

# Setting the Charity Commission for Northern Ireland's strategic agenda

---

Comment phase – seeking your views on the  
Commission's strategic agenda for the future

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

## **Our vision**

To deliver in partnership with other key stakeholders in the charitable sector “a dynamic and well governed charities sector in which the public has confidence, underpinned by the Commission’s effective delivery of its regulatory role”.

Further information about our aims and activities is available on our website [www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)

## **Equality**

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

## **Accessibility**

If you have any accessibility requirements please contact us.

## **Our approach to engagement**

When we engage with stakeholders we adhere to principles of:

- commitment
- honesty and integrity
- openness
- adherence to the best approach
- early involvement
- information sharing
- accessibility
- separation of functions
- evaluation
- clear communication.

## Background

The Charity Commission for Northern Ireland (the Commission) is developing a new strategic plan and is calling for your support in setting its strategic agenda for the future.

It is envisaged that the new strategic plan will outline how the Commission will work to deliver the statutory framework governing charity regulation in Northern Ireland over the next three years.

This document seeks your comments on the Commission's:

- vision
- mission
- values
- priorities
- key aims and business goals
- strategy.

## How can you engage with the Commission during this comment phase?

During the comment phase there are a variety of ways you can provide your comments on the Commission's strategic agenda:

1. Complete an online questionnaire available at [www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)
2. Complete the questions in this document and either:
  - Email it to [consult@charitycommissionni.org.uk](mailto:consult@charitycommissionni.org.uk) or
  - Post it to Charity Commission for Northern Ireland, 257 Lough Road, Lurgan, Northern Ireland, BT66 6NQ

You can also keep updated on our engagement, and other Commission news, via our Twitter feed **@CharitycomNI** using **#NIcharities**

If you have any accessibility requirements, please do not hesitate to contact us and let us know.

# **Setting the Charity Commission's strategic agenda**

Engagement with Stakeholders

June 2015

## **1.0 Introduction**

The Charity Commission for Northern Ireland is developing a new Strategic Plan for 2016-19 and beyond. The Strategic Plan is our most practical means to make our ambitions a reality. Views are being sought through this comment phase on what our ambitions should be for the next three years.

Comments should be submitted before 7 September 2015.

The purpose of the engagement is to seek views and suggestions from interested parties on the possible contents of a draft strategic plan. This includes questions about our overarching vision and purpose, values, priorities, aims and business goals.

The Commission believes it is time to develop a fresh strategic planning approach and focus on setting organisational priorities to deliver the statutory framework governing charity regulation in Northern Ireland.

## **2.0 Context**

The opening of charity registration in 2013, saw a core aspect of the Northern Ireland Executive's policy on regulating the charity sector come into effect. This was the Commission's main business priority from that point to the present. As registered charities begin submitting annual reports and accounts in line with regulations from 2016/17, it is anticipated priorities will change. In addition, there is significant additional unplanned compliance work arising from registrations. This includes ensuring registration applications are provided by Trustees, and verifying that Trustees properly discharge their legal obligations in terms of closed charities which are notified during the process of calling forward organisations previously deemed charities by virtue of their charitable tax status.

The Commission is currently working to establish an effective compliance monitoring culture with the charity sector. This will be in the context of the Department for Social Development bringing into effect accounting and reporting regulations in January 2016. These are some of the main major organisational challenges that the Commission needs to progress during 2016-19.

### 3.0 Overview of our approach to charity regulation

Our approach to charity regulation in Northern Ireland is designed to meet the obligations set out under the Charities Act (Northern Ireland) 2008 (the 'Act') with the resources provided by the Northern Ireland Executive.

The Charity Commission for Northern Ireland's statutory objectives, functions, powers and duties are set out in the Act, in particular the objectives are:

1. *Public confidence objective*: to increase public trust and confidence in charities.
2. *Public benefit objective*: to promote awareness and understanding of the operation of the public benefit requirement.
3. *Compliance objective*: to promote compliance by charity trustees with their legal obligations in exercising control and management of the administration of their charities.
4. *Charitable resources objective*: to promote the effective use of charitable resources.
5. *Accountability objective*: to enhance the accountability of charities to donors, beneficiaries and the public.

### 4.0 Vision

Our overall ambition is:

*'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.'*

1. Do you agree with the Commission's overall ambition?	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Why do you say that? We consider that the Commission's vision should include the following after 'regulatory role': 'including the provision of information and guidance to encourage compliance'.  We also have concerns about the meaning implied in the wording of "well governed charities sector".	
2. Are there any suggestions you would make to develop this further?	
We believe that the Commission already makes this provision by providing information and advice to charity trustees and/or their staff. It would be in line with its vision to ensure a 'well-governed' charities sector in which the public has confidence. We do not believe this is possible without the support, advice and guidance from the Commission.	

