

Response ID ANON-6H2T-4R6U-N

Submitted to Charities (Amendment) Bill - Call for Evidence
Submitted on 2026-09-09 16:44:02

Consent and introduction

What is your name?

Name:

[REDACTED]

What is your email address?

Email address box:

[REDACTED]

If you are providing a submission on behalf of an organisation, please state its name.

Organisation name box:

NICVA

Please confirm you have read the Northern Ireland Assembly's Committee privacy notice by clicking the button below.

I have read the privacy notice

Do you consent to your submission being published on the Committee's website and included in the Committee's report?

Yes, publish in full.

General views on the Bill

Do you support the overall purpose of the Charities (Amendment) Bill?

Yes

Please explain your answer, including any areas where you believe the Bill should be amended.:

In summary, we agree that the Charity Commission should be able to issue official warnings to charities but are concerned that they would be made public before a statutory investigation is conducted.

Agree with:

- the strengthened regulatory powers to remove trustees who have resigned;
- the power for Commission to issue directions for actions not to be taken
- automatic disqualification for officers, agents and employees but with some concerns on employees
- easing of reporting requirements for charities under £20,000 income
- introduction of a format for content of Receipts and Payments accounts but concerned that it needs to be simple, think trustee with non-finance experience
- dispensation for charities experiencing a spike at the £250,000 income threshold but don't agree that the Charity Commission be required to give permission. The Charity Trustees should be permitted to monitor this spike in income in the same way that the charity registration threshold is provided for.

Independent Review and policy intent

Do you consider that the Bill gives appropriate effect to the relevant recommendations of the Independent Review of Charity Regulation in Northern Ireland?

Yes

Add further information to support your answer:

There are some recommendations that the Independent Review Panel made which included solutions eg allowing a charity to have a spike in income at the £250,000 threshold for the preparation of accounts. NICVA believes that the Panel would have wanted that spike in income to be permitted but it is not necessary to go with the solution that they offered at that time, that is, for the Commission to grant the dispensation from preparing accruals accounts, as it was probably the best option at the time of the Review. We should be looking to what is the best solution available currently which still honours the intention of the recommendations in the report.

Are there any areas where the Bill goes too far, does not go far enough, or requires further clarification?

A textbox for adding comments:

While the Bill does not specify that a dispensation could be sought in 'exceptional or one-off circumstances' this language has been used in the consultation document and NICVA would be concerned that it would follow through in regulations or guidance issued by the Charity Commission. For example a charity could have an exceptional windfall from a legacy for two years running, which is considered by the charity to be one-off!

As well as the issue above with who grants the dispensation/or how the legislation could permit trustees to monitor their income for the spike in income, we are concerned about the official warnings. While we agree that the Charity Commission should be able to issue official warnings to charities we are concerned that they would be made public before a statutory investigation is conducted.

In addition, we agree with automatic disqualification for officers, agents and employees but with some concerns on employees. See relevant sections below for more detail.

Information sharing — Clause 2

Clause 2 would amend the Charity Commission's information-sharing powers. Are the proposed powers necessary, clear and proportionate?

Yes

Please add any additional information to support your answer:

NICVA held a seminar on this consultation on Monday 20 April 2026 at which we gleaned issues or concerns about the draft bill. One such concern was about the information sharing but NICVA understands that by giving these clearer powers to the Commission it can help it work with other public bodies and to help in particular situations or aid research into the Sector.

Are any further safeguards, limits or reporting requirements needed?

No

Please add any additional information to support your answer:

The Commission should be able to determine what safeguards it should put in place for sharing of information. It already publishes its policy around compliance with data protection regulations.

Official warnings — Clause 3

Clause 3 would allow the Charity Commission to issue official warnings to charities, charity trustees or trustees for a charity. Do you consider this to be an appropriate and proportionate regulatory tool?

Yes

Please add any additional information to support your answer:

NICVA agrees that the Commission should be able to issue official warnings to charities or their trustees where there has been misconduct, mismanagement or a breach of trust or duty. If issuing an official warning prevents a full investigation by the Charity then that is a good thing as it might help to make the Trustees take notice if they hadn't previously. We welcome that there will be safeguards including prior notice and an opportunity for the charity to respond so that the Commission could then vary or withdraw the warning

Are the proposed notice, representation, publication, variation and withdrawal arrangements sufficient, including in relation to reputational impact?

No

Please add any additional information to support your answer:

While NICVA agrees that the Commission should be able to issue official warnings, we do not agree that they should be published in the public domain as this could cause reputational damage to the charity. We have seen in recent years how some media outlets jump on a bad news story about a charity. This negative media can have a damaging effect on the whole charity sector.

If the Commission issues an official warning to the Charity and it is ignored by the Charity or its trustees then the Commission would still be able to carry out a full investigation. We agree with the right to publish a warning after a full statutory investigation if the charity does not adhere to the recommendations or directions of the Commission.

It was highlighted at our consultation seminar that this section excludes Designated Religious Charities. NICVA believes that it is appropriate for all charities to be treated equally in this matter, even if Designated Religious Charities have special arrangements under the Charities Act.

Senior staff in the Commission should be eligible to issue this but only if it is not published in the public domain otherwise it should be the Commissioners, given how potentially damaging it could be to the reputation of a charity

Strengthened regulatory powers — Clauses 4 to 6

Clauses 4 to 6 would strengthen the Commission's powers in relation to removal from office, directions that specified action must not be taken, and automatic disqualification. Are these powers clear, necessary and proportionate?

Yes

Please add any additional information to support your answer:

NICVA agrees that the Commission should have the power to remove a trustee for misconduct from a charity even if they have resigned so that they can be officially removed as a trustee and entered into the public register of removed trustees. This will then prevent them from serving as a Trustee with another charity.

NICVA agrees that the Commission, when it has instituted an inquiry, should be able to issue a direction to a charity for specified action not to be taken where such actions are considered likely to constitute misconduct or mismanagement in the administration of a charity. This would then complement the Commission's power to direct that specific actions be taken by the trustees.

It is proposed that automatic disqualification be extended to officers, agents or employees from acting as a charity trustee if they have been removed by the Commission.

NICVA agrees with this but has concerns around this being extended to employees who may have acted under duress by a CEO or Officer of the Board.

NICVA seeks clarification that agents would include advisors and would therefore welcome that this disqualification extends to agents, as anyone in an advisory role that continues to give improper advice which encourages trustees to engage in misconduct or mismanagement of a charity should be disqualified from acting as a trustee.

Are the safeguards and appeal rights sufficient?

Yes

Please add any additional information to support your answer:

The automatic disqualification would only happen if the charity trustee AFTER an inquiry has been completed. An inquiry itself should be the safeguard.

Accounting, audit and reporting requirements — Clauses 7, 8 and 10

Clauses 7, 8 and 10 would allow different accounting and reporting requirements for different classes of charity and would remove the requirement for independent examination of accounts for charities with gross annual income under £20,000. Do you support this approach?

Yes

Please add any additional information to support your answer:

NICVA welcomes that very small charities under the £20K reporting threshold would not be required to carry out an independent examination of their accounts as some have found it difficult to find someone to carry this out voluntarily for them. Proposed changes would also allow for template reporting if the charity has annual income under £20k. NICVA agrees that the template reporting may be useful for some charities but not all. We need to recognise that not everyone has the digital capabilities to complete the annual reporting online.

Clause 7 is concerned with the requirement to prepare accounts in a specified format. NICVA agrees in principle that having an agreed format for the content of receipts and payments accounts could be a good thing, but only if it is in a simple format. Charities in the income bracket of £20-£250,000 should not be adversely affected by