

Charity Commission for Northern Ireland
Further Evidence to the Communities Committee
on the
Charities Amendment Bill

Answers to the Committee's further questions to the Charity Commission for Northern Ireland are set out below.

1. Further information on CCNI's capacity to implement the additional powers and responsibilities associated with the Bill.

- 1.1 The Commission's current baseline budget is £1,959,000. This covers a structure containing 28 Full-Time Equivalent (FTE) permanent posts, some of which are currently vacant due to budgetary constraints.
- 1.2 We have provided the Committee with resource costs specific to the Bill of £387,000 which, assuming the adoption of a smoothing mechanism for accruals accounts, would cover the following posts:
 - 1x IT Officer for 3 years
 - 0.5x Monitoring and Compliance officer for 2 years
 - 1x Policy and Communications officer for 2 years
- 1.3 These posts will cover the additional work required in the initial years, however, the Commission remains under resourced across the board and this hinders its capacity to implement the Bill on an ongoing basis.
- 1.4 The Independent Review of Charity Regulation recommended that appropriate resourcing be given to the Commission to carry out its recommendations. This resourcing was not made available and the Commission has had to deliver almost 50 recommendations, which could only be done at the expense of its statutory functions. Appendix 1 provides an overview of the decrease in statutory work which has resulted from this and from the more resource-intensive way of dealing with enquiries required by the Charities Act (NI) 2022 whereby certain work cannot be delegated to staff. Capital funds for the new IT system which will deliver the registration threshold and the Bill have been made available, but not people to actually undertake the work.
- 1.5 As set out to the Committee verbally on 24 September 2026, we do not have the capacity to work with the Department for Communities (DfC) on regulations arising from the Bill, as we are simultaneously building and testing the implementation of new IT systems, and designing other processes and guidance which will deliver a registration threshold. Also, the expertise specific to this kind of work resides in a very small number of skilled staff who are currently stretched beyond capacity.

- 1.6 As was also set out for the Committee, the commencement of the new powers to give an official warning and to direct that an action not be taken will happen upon Royal Assent. However, it will take the Commission some time after that to design, develop and consult on the processes required and to build the IT to underpin them.
- 1.7 Current backlogs in enquiries work have led to a business case being submitted to DfC for three new permanent Enquiries and Compliance Support Officers (ESCOs), at an additional cost of £432,061 over three years. The Commission currently has one Enquires Manager, and two ESCOs. Following the Court of Appeal judgment in February 2020, and the Minister's Scheme of Delegation based on the Charities Act (NI) 2022, the Commission must follow a more resource-intensive approach to investigating potential misconduct and/or mismanagement in charities, with no change in staffing levels. The current backlog of open enquires cases sits at 561 as of 1 April 2026. Without additional staff, the total number of cases will rise to approximately 1,101 by 1 April 2029. As the number of open cases grows, the Commission continues to receive service complaints about delays, suffers reputational damage from media concerning high profile case progress, and risks being unable to address serious potential misconduct and/or mismanagement in charities.
- 1.8 To bolster current enquiries work, we have transferred a post from our casework team which undertakes registration work, will undertake de-registration when it commences in April 2027 and other consents for charities. Backlogs are currently developing in this team. The consequences will be charities waiting longer for registration, deregistration and other important consents which allow them to function lawfully.
- 1.9 The baseline we would actually require to cover a minimum level of statutory requirements, plus the new registration threshold and the Bill, is in the region of £2,489,192.

2. Additional details on how CCNI intend to use artificial intelligence to support the assessment of charity accounts, including any policy, oversight and safeguards in place to ensure its appropriate use.

- 2.1 The Commission is in the very early stages of exploring how AI might help us to deliver efficiencies in the context of very limited budgets. We are not currently using it to support the assessment of accounts or to make any regulatory decisions. If we had greater IT capacity we could progress this work more quickly. As safeguards, we have a Board-approved AI policy in place and the use of AI is reviewed by our Audit and Risk Assurance committee, as well as by the Senior Management Team. We are on the IT Assist Network, so we use a secure form of Microsoft Co-pilot, like the rest of the NICS, and the data does not travel beyond that system.

- 2.2 Annual accounts information is published, and thus publicly available, so is the safest form of data on which to test AI, as the risks of inputting personal data are extremely low. We believe it should be possible to train AI to compare the legal requirements with the accounts provided and highlight where there is non-compliance. This could be extended to maintain the accuracy of the charity register by creating agents to screen for closed charities and comparing annual accounts filing with other regulators and registers, for example, Companies House and the government funders' database. However, the challenge for the Commission would then be the very small number of staff (three posts in the Monitoring and Compliance team) who could check AI findings and pursue the compliance breaches with charities on a risk basis. Our colleagues in other parts of the UK and Ireland are also exploring the use of AI and we hope to learn from their progress in the near future.