We are also concerned about the phrase "well governed charities sector". The goal is a sector full of well-governed charities and, while this is surely what the Commission intended to convey in this statement, the phrasing implies that governance of the sector is the Commission's role, which is not the case.

Furthermore, the order of the statement suggests that the Commission is more interested in effective delivery insofar as it upholds public trust and confidence and not for the purpose of enabling charities.

We suggest that the statement could be amended along the following lines:

"A strong (or empowered?) voluntary sector of well-governed charities, in which the public have confidence, enabled by the Charity Commission of Northern Ireland's effective delivery of its regulatory role including the provision of information and guidance to encourage compliance."

We also note that this vision differs to the vision of the Charity Commission of England and Wales, which also differs from OSCR. Is it not reasonable to expect that the vision of all three bodies should be consistent, given their shared goals and purposes?

### **3. How can the Commission and the charity sector work better together to increase public trust and confidence in charities?**

We believe that sufficient consideration of applications at registration stage is crucial to a sound and viable charity sector. The Commission states: 'We intend to encourage compliance through providing information and guidance, rather than have to intervene at a later stage after things have gone wrong.' We would suggest that the Commission puts this into practice by making the obtaining of a charity registration number a signal to the public that this particular charity has met all the legal requirements about its governance and activities and those who run it. Consideration of whether an organisation's activities (as well as declared objects) is necessary to judge whether an organisation is exclusively charitable (in its activities) and has the wherewithal to comply with its regulator, including the capability of its trustees.

Establishing good relationships between charities and the Commission from the very beginning of the registration process is therefore crucial. This has the benefit making the validity of the registration process more robust by allowing the Commission a better insight into a charity and so preventing issues with compliance arising at a later date. Furthermore, if a charity has a good relationship with the Commission from the outset and feels well-supported by them, this should further improve compliance, as well as encouraging charities to come to the Commission for support if challenges arise in the future. If the Commission and charities have confidence and trust in each other, public confidence and trust is likely to follow.

Furthermore, the Commission must be strong in executing its role on an evidence basis, not allowing its decisions to be directed by media hype or political pressure. The Commission should be prepared to use their register and any data they have to dispel myths or misconceptions about the sector. For example, if the media spreads claims about

mismanagement in a charity, yet the Commission has no evidence, it is within the Commission's remit of upholding trust and confidence to state that they have no evidence of this, that no complaints have been made.

Charities are not always able to control how they are portrayed in the media and must often do work which is unpopular with sections of the public or the media, but delivers important public benefit, helping the most vulnerable in society. Beneficiaries, and the charities that support them, may be vilified by the media - whether migrants, domestic abusers, ex-offenders, prostitutes – but the work of such charities is absolutely vital and benefits society greatly. In order to uphold public trust and confidence, the Commission will need to look beyond its own constituency and work with, for example, the Independent Press Standards Organisation, to help prevent the sector from being unfairly brought into disrepute.

## 5.0 Mission

Our mission is:

*'to register, regulate and report on the charity sector in Northern Ireland.'*

### 4. Do you agree with the mission the Commission has set out?

<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>
-------------------------------------	---

Why do you say that?

This should include a reference to the support, advice and guidance the Commission will provide. We would also wish to see the word "enabling" included in their mission.

### 5. Are there any suggestions you would make to further develop this?

The Commission already supports charity trustees and this should be part of its mission so as to encourage compliance by trustees and as a consequence, improved public confidence.

DSC believes that regulation should be enabling to charities, seeking to empower rather than control voluntary activity. As suggested above, regulation must be accessible and intelligible to those being regulated and should seek as far as possible to encourage self-regulation rather than focus simply on enforcement. We would like to see this reflected in the Commission's mission.

## 6.0 Values

The Commission aspires to be respected and valued in the execution of its functions and to demonstrate best practice as a regulator and as a public body. In the performance of our role as the charity regulator for Northern Ireland we will be:

- *Independent:*  
we will maintain independence in our decision making, acting without fear or favour, in the public interest.
- *Accountable:*  
we will be proactive in accounting to all our stakeholders, which will include involving others on a continuous and appropriate basis and taking responsibility for our decisions.
- *Proportionate:*  
our actions, procedures and culture will be proportionate to the burden of regulation on charities of different sizes, to the degree of risk involved and to the potential impact within the resources available to us.
- *Impartial:*  
we will exercise our powers and discretion in a way which is non-partisan and even-handed.
- *Transparent:*  
we will communicate with and listen to our stakeholders and will be clear about our actions, intentions and expectations.
- *Consistent:*  
we will act consistently in our decision making.
- *Respectful*  
we will maintain positive relationships within a mutually supportive working environment where everyone is encouraged to develop and is appreciated, and work is undertaken with honesty and integrity.

