665	201	808	1,674
Disposals	(160,028)	(39,380)	(20,783)	(220,191)
Revaluations	-	143	1	144
At 31 March 2022	-	2,492	15,697	18,189
Carrying amount at 31 March 2022	-	1,781	12,627	14,408
Carrying amount at 31 March 2021	3,854	1,879	1,689	7,422
Asset Financing:				
Owned	-	1,781	12,627	14,408
Right of Use	-	-	-	-
Carrying amount at 31 March 2022	-	1,781	12,627	14,408

The Commission owns all assets, except for buildings which is capitalised as a right-of-use asset.

The Commission's owned assets are re-valued annually on the basis of appropriate indices from the Office for National Statistics. The Commission's right-of-use assets are carried at fair value and are valued in accordance with the terms of the lease.

7. 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.

Online Systems (OLS)

OLS encompasses the previous intangible categories of database and annual return. The Commission's online charity register system was brought into use in June 2011. A number of important enhancements were subsequently made to the suite of online services available to the charity sector. Updates improve the level of functionality available to registered charities in Northern Ireland, to those organisations applying to register as a charity and others viewing their information published on the Commission's website. The charity register has been variously updated to reflect annual reporting regulations, requirements in particular for submission of annual monitoring returns during reporting periods, and the associated financial statuses a charity can acquire. Additions in the year in relation to changes to the charity register display were required in response to the Court of Appeal judgment in February 2020. At 31 March 2023, development work is underway to design a more risk-based approach to regulation involving the refinement of existing information flows in the OLS. These development costs have not been amortised.

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 and has been operational since 2015-16. A fourth phase of CRM development was undertaken, providing further functionality covering administration of use of powers and upgrading the software version used. This allows internal departments to fully record and report on these functions.

2022-23	OLS operational £	OLS in development £	CRM operational £	CRM in development £	Total £
Cost or valuation					
At 1 April 2022	521,411	281,689	376,260	70,364	1,249,724
Additions	5,261	34,920	-	-	40,181
Reclassification	157,549	(161,449)	74,264	(70,364)	0
Revaluation	15,148	5,360	15,564	-	36,072
At 31 March 2023	699,369	160,520	466,088	0	1,325,977
Amortisation					
At 1 April 2022	390,436	-	250,846	-	641,282
Charged in year	40,421	-	38,495	-	78,916
Revaluation	6,395	-	9,996	-	16,391
At 31 March 2023	437,252	-	299,337	-	736,589
Carrying amount at 31 March 2023	262,117	160,520	166,751	0	589,388
Carrying amount at 31 March 2022	130,975	281,689	125,414	70,364	608,442
Asset Financing:					
Owned	262,117	160,520	166,751	-	589,338
Right of Use	-	-	-	-	-
Carrying amount at 31 March 2023	262,117	160,520	166,751	0	589,388
2021-22	OLS operational £	OLS in development £	CRM operational £	CRM in development £	Total £
Cost or valuation					
At 1 April 2022	525,896	202,682	382,417	71,106	1,182,101
Additions	-	81,258	-	-	81,258
Revaluation	(4,485)	(2,251)	(6,157)	(742)	(13,635)
At 31 March 2022	521,411	281,689	376,260	70,364	1,249,724
Amortisation					
At 1 April 2022	356,650	-	216,334	-	572,984
Charged in year	35,259	-	38,242	-	73,501
Revaluation	(1,473)	-	(3,730)	-	(5,203)
At 31 March 2022	390,436	-	250,846	-	641,282
Carrying amount at 31 March 2022	130,975	281,689	125,414	70,364	608,442
Carrying amount at 31 March 2021	169,246	202,682	166,083	71,106	609,117
Asset Financing:					
Owned	130,975	281,689	125,414	70,364	608,442
Right of Use	-	-	-	-	-
Carrying amount at 31 March 2022	130,975	281,689	125,414	70,364	608,442

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

8. Financial instruments

As the cash requirements of the Commission are met through Grant-in-Aid provided by the Department for Communities, 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.