3. Further information around what a 'stepped approach' would involve in practice.

- 3.1 Under the current approach to processing concerns about charities, the Enquiries Team must bring all concerns cases before a committee convened under Schedule 1 of the Charities Act (NI) 2008 so that Commissioners can determine the appropriate regulatory response. In most cases, the Commission will either close the matter without further action, issue self-regulatory guidance for the charity to address the issue voluntarily, issue regulatory guidance requiring the charity to take specified actions and provide evidence of compliance or open a statutory inquiry to enable the Commission to exercise its protective powers. Each action, from closing without action to a statutory inquiry, acts as a step up, from none to substantial intervention, based on risk.
- 3.2 There is a significant gap between the use of regulatory guidance and the opening of a statutory inquiry. Regulatory guidance relies on the charity implementing an agreed action plan, whereas a statutory inquiry provides access to the Commission's most significant regulatory powers, including the suspension or removal of trustees and the issuing of a range of orders and directions.
- 3.3 The Commission therefore welcomes the introduction of an official warning power, which will provide an important regulatory tool between regulatory guidance and a statutory inquiry. The power will enable the Commission to respond to non-compliance with enhanced regulatory guidance without initially escalating to the use of protective powers through a statutory inquiry. This could potentially avoid some statutory inquiries altogether.
- 3.4 Implementation of the official warning power will involve a staged decision-making process. After the steps set out above are completed, staff will assess the case and make a recommendation to Commissioners on whether an official warning should be issued. Commissioners will then decide whether the circumstances justify the use of the power. Where

Commissioners agree to issue an official warning, the charity will receive a period in which to make representations before publication. During this period, the charity may challenge the proposed warning or take steps to address the underlying issues and comply with the Commission's regulatory guidance. Where the charity responds, staff will report this to Commissioners, who may reconsider whether publication remains appropriate.

- 3.5 This approach introduces an additional regulatory step between the issuance of regulatory guidance and the opening of a statutory inquiry. It provides a proportionate means of addressing non-compliance and securing corrective action before the Commission needs to consider the use of its most significant protective powers.

4. Noting that the Bill states that “the Commission may issue a warning...” rather than stating “chose to”, Committee has asked that you provide examples of circumstances in which official warnings have been published and indicate where that information is made publicly available.

- 4.1 The Commission does not currently have the power to issue official warnings and, as a result, has no examples of its own of official warnings or of the associated information being made publicly available. Following the introduction of this power, the Commission will need to develop policies and procedures governing its use, including the circumstances in which an official warning should be published and the method of publication.
- 4.2 However, the Charity Commission for England and Wales (CCEW) currently possesses this power and has shared insights into its operation. CCEW generally views an official warning as a regulatory measure that sits between the use of an action plan (such as we might issue in regulatory guidance) and the exercise of statutory powers through an inquiry, much in the same way that CCNI will in future. CCEW uses the power where a charity fails to comply with regulatory guidance or agreed actions designed to address concerns. The warning serves as a formal regulatory response to non-compliance, while stopping short of the more significant intervention available through a statutory inquiry.
- 4.3 Where CCEW issues an official warning, it publishes the warning on the charity's register entry alongside the charity's other details. This entry will contain a notice which states 'Regulatory alert', alongside a red explanation point. It will also include a link to the official warning, which contains the specific details of the governance failures.
- 4.4 For example, on 9 September 2026, CCEW issued an official warning to Save the Children International. This warning states the charity failed to ensure its staff followed safeguarding procedures, had failed to oversee a branch which resulted in substantial policy breaches, and failed to

adequately assess and report on whistleblowing incidents. The warning also contained a list of actions CCEW considered necessary to address misconduct and/or mismanagement. The link to this charity's register entry and the official warning is available here: [SAVE THE CHILDREN INTERNATIONAL - 1076822](#).

- 4.5 If CCEW determines there is sufficient public interest in an official warning, it will also issue a press release as well as entering the notice on the charity's register entry. For example, on 16 January 2026, CCEW issued a warning to two Church of England Dioceses, and published a press release on its website, available here: [Regulator issues Official Warnings to two Church of England Dioceses - GOV.UK](#) .
- 4.6 The Commission will need to consider whether a similar approach would be appropriate in Northern Ireland and, if so, establish clear criteria for publication that balance transparency, proportionality, the interests of affected charities and the interests of beneficiaries.

28 September 2026

Appendix 1: Changes in regulatory activity levels (Reduction in services 2023-26)

Activity	2022-23		2023-24		2024-25		2025-26		2026-27	
Registrations	550 (+/-10%)	Staff 7.5 FTE	330 (+/-10%)	Staff 6.5 FTE	No commitment	Staff 4.5 FTE	No commitment	Staff 4 FTE	No Commitment	Staff 4 FTE
	75% of registration applications to decision within 6 months		60% of registration applications to decision within 6 months		60% of registration applications to decision within 6 months		60% of registration applications to decision within 6 months		55% of registration applications to decision within 6 months	
Compliance checks	15%, N=50	Staff 3.4 FTE	9%, N=150	Staff 3.4 FTE	2% ¹ , N=150	Staff 3 FTE	N=150	Staff 2.8 FTE	Focus on filing defaulters	Staff 2.8 FTE
Enquiries	80% assessed within 30 days	Staff 3 FTE	50% assessed within 30 days	Staff 2.5 FTE	50% assessed within 30 days	Staff 3 FTE	70% assessed within 30 days	Staff 3.5 FTE ²	70% assessed within 30 days	Staff 3.5 FTE ³
	60% enquiry cases concluded within 9 months of receipt of concern		60% enquiry cases concluded within 12 months of receipt of concern		60% enquiry cases concluded within 12 months of receipt of concern		40% enquiry cases concluded within 12 months of receipt of concern		30% enquiry cases concluded within 12 months of receipt of concern	

¹ Reduction in % reflects sample size static but number of charities due to file Annual Monitoring Returns has increased following Charities Act (NI) 2022

² Based on additional 1 FTE allocated in second half of the year

³ Based on additional 1 FTE allocated in second half of the year