**6. Do you agree with the values the Commission has set out?**

<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>
-------------------------------------	---

Why do you say that?  
 We welcome the values stated above as the right values for the Commission's regulation to be based upon. We feel that they could just use some clarification.

Independence and impartiality might both be clarified. Whilst independence is to be without fear or favour, impartiality does not contain this requirement. We also consider that 'the public interest' is vague. Could this be further defined by a reference to decisions and powers being without the interest of government, or is this what the Commission mean to say when they refer to public interest? Would public interest be defined by the views of those who have been elected to speak on its behalf? And would this therefore compromise impartiality?

We agree that the Commission's actions should always be proportionate to the size of charities and recognise the diversity of the sector. The phrase "within the resources available to us" appears to be a catch-all - can this be further clarified or quantified?

We would also highlight the link between consistency and accountability - whilst it is important that the Commission acts consistently in its decision making, it must be open to

feedback, to ensure that the basis upon which it makes decisions is sound. As is stated under the value of accountability, this requires involving and listening to the Commission's stakeholders where appropriate. It may not always be possible to be consistent if decisions need to be reviewed or changed consequent to feedback. For example, what is considered at one time to be charitable may change over time.

We would also like to see "enabling" included as one of the Commission's key values. We believe that regulation should seek to empower rather than control voluntary activity, should be properly understood and should seek as far as possible to encourage self-regulation rather than focus simply on enforcement. This could be reflected in the Commission's strategy by the inclusion of "enabling" as a key value.

We also note that, although they are similar, the values held by the Charity Commission of Northern Ireland, the Charity Commission of England and Wales and OSCR all differ. We would question what justification there can be for this. Although each body is indeed working with the sector in the context of their own country, it would be fair to expect that they should all uphold the same values. There is so much overlap between these bodies, with many charities operating in all three jurisdictions. Even if the practices and activities of each body are at different stages, and they each have their own organisational history and context, charities should be able to expect that the values underlying the regulation in each country within the UK are consistent.

#### **7. Are there any comments or suggestions you would make to further develop these values?**

See 6.

### **Priorities**

The Commission believes it can best fulfil all its statutory objectives, with the resources at its disposal, by having an overall focus on building public confidence in charities through accountability, and it should deliver this by concentrating on the following four priorities: compliance, charity registration, public benefit and developing the Commission. The Commission's four key aims in the next three years will be:

- 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 body.

#### **8. Do you agree with the main priorities the Commission has set out?**

<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>
<p>Why do you say that?  We consider that 'Progressing charity registration' should not be the aim unless that is appropriate. For example, simply because a charity has adopted one of the Commission's model governing documents and / or model charitable objects', this should not be a reason for it to be 'progressed' without due consideration of its activities, its trustees and its administration and management procedures (in practice). We consider that appropriate charity registration is crucial to the Commission's Vision.</p>	
<b>9. Are there any other comments or suggestions you would make to help the Commission develop its priorities further?</b>	
<p>We would like to see the Commission setting a priority around providing accessible data and information to the public via an online register of charities. This transparency and availability of information would benefit the whole sector.</p>	

## 7.0 Key Aims & Business Goals

Aim 1) Developing compliance regarding the use of charitable resources.

Key Impact - we will support compliance by charity trustees with their legal obligations and address non compliance by:

- developing a positive regulatory framework based on accounting and reporting regulations being put into effect by Government from 2016
- using compliance and enforcement powers to take proportionate and robust action to protect Northern Ireland's charities from mismanagement and abuse
- verifying that trustees have properly discharged their legal obligations in terms of closed charities
- acting robustly when charities do not respond to regulatory requirements, or whenever there is doubt about information provided
- being a proactive regulator and exploiting our data fully to identify risk and sharing lessons learnt regarding abuse of charities
- working closely with other government agencies and funders dealing with charities to become the primary hub for regulatory data.

<b>10. Do you agree with the main goals the Commission has set out in terms of developing compliance regarding the use of charitable resources?</b>	
<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>

Why do you say that?

We welcome the accounting and reporting regulations being put into effect by the Commission. The availability of accounts is of benefit to all stakeholders, including the public, fundraisers, researchers, donors, grant-makers and the sector as a whole. DSC scrutinises the accounts of charities on a daily basis, using the information to produce research and publications that benefit small / medium charities and the public.

We also welcome the goal of working with other agencies to become the hub for regulatory data. DSC utilises the data of the Charity Commission of England and Wales, as well as increasingly Scotland, on a daily basis, to the benefit of charities, grant-makers, fundraisers and the public. It is wholly positive that Northern Ireland is working towards making data more available; this will enable DSC and others to better inform beneficiaries and help them to access funding more easily, as well as bringing wider benefits for the whole sector and the public.

