

Communities Committee questions – 23 September 2021

At its meeting on 23 September 2021, the Communities Committee discussed the Charities Bill 2021 and raised the following questions:

1. How many organisations have asked the Charity Commission to register them more quickly and what issues of disadvantage/special circumstances are they raising in making their requests?
2. Can the Committee be provided with copies of annual monitoring forms for charities?

Question 1: How many organisations have asked the Commission to register them more quickly and what issues of disadvantage/special circumstances are they raising in making their requests?

Registration began in December 2016 and the Commission continues to manage the registration process through calling forward organisations in tranches. As a first step any organisation which is, or may be, a charity must inform the Commission of its existence by submitting an Expression of Intent (EOI) form, providing contact details.

The Commission publishes a *Combined list* on its website. This list contains a range of information on organisations which the Commission is aware of but which are not on the *register of charities*. For the purposes of transparency, the list provides the public and others with the Commission's understanding of the status of these organisations, for example EOI, Closed, Section 167 (this section of the Charities Act 2008 covers charities operating in Northern Ireland but governed by the law of another jurisdiction).

The Commission contacts or "calls forward" organisations in tranches to apply for registration using an Online Registration Application. It primarily calls forward organisations which have submitted *Expressions of intent* in date order, oldest first. The combined list, which is published in alphabetical order, does not indicate the order in which organisations will be called forward to apply for registration. The call forward tranche also takes account of any special circumstances highlighted by charities requiring early call forward and risks which have been identified by the Commission. For example, we prioritise the calling forward of organisations whose work may present a safeguarding risk to ensure that they are brought within the regulatory framework sooner rather than later.

On the *Combined list* page of the website there is also information for any organisation which thinks there are special circumstances which mean it should be called forward more quickly than would otherwise be the case. For example, if the organisation has applied to a funding body which has insisted on charity registration. We ask charity trustees to note that they may be required to provide written confirmation from the funding body confirming this.

Since 2017 there have been 302 organisations granted early call forward after citing special circumstances.

The main reasons are:

- an offer of funding depends on registered charity status.
- the charity is trying to open a bank account in the charity's name and the bank requires them to be registered.

The Commission does liaise with funders and banks to explain the current registration situation, but cannot control the practices they choose to operate.

Question 2: Can the Committee be provided with copies of annual monitoring forms for charities?

Every registered charity has to submit accounts and reports to the Commission annually. These become due after the charity has been registered for a full financial period, usually a year, plus a further ten months. Before the Court of Appeal judgment in 2021 the Commission sent three reminders to charities that these reports would be due.

The Annual Accounting and Reporting process is an online programme which is made up of four parts:

- Charity accounts – either Receipts & payments or Accruals.
- An independent examiner's report or audit report.
- Charity trustees' annual report.
- A completed online annual monitoring return (AMR) form.

The specific questions set out in the online annual monitoring return form (AMR) are determined by non-statutory regulations made by the Commission, under Section 70 of the Act. The Commission made the first regulations '*The Charities (Annual Return) Regulations (Northern Ireland) 2014*' following extensive public consultation.

Taking into account the concerns voiced by the sector at the time in relation to the burden on small charities, the form was designed to be proportionate and is streamlined by level of income with very small charities, ie those with income of £10,000 or less, only required to answer Part A of the form, charities with income greater than £10,000 required to complete Part A and Part B of the form, and charities with income greater than £250,000 required to complete Parts A, B and C of the form. All charities must complete Part D of the form which is purely a declaration section.

For example, see an overview of the online AMR form below:

Part of the AMR	Which charities must complete this?
Introduction - confirm charity details are correct (as this is an online system these details are automatically	All charities

carried over from the information on the register and are pre-populated on the form.)	
Part A	All charities
Part B	Charities with gross annual income between £10,000 and £250,000
Part C	Charities with gross annual income of more than £250,000
Declaration	All charities

As the Committee is particularly interested in smaller, volunteer-led charities the questions in Part A of the current form cover:

A requirement to **confirm or update** details provided at registration:

- Charity contact details: name address and telephone number
- email address for Commission use and for public display
- Details of the charity website
- Trustee details: name, address, telephone number,
- Area of benefit, charitable purposes, who does your charity help and how does your organisation do this?
- Charity's main bank/building society account

Questions relating to the annual reporting period:

- **Finance:** Financial start and end period, income and expenditure, previous financial period and income and expenditure, indicate if the accounts prepared are consolidated accounts.
- **Accounts format:** indicate whether they prepare receipts & payments accounts or accruals accounts. For receipts and payments selection confirm that they have included a Statement of Assets and Liabilities.
- **Review of accounts:** Indicate whether Audit or Independent examination, who reviewed the accounts? A person or organisation? The name, address and postcode of the independent examiner, were any issues raised?
- **Charity details:** Number of trustees resident in NI. Is the charity registered with another regulator?
- **Total spend outside NI**

A PDF copy of the online AMR form is provided at Appendix 1.