9. Trade and other receivables

	2023	2022
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	21,769	21,991
Other receivables	700	-
	22,469	21,991

10. Cash and cash equivalents

	2023	2022
	£	£
Balance at 1 April	71,643	33,709
Net change in cash and cash equivalent balances	(61,007)	37,934
Balance at 31 March	10,636	71,643

The following balances at 31 March were held at:

Commercial banks and cash in hand	10,636	71,643
Balance at 31 March	10,636	71,643

11. Trade and other payables

	2023	2022
	£	£
Amounts falling due within one year:		
Trade payables	36,291	15,699
Capital payables	34,920	-
Pension	11,019	11,019
Accruals and deferred income	157,323	132,402
	239,553	159,120

11.1 Public sector payment policy – measure of compliance

The Department requires that the Commission pays its 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 2022 to 31 March 2023.

	2022-23		2021-22	
Total invoices in accounting period	480		434	
Invoices paid within 10 days	472	98.3%	413	95.2%
Invoices paid 11 - 30 days	8	1.7%	21	4.8%
Invoices paid over 30 days	0	0%	0	0%

12. Provision for liabilities and charges

	2023	2022
	Legal Costs	Legal Costs
	£	£
Balance at 1 April	50,000	35,564
Provided in the year	21,184	50,000
Provisions not required written back	-	(14,917)
Provisions utilised in the year	-	(20,647)
Balance at 31 March	71,184	50,000

Analysis of expected timing of discounted flows

	2023	2022
	Legal	Legal
	Costs	Costs
	£	£
Less than one year	71,184	50,000
Greater than one year	-	-
Balance at 31 March	71,184	50,000

The Commission has received claims for compensation from individuals connected to two charities which had been subject to statutory inquiries, as a result of the impact of the May 2019 McBride Judgment and the subsequent February 2020 Court of Appeal decision. At the year-end these claims were still being considered and assessed and as the matter has not been concluded on, an amount has been provided for in the accounts for some of the claims. A further amount has been provided for in the accounts in relation to a Charity tribunal appeal. The Commission anticipates these will be settled in the next financial year.

13. Leases

The Commission held a lease at 31 March 2022 for the premises it occupies, which was previously assessed in accordance with the requirements of IAS 17. The Commission applied IFRS 16 to contracts that were previously identified as leases applying IAS 17.

13.1 Quantitative disclosures around right-of-use-assets

2022-23	Buildings	Total
	£	£
Right-of-use-asset	84,431	84,431
As at 1 April 2022	(37,525)	(37,525)
Depreciation expense	46,906	46,906
Balance at 31 March 2023	46,906	46,906

13.2 Quantitative disclosures around lease liabilities

	2023	2022
	£	£
Buildings		
Not later than one year	38,000	38,000
Later than one year and not later than five years	-	47,500
Later than five years	-	-
Less interest element	(358)	-
Present value of obligations	37,642	85,500

13.3 Quantitative disclosures around cash outflow for leases

	2023	2022
	£	£
Total cash outflow for lease	38,000	38,000

14. Capital commitments

The Charity Commission for Northern Ireland had no capital commitments at 31 March 2023 not otherwise included in these accounts.

15. Contingent liabilities

During 2021-22 the Commission received a number of letters of claim and two subsequent writs. We have engaged with Legal Counsel on the merit of some of these claims, and at 31 March 2023 this remains at a preliminary stage. As no amount can be reliably estimated at this time, this is included as a contingent liability. (2022: £nil).

16. Related party transactions

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

The Department for Communities is regarded as a related party. During the year the Commission had a number of material transactions with the department, including receipt of grant in aid of £1,860,947 (2022: £2,184,179) and reimbursement income for relocation expenses of £0 (2022: £16,291)

In addition, the Commission had a number of transactions with other government departments and other central government bodies.

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

17. 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 Accounting Officer authorised the issue of these financial statements on 29 June 2023

ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT FOR COMMUNITIES, WITH THE APPROVAL OF THE DEPARTMENT OF FINANCE, 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 resource accounts for the financial year ended 31 March 2023 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 2023 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.

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 and the Department of Finance.

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