**11. Are there any other comments or suggestions you would make to help the Commission develop these goals further?**

We would like to see mention here of the Commission's role in providing advice, support and guidance, informing trustees and charities of their duties in order to encourage compliance - to work preventatively, positively enabling compliance, not just reacting when mismanagement occurs.

It is of course vital that the Commission responds swiftly and effectively against non-compliance, for the benefit of everyone, including beneficiaries, the public and other charities. Regulation should be empowering to charities, rather than punitive, wherever possible, encouraging good practice. In order to do this, charities must be well-informed and compliance must be well-understood.

**12(a). The Commission will publish its final investigation reports where there has been mismanagement or misconduct in charities, what do you consider is the impact of this action on the public's confidence in the charity sector?**

Strongly increase	Somewhat increase	Neither increase nor reduce	Somewhat reduce	Strongly reduce
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**12(b). If you have answered that the public's confidence in the charity sector is reduced, how can the Commission address this position?**

Crucial to encouraging public confidence in the charity sector is the Commission's public education work. The Commission is well-placed to raise awareness about public benefit, as written in its statutory objectives, and the hugely valuable role that charities play in society in Northern Ireland. The public confidence objective goes hand in hand with the public benefit objective in this sense. Also important is raising public awareness of the Commission's work - about registration and accounting, the availability of regulatory data and the robustness of the registration process, so that having a registration number is seen not just as a legal requirement, but as a mark of integrity for charities. For example, even a simple line in a television programme about only giving to registered charities would reach a wider audience. The public, if well informed, should be able to trust that cases of mismanagement or misconduct are rare exceptions, and that being registered with the Commission provides protection against, and prevention of, such problems.

**13. In using compliance and enforcement powers should the Commission focus on generic issues, for example fraud, mismanagement or abuse of vulnerable beneficiaries, or should it undertake enquiries into specific types of charities in the coming years?**

We would question what the justification is for putting more resources into a specific genre of charities, at the expense of others. Is there good reason to think that all charities of a specific kind are collaborating in mismanagement or abuse? Any risk-based allocation of resources should be determined on the basis of robust evidence and data. If there is sufficient evidence, does such an issue fall within the remit of the Commission, or should it be progressed to investigation by police? There is a danger in treating all charities of a specific kind as generic or uniform, and consideration must be given to the damage that this may do to charities of this kind that have always been compliant. There is a serious risk here of alienating parts of the sector.

By focussing resources on one area, this may also divert attention from issues that could be found elsewhere, which may not be the best use of the Commission's resources. If resources are used instead to tackle more generic issues such as those stated in the question, it would be hoped that this is sufficient to cover any problems that arise within charities of any kind.

**14. Should the Commission develop a partnership approach to support uptake of lessons learnt regarding abuse of charities?**

It would seem sensible that the Commission utilises the expertise and experience of any

partners that can help to disseminate good practice. For example, umbrella bodies, such as NICVA, and those organisations such as DSC providing information, advice and training, work to support charities across Northern Ireland on a daily basis, are well-placed to communicate such lessons, and would also surely welcome any insight that the Commission could pass on to prevent further problems occurring in the future. However, such partnerships must be considered very carefully in the light of the Commission's objectives - in particular, impartiality and independence. Careful thought should also be given to how such a partnership is resourced and the further implications of this.

Aim 2) Progressing charity registration to enhance accountability.

Key Impact – we will increase charity transparency by progressing the definitive, public list of Northern Ireland charities that is:

- the result of an efficient and accessible registration process that reflects the definition and norms of charity under the law
- freely available and accessible globally through the world wide web providing accurate and timely information about charities
- made up of a range of information from charities and statutory decisions the Commission has made about them which increases transparency and confidence
- effective in identifying those who have failed to register
- informative for the public and donors when making decisions about whether or not to support specific charities because of their purposes or financial or regulatory concerns.

**15. Do you agree with the main goals the Commission has set out in terms of operating charity registration to enhance accountability?**

<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input checked="" type="checkbox"/>
-------------------------------------	---

Why do you say that?

The operation of a robust public register of charities and the availability of such information via the internet is of benefit to a variety of stakeholders, including the public, fundraisers, researchers, donors, grant-makers and the sector as a whole.