A new AMR form is due to launch before the end of this year which will include some new questions for all charities. These new question areas were finalised in 'The Charities (Annual Return) regulations (Northern Ireland) 2019' following public consultation on the new charity registration form and the new AMR form. The new questions were included as they were identified as high risk areas for all charities. There is also a new requirement for all charity trustees to provide an

individual email address and mobile telephone number that they can be contacted on directly (this is only required if they have one). The new questions are not included in the current form attached at Appendix 1 but are set out below:

- **NEW: Quorum question:** a requirement to provide the quorum number for decision making set out in the charity's governing document
- **NEW: Data breach:** charities must declare if they have reported a data breach to the Information Commissioner's Office (ICO) within the last 12 months
- **NEW: Safeguarding** – inclusion of a series of questions that apply to charities that have stated they work with vulnerable beneficiaries (in the UK and Ireland and outside the UK and Ireland). Charities must provide details about the work they carry out and the people they help, including who delivers services to their user and how they carry out this work, including regulated activity with children and/or adults at risk of harm. Charities that carry out this type of work are required to confirm they have appropriate safeguarding policies and procedures in place.
- **NEW: Trustee email address and mobile telephone number:** a requirement to provide an email address and mobile telephone number (or alternative) for each individual trustee (if they have one). This is for Commission use only in order that they can be contacted directly and is not published on the register.

Charities that have income greater than £10,000 will be required to answer the following additional questions in the new form:

- **NEW: Fundraising:** state whether they have used a commercial fundraiser as part of their fundraising activities.
- **NEW: Charitable expenditure:** charities must indicate the amount of expenditure during the reporting period that related directly to activities undertaken to meet their charitable purposes. They must provide this answer as a proportion of total expenditure in the period (only required to answer this question if income is greater than £10,000 but less than £250,000 as charities completing Part C of the form have to provide a detailed breakdown of expenditure).

The Commission has consulted on changes to the AMR and made new regulations in 2015, 2016, 2017, 2019 and 2020. These regulations are available on the Commission's website [here](#).

Screenshots guidance and a [video](#) of the online reporting process is also available on the Commission's website.

For an overview of the full annual reporting requirements each charity has to provide, depending on its level of income, see Table 1 below.

Table 1

<p>Introduction: All charities asked to review information held by the Commission on their charity, and tick to confirm whether the details held are correct or incorrect. These details are carried over from the register.</p>				
Level of income	Type of accounts	Scrutiny of accounts	Trustees' annual report	Online Annual monitoring return
<p>Less than or Equal to £250,000</p>	<p>Charity must prepare accounts but can choose to prepare them on a receipts and payments basis (cash accounts) rather than an accruals basis. Unless they must prepare accrual accounts because their governing document requires them or they are a charitable company, or are required by funder or other legislation.</p>	<p>You must have your accounts independently examined. Charity can choose who undertakes the examination. This will be someone who the charity trustees have assessed as being capable of independently examining the accounts. 'Being capable' means having the requisite ability and practical experience to comply with the Commission's Directions. The examiner must be independent of the trustees.</p> <p>If a charity's governing document requires an audit then it must have an audit carried out or change the governing document if that is appropriate.</p>	<p>Charity must complete a trustees' annual report that also reports on how your charity has met the public benefit requirement. This is where a charity can tell their success stories and bring the numbers in the accounts to life.</p>	<p>Charity must complete an annual monitoring return (parts A & B).</p> <p>Charities with income below £10,000 do NOT have to fill in part B</p>

<p>More than £250,000 but less than or equal to £500,000</p>	<p>Charity must prepare accruals accounts</p>	<p>Charity must have its accounts independently examined. This must be carried out by a member of one of the bodies listed in Section 65(4) of the Charities Act. If a charity's governing document requires an audit then it must have an audit carried out or change the governing document if that is appropriate.</p>	<p>Charity must complete a trustees' annual report that also reports on how your charity has met the public benefit requirement. This is where a charity can tell their success stories and bring the numbers in the accounts to life.</p>	<p>Charity must complete an annual monitoring return (parts A, B & C)</p>
<p>Greater than £500,000</p>	<p>You must prepare accruals accounts.</p>	<p>You must have your accounts audited and this must be in compliance with Section 65(2) of the Charities Act</p>	<p>Charity must complete a trustees' annual report that also reports on how your charity has met the public benefit requirement. This is where a charity can tell their success stories and bring the numbers in the accounts to life.</p>	<p>You must complete an annual monitoring return (parts A, B & C)</p>

This is a draft PDF of the online Annual Monitoring Return 2019 and may not contain all questions if you have not reached the end.
Please submit online. Do not post in this copy.