However, registration should, as stated, "reflect the definition and norms of charity under the law". The aim should not simply be to get all possible organisations registered, but that registration should also be a mark of quality, granted only to those organisations that fulfil the criteria robustly. If an organisation has not registered, it should be as much to their own detriment that they are not registered as it is onus on CCNI to identify them. This is reflected in the point that the register should be "informative for the public and donors" - not only should the information on the register be informative to donors, but the lack of a registration

number should be equally informative (bearing in mind the income criteria). By fostering a culture of quality in registration, donors can be equipped and encouraged to distinguish those organisations where their money will be best managed. If donors give to those that are registered and not to those that aren't, this would further encourage registration and the good practice that it demonstrates.

We applaud the Commission's work so far in aiming to increase public awareness about what counts as a charity under law and who needs to register, and hope that it will continue to provide transparent, accessible information and support about the registration process.

DSC uses the information on the websites of the Charity Commission of England and Wales and OSCR on a daily basis, to wide benefit for the third sector. The availability of information from the Northern Ireland Charity Commission would benefit not only the work of DSC and other stakeholders, but the sector as a whole in Northern Ireland.

We also welcome the publication of the statutory decisions of the Commission, which is indeed a step towards greater transparency and confidence in the regulator, and therefore in the sector.

**16. Are there any other comments or suggestions you would make to help the Commission develop these goals further?**

As above.

**17. What are the key opportunities to improve use of the register and how do we overcome reluctance by some charities to increase accountability?**

"Reluctance to increase accountability" seems to refer to reluctance amongst some charities to apply for registration. The benefits of registration should be made great enough that a charity would lose out by not registering. For example, an awareness-raising campaign informing the public and donors about how registration is signal of quality, robust governance and public benefit, and highlighting the risks of donating to an organisation declaring itself to be exclusively charitable that is not registered, would be a good opportunity to overcome reluctance to apply for registration.

**18. During 2016-19 should there be a slowdown in the commencements of outstanding parts of the Charities Act (Northern Ireland) 2008 to enable further focus on those that have failed to register?**

Yes

No

Why do you say that?

It is not made clear here what specific outstanding parts of the legislation this question refers to. We did email the Charity Commission for Northern Ireland for further information and clarification on this point, a month before the deadline, but received no response.

However, without further information, we would expect such a decision to be made on the balance of the following factors. It would not make sense to commence with additional responsibilities for registered charities while the process of registering is still so much in progress if this risks slowing down the registration process, which of course forms the very basis for regulation. However, further commencement should happen as swiftly as is practicable if it results in more effective regulation for those charities that are already registered.

We would suggest that ensuring that the process of registration and the further commencement of the outstanding parts of the Act are done in a considered, well-managed way is more important than the speed at which they are done. Of course, they should be done in a timely manner, but not at the expense of high standards or fairness to the charities involved.

#### **19. How could the Commission increase collaboration with the sector in terms of promoting regulation and its benefits?**

As referred to in question 14, working with umbrella bodies and capacity-building bodies that promote good practice with charities on a daily basis is a sensible idea, as long as this is carefully considered in the light of the Commission's values.

Many of the plans referred to in other aspects of this strategic agenda would be of benefit in this area too - such as the publication of data on charities and the Commission's work, and the continuation and further development of practices such as the helper groups and other support features that the Commission already has in place.

We would suggest that there are therefore two strategies that the Commission must employ here. One is the availability of accessible, concise and understandable guidance and information for charities online. This ever-important strategy has been adopted by the Charity Commission for England and Wales. However, we would also suggest that this should not overshadow the importance of a second strategy, based on building strong relationships, through outreach and case work by the Commission's personnel, where direct, personal contact can often be even more effective than the availability of online information alone.

If Commission staff were to go out to umbrella bodies and helper groups, they could train properly those who train others. We believe that, at the moment, although there are information services out there, not all are consistent or consistently good. We understand that in the past, Commission staff took out "roadshows" where information and advice were given, particularly to smaller, newer organisations that could trust that they had received good and sound information from the horse's mouth.

Aim 3) Demonstrating the public benefit arising from charitable giving and activities.

Key impact – we will encourage the public to play a key role in and enhancing the rigour with which they can directly hold registered charities accountable by:

- developing public awareness of what regulation means and operation of public benefit, to encourage an informed and questioning public approach to charities
- providing a resource where the public can obtain guidance and/or raise concerns about charities
- undertaking a programme of research, including identifying best practice and encouraging wider awareness of the operation of public benefit
- publishing a range of open data and research reports reflecting the size, diversity, operations and funding of the charity sector
- working with umbrella bodies dealing with charities to develop strategies to widen the opportunities for others to hold registered charities accountable, while retaining our independence.

**20. Do you agree with the main goals the Commission has set out in terms of demonstrating the public benefit arising from charitable giving and activities?**

<b>Yes</b> <input checked="" type="checkbox"/>	<b>No</b> <input type="checkbox"/>
--	------------------------------------

Why do you say that?

We welcome the suggestion of a programme to increase awareness of what public benefit means. This kind of education programme would also benefit the registration process, helping organisations which are not yet registered to understand their responsibilities and the benefits of regulation. It would also be helpful for the public to understand regulation and the meaning of public benefit, and could encourage them to donate only to those with a registration number.

We also welcome the publishing of open data. This is a forward-thinking initiative that would benefit the whole sector through improved transparency. Open data enables researchers and policy-makers to conduct more analysis of information and therefore gain further insight into the state of the sector, and make decisions based on robust evidence. It also benefits the public to see where charities get their funds from and how they are spent, benefiting public confidence and encouraging donations.

Equally, research reports as mentioned in the question could be helpful in encouraging wider understanding of the sector, its role, its benefits to society and opportunities for positive change.

Working with umbrella bodies and others, such as capacity-building organisations in the voluntary sector, could be a positive step in terms of supporting charities; however, we would enter the caveat that such partnerships must be carefully considered in terms of maintaining the Commission's independence and impartiality. For example should the Commission for Northern Ireland state that such partnerships will be with organisations from the voluntary sector alone, as opposed to a mix from both the public

and voluntary sector? This would ensure impartiality from government influence.

**21. Are there any other comments or suggestions you would make to help the Commission develop these goals further?**

We would recommend that the open data published by the Commission is available in a format which allows it to be used by a wide range of researchers and stakeholders.

**22. Should the Commission's research agenda include a specific focus on issues relevant to particular types of charities that fail to deliver public benefit?**

Yes

No

Why do you say that?

According to charity law, charities that "fail to deliver public benefit" should not be on the Central Register of Charities for Northern Ireland. This may not, therefore, be an effective use of the Commission's resources. If there are concerns about the ability of a specific type of charity in general to deliver public benefit, then perhaps these charities should be more closely monitored. However, procedures should be in place (and should be used when necessary) to remove such charities on an individual basis if they fail to deliver public benefit.

**23. How should the Commission use the power of the public to effect change in the charity sector, and use media and the lever of public resourcing / charitable donations?**

Too often, the only stories that are reported in the media about charities are those rare cases when mismanagement occurs. These cases are not representative of the sector and give a misleading, negative message to the public of the sector. The Commission should be proactive in reporting on and publicising the societal benefits of the charity sector and its regulation.

The Commission should also be responsible in how it reports on cases of abuse or mismanagement in charities; not being reactive to the media, but being firm in standing by the quality of its own regulation rather than giving in to external pressure. The procedures and policies that the Commission has in place should be held as robust, and the Commission must uphold its values of independence, impartiality and accountability in its dealings with the media.

Furthermore, beyond ensuring and promoting good practice and compliance with the

law in the sector, it is not the regulator's role to 'effect change within the charity sector'. It is not within the Commission's remit to determine, for example, how many charities there should be, how they should or shouldn't work with the state, whether they should or shouldn't campaign within the law. The regulator's role is to ensure compliance and promote good practice.

**24. How could the registration 'helper groups' network be broadened and made sustainable to focus on delivery of public benefit by the sector?**

We welcome the idea of "helper groups" for enabling trustees and charity staff to access the information and support that they require, encourage registration and offer guidance on the issues that charities face. However, from experience DSC has found that not all information and guidance given by those other than Commission staff is always helpful and, in fact, at times can misinform and cause greater problems. Such helper groups must be well trained by the Commission to be able to effectively deliver the support that is needed.

We should also point out that responsibility and accountability could be called into question here, and indeed could produce another layer of unhelpful administration and bureaucracy, depending on how those helper groups are funded. If it were not to be by the state, this would cause a drain on already stretched funding resources.

Aim 4) Developing as a properly governed, transparent and independent decision-making body.

Key Impact – we will manage our business and deliver services to our customers in an efficient and effective way while promoting a positive internal organisational culture by:

- maintaining a focus on organisational governance, culture and values
- reporting reliable information on performance against targets and standards, and on the use of all available statutory powers
- developing the capacity to manage change effectively and identify ongoing improvements to systems and processes.
- monitoring and responding to customer needs and satisfaction.
- having a commitment to promoting equality of opportunity and good relations.