Introduction

This form applies to registered charities with financial periods beginning on or after 1 January 2019.

The annual monitoring return is divided into three sections (A, B and C).

Part A: All registered charities must complete this part. This is irrespective of gross annual income.

Part B: All registered charities with an income over £10,000 must complete this part of the annual monitoring return.

Part C: All registered charities with an income over £250,000 must complete this part of the annual monitoring return.

All charities must:

- Attach and submit the relevant charity accounts
- Attach and submit the Trustee Annual Report
- Attach and submit the Audit Report or Independent Examiners Report

Denotes information which will be published to the online register of charities

Annual Return for charity:

Organisation name

Any other names you are known by

Registered charity number

Confirm charity details: Contact details

Please check your charity information below is correct. If it is not, please update these details through online services.

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Charity contact

Title

Personal names

Family name (Surname)

Suffixes

Preferred name

Date of birth

Address line 1

Address line 2

Address line 3

Address line 4

Address line 5

Postcode

Telephone number

Mobile number

Charity emails/website

Email for Charity
Commission use

Email for public display

Charity website

Confirm charity details: Trustees

Please check your charity information below is correct. If it is not, please update these details through online services.

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Trustees

Name	Address	Contact details
rson		Title: Personal Name: Family Name: Preferred Name: Suffix: Date of Birth: Telephone: Email:
		Title: Personal Name: Family Name: Preferred Name: Suffix: Date of Birth: Telephone: Email:

All details shown under 'Name'.

Number of trustees
serving with the charity

Confirm charity details: Area of benefit

Please check your charity information below is correct. If it is not, please update these details through online services.

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Area of benefit

Organisation operates:

- Internationally
- In the UK
- In Northern Ireland
- In Ireland
- Specific local council areas

Local council areas:

Confirm charity details: Other

Please check your charity information below is correct. If it is not, please update these details through online services.

Charity classification

What description of charitable purposes do your organisation's purposes fit under?

Who does your organisation help?

How does your organisation do this?

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Charity's main bank account/building society account

Sort code

Bank/building society name

Account/roll number

Account name

Confirm charity details

Are all charity details listed above correct? If not, please update these details through online services.

Part A: Finance

Financial period

Financial period start

Financial period end

Reporting year is first financial year

Income and expenditure

Enter below your charity's income and expenditure for the financial period shown above.

Current financial period

Income

Expenditure

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Previous financial period

Income

Expenditure

Are the figures provided from consolidated accounts?

Part A: Auditing

Basis of financial statements

Please select the accounting basis on which the financial statements for this financial year were prepared.

What person or organisation reviewed the charity accounts for the financial period that applies to this form?

Part A: Charity details

Number of trustees resident in Northern Ireland

Please state the number of trustees that normally reside in Northern Ireland.

Is your charity registered with another charity regulator?

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Part A: Operation outside the UK & Ireland

Areas of benefit outside the UK & Ireland

If your charity has one or more areas of benefit outside the UK & Ireland, please provide details of your spending in each area of benefit by country below.

Countries	Spending

Total spend outside the UK and Ireland during the year

Part B: Other regulators / registrar

Fundraising Regulator

Did the charity raise funds from the public during the year?

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Other regulators / registrar

Please provide details of any other regulator or registrar that your charity is registered with.

- The Regulation and Quality Improvement Authority (RQIA)
- Companies House
- The Health and Safety Executive (HSENI)
- The Education and Training Inspectorate (ETI)
- Housing Division, Department for Communities (DFC)
- Department of Education
- Financial Conduct Authority (FCA)
- Department for the Economy
- Charities Institute Ireland
- Public Fundraising Association
- Institute of Fundraising
- Other

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Part B: Staff, Volunteers & Assets

Employed staff

Please state how many staff were employed during the financial period. If you did not employ any staff enter '0'.

UK & Ireland Volunteers

Please give the number of UK and Ireland volunteers that the charity had during the financial period. This should be a best estimate of the actual number of individual volunteers involved during the year rather than a pro-rata or full-time equivalent number. Do not include the trustees in this figure. If you had no volunteers then enter '0'.