**25. Do you agree with the main goals the Commission has set out in terms of developing as a properly governed, transparent and independent decision making body?**

Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
---	-----------------------------

Why do you say that?	
<b>26. Are there any other comments or suggestions you would make to help the Commission develop these goals further?</b>	
<p>Are there any performance indicators for the aims above? How can they be quantified? The Commission's key aims under this heading are laudable but not really quantifiable and so could really say fly to the moon.</p> <p>We would like to see further detail on how the Commission will maintain its independence and impartiality through the aims stated above.</p>	
<b>27. Are there specific groups of customers who you believe find it more difficult to use our services?</b>	
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<p>If yes, what are those groups and why?</p> <p>Those without good internet access, or with little experience of using online services, may find it more difficult to take advantage of the Commission's services or access the resources that they need. In particular, small charities relying on trustees with little technological experience should be considered when evaluating the accessibility of the Commission's services - for example, considering the offline provision on offer, or targeting support for these customers. In such cases, they could be contacted by post with information explaining the benefits of online services and encouraging them to take up support on offer.</p>	
<b>28. With a finite budget, what areas of activity should the Commission be prepared to re-prioritise or stop altogether?</b>	
<p>The Commission must consider any re-prioritisation or cuts to its activities very carefully. For instance, it would be counterproductive to cut preventative activities, which could help to prevent more costly problems occurring in the future. Activities such as offering guidance, information and support to charities should be prioritised to avoid the need for reactive measures in the future. It is of course vital, however, that the Commission is also able to respond effectively when non-compliance occurs.</p> <p>Providing accessible information via the internet is a cost-effective solution, requiring little maintenance costs for the Commission in the long term once it has been produced, as well as being more environmentally friendly. However, there must also then be resources invested in helping charities to get online and take up the online services offered. Furthermore, personnel cannot be fully replaced by online provision, as the kind of support that can be offered by well-trained, helpful staff members is invaluable</p>	

in the long term and is an investment which could avoid future costs in tackling non-compliance.

Deciding which areas should be re-prioritised or stopped altogether if necessary is a process which should be continually reviewed, in line with the changing priorities of the Commission. For example, at the moment, developing the charities register is a priority and so requires a lot of the Commission's resources. However, in a couple of years' time, this will be less of a priority and other aspects of the Commission's work will become more important.

What should always remain a priority is the robustness of the registration process, with penalties for those giving false or inaccurate information, which should be well-publicised in the registration literature.

## **29. How could this strategic plan result in better equality outcomes for all?**

Accessibility of information and resources is key to equal opportunities. Making helpful resources available through the Commission's website is a positive step in this respect, enabling charities to access the support they need themselves. However, it must be recognised that there are still many stakeholders who do not access online resources easily and provision must be made to ensure that they are given the support they need. More generally, the Commission's values of consistency and openness are important to securing equality outcomes for all - making sure that all stakeholders receive fair treatment but also being flexible enough to take into account the diversity of their needs and views.

The Commission's staff must also be well-trained to reflect and uphold values of equality. They must have a good understanding of the sector and its diversity, and share the Commission's commitment to equality and fairness. The Commission's staff should be fully conversant in and empathetic to the role of trustees. Here at DSC, we know from contact with our customers and beneficiaries that trustees / potential trustees often see the Commission as the police rather than the enabler. This is often the reason they will contact DSC as a first step before contacting the Commission.

## **8.0 What will success look like?**

Our key targets over coming years will include:

### External

- By the start of 2019 open the on line register to applications from new charities as they are established
- By end of March 2019 to have made determination on organisations on the "deemed list"<sup>\*1</sup> and those that have submitted expressions of intent<sup>\*2</sup>
- 60% of registration applications processed to a decision within four months of receiving a 'complete' application

- 90% of applications processed to a decision within 75 working days of receiving a completed application
- to achieve satisfaction with public benefit guidance above 75%
- to undertake up to a maximum of 130 investigations into concerns (depending on the number of concerns received and whether the Commission can legally deal with them)
- to produce up to six reports annually on the findings of our investigations and casework
- 90% of concerns about charities to have their initial enquiry risk assessments completed within 30 days
- to produce 10 pieces of guidance for charities and the public in 2015/16
- to commence a programme of work on charity accounting and annual reporting
- to achieve 75,000 hits on our website.

Internal

- to manage the organisation within 1% budget
- to pay 90% of suppliers within 10 days.

**30. Do you agree with the main performance measures the Commission has set out?**

<b>Yes</b> <input checked="" type="checkbox"/>	<b>No</b> <input type="checkbox"/>
--	------------------------------------

Why do you say that?  
 The performance measures set by the Commission are positive in terms of its transparency, accountability and standards. We particularly welcome the goal of commencing a programme of work on charity accounting and annual reporting.

**31. Are there any other comments or suggestions you would make to develop these further?**

We would question the need for a prescriptive number of guidance pieces. What will this guidance be about? While we welcome as much guidance as possible, it should be produced to meet a need. Will the Commission be able to respond to demand or gaps in understanding to produce additional guidance outside of the 10 pieces specified?  
 We would also suggest that, in addition to reaching 75,000 hits on the website, the Commission sets a performance measure around encouraging or helping more charities to access online services, particularly those which have not done so in the past.

\*1 Deemed charities by virtue of the Charities Act 2008 (Transitional Provisions) Order (Northern Ireland) 2013 No 211.

\*2 Received by end December 2018

**Are there any additional comments you would like to make?**

In conclusion, there are a few key themes to our comments on the strategic plan, which we feel are worth consideration:

- Throughout this document we have referred to the importance of scrutiny of each application in order for the Charity Commission of Northern Ireland to establish a central register of charities in which the public can have confidence. However, we are aware that there are some exclusively charitable organisations within the voluntary sector which are not encouraged to register because of the minimum financial requirement for registration. A registration number should be a kitemark for CCNI; however, our comments relate to those charities which meet the minimum requirement for application.

- The provision of information and guidance is a key role of the Commission and the importance of this work should not be underestimated. It is crucial to encouraging good practice, building public confidence and preventing non-compliance or mismanagement occurring in the future. Alongside this, there should also be a focus on building good relationships between charities and the Commission from the outset. The Commission benefits if charities feel well supported, as they are more likely to avoid non-compliance issues in the future, which in turn also encourages public confidence and effective use of charitable resources. The power of such relationships should not be underestimated.

- Registration is a key priority of the Commission at the moment. We recommend that the Commission works to ensure that a registration number is an indicator of quality, high standards, good practice and accountability. Registration should not be pushed forward at the expense of the integrity of the applicant organisation and quality should be the Commission's byword. Those that do not robustly deliver public benefit or meet other criteria should be rejected. Furthermore, we would welcome public education around registration, as well as encouragement to donate only to those organisations which have a registration number. This not only ensures that funds are well spent, it also improves public confidence in charities and the regulator, and provides incentives for those organisations which have not yet registered to do so.

- We welcome the Commission's moves towards greater transparency and accountability. Initiatives such as making available open data on the sector, publishing research and making a range of information about the sector available online will benefit the sector and all its stakeholders.

- We also hope that the Commission will consider the needs of those charities which have not as yet accessed online support, and that provision will be made to encourage uptake of online services, as well as alternative arrangements to ensure that information reaches those who need it.

- A final point that we wish to highlight is the discrepancy between this strategic report and the values and visions of the Charity Commission of England and Wales and OSCR. Each body, while sharing strategic objectives, has their own set of values and their own vision. Whilst we understand that each body has its own organisational context, is dealing with the sector in a different landscape and has reached different stages in the development of their practices and activities, we would question the justification for separate values and visions. Are the differences between each Commission great enough that the underlying principles should differ? We would think it reasonable that charities should be able to expect consistent

and fair values and visions underpinning the regulation that they receive in each jurisdiction so, where charities are to follow requirements in more than one jurisdiction, the Commission they refer to is not confused or ambiguous. Whilst we are aware that this issue is not the sole responsibility of the Charity Commission of Northern Ireland, we feel that it is a point worth making on behalf of UK charities.

#### DSC's Principle of Responsible Regulation:

DSC believes that some regulation is necessary to safeguard and maintain the interests of the general public, the beneficiary, and of the organisations and individuals being regulated. However, it should have a demonstrable benefit, and should aim to empower and strengthen voluntary activity rather than control it unnecessarily.

Our understanding of what constitutes regulation stems from the impact it has on the organisations and individuals concerned, rather than any technical definition.

##### a) Regulation should be proportionate

Regulation must strike a balance between perceived risk and intended benefit. It should recognise the diversity of voluntary sector activity and be developed and applied in a proportionate way.

##### b) Regulation should be appropriate

Regulation must be informed by the characteristics, capacity, and needs of the organisations and individuals that are being regulated. Insofar as is possible it should be focussed, rather than acting as a blunt instrument that has unintended effects.

##### c) Regulation should be enabling

Regulation should seek to empower rather than control voluntary activity. The reasons for the regulation and the regulation itself must be properly understood by those institutions which are applying it. It should be accessible and intelligible to those being regulated. It should seek as far as possible to encourage self-regulation rather than focus simply on enforcement.

--

**Are you happy to have your comments attributed?**

YES	NO
<input checked="" type="checkbox"/>	<input type="checkbox"/>

**If you would like to be added to our stakeholder database, please provide your details below:**

<b>Name</b>	Rachel Cain and Denise Lillya
<b>Organisation</b>	Directory of Social Change
<b>Role</b>	Researcher and Research Manager
<b>Email</b>	policy@dsc.org.uk
<b>Please let us know if you have any accessibility requirements</b>	
<b>Are you happy to be listed as having provided input to the Commission's strategic plan?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

**Thank you for taking the time to provide your comments.  
Your views are important to us.**