Charity assets

Does the charity own or lease capital assets, land or buildings?

Part B: Trustee payments

Charity trustees

How many trustees were paid a fee or salary by the charity or related body during the accounting period?

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Payments to charity trustees

Answer in respect of all charity trustees who served at any time during the financial period and also include any persons, companies or other bodies connected with them. 'The charity' includes any related body. Even if such items have been omitted from the charity's accounts they should still be included here on the form. Where the answer to any question is nil/none, please enter '0'.

Total amount paid to trustees during the accounting period

State the total amounts paid to charity trustees during the accounting period for:

Remuneration for being a charity trustee

Payment to trustees in settlement of out-of-pocket expenses incurred in any capacity

Payment to trustees for professional services provided to the charity

Payment to trustees for any other work done for the charity

Payment to trustees for any other reason

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Please state the largest amount owed to the charity by one charity trustee at any time during the financial period. If not applicable enter '0'.

Part B: Transactions with trustees

Answer in respect of all charity trustees who served at any time during the financial period and also include any persons, companies or other bodies connected with them. 'The charity' includes any related body. Even if such items have been omitted from the charity's accounts they should still be included here on the form. Where the answer to any question is nil/none, please enter '0'.

Property is land or buildings, and assets such as vehicles, computers and equipment.

Property sold

Has the charity sold or disposed of property to trustees during the financial period?

Property bought

Has the charity bought property from trustees during the financial period?

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Land/buildings occupied

Did the charity occupy any land or buildings belonging to trustees during the year?

Use of assets

Have any charity assets, including the use of land or buildings, motor vehicles, computers and/or equipment, been made available during the financial period to one or more trustees?

Part B: Gift Aid

Gift Aid

Are you entitled to claim gift aid?

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Part C: Breakdowns

Income & Endowments + Expenditure

Donations and legacies

Legacies

Endowments received

Charitable activities

Other trading activities

Investments

Other

Total income and endowments

Raising funds

Charitable activities

Grants to institutions

Governance costs

Other

Total expenditure

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Other recognised gains and losses

Gains/(losses) on revaluation of fixed assets

Actuarial gains/(losses) on defined benefit pension schemes

Gains/(losses) on investment assets

Other gains/(losses)

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Part C: Assets, liabilities & additional information

Assets & Liabilities

Total fixed assets

Fixed asset investments

Total current assets

Current investment assets

Cash at bank and in hand

Creditors due within one year

Long term creditors and provisions

Pension fund assets/liabilities

Total net assets/liabilities

Total fixed assets (at start of year)

Total fixed asset investments (at start of year)

Endowment funds

Restricted funds

Unrestricted funds

Designated funds

General funds

Total funds

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Additional information

Support costs

Depreciation charge for year

Level of reserves

Prior year adjustments

Declaration

You may be committing an offence if you give an answer you know to be untrue or misleading.

Public benefit guidance declaration

I confirm that all the trustees have complied with their duty under charity law to have regard to the Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Serious Incident Reporting

If a serious incident has occurred in your charity you should contact the Commission immediately.

I confirm that there are no serious incidents or other matters that trustees should have brought to the Commission's attention and have not done so already.

Vulnerable beneficiaries

Do you work with vulnerable beneficiaries?

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Final declaration

I certify that the information entered in this form is correct to the best of my knowledge.

I confirm that the information shown in the 'Online Services' for this charity is complete and accurate.

I confirm that the information entered has been approved by the charity trustees and I am authorised to submit this information.



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Charity accounts

All charities must attach and submit the charity accounts and reports as PDF.

- Charity accounts
- Trustee Annual Report
- Audit Report or Independent Examiners Report

Completed on behalf of all the charity trustees by:

Title	<input type="text"/>
Name	<input type="text"/>
Job role or capacity	<input type="text"/>
Telephone number	<input type="text"/>
Email	<input type="text"/>

On submission, your Annual Monitoring Return and attached files will be sent to the Charity Commission Northern Ireland for processing. Your charity contact will be emailed a copy of this form for your records.

Disclaimer: Please note the information and documentation you submit will automatically be published to the Commission's online public register. The Commission may not review the material submitted immediately and we have no control over the actions of anyone who obtains or uses data from the public register so you should ensure you only provide the information requested by the Commission.

By clicking 'submit' you are certifying that you have understood what the Commission has asked you to provide and that the trustees have individually verified the content of the material intended to be submitted and consented to its submission.

You must not attach bank statements to the documents submitted to the Commission.

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I confirm I have read
and agree to the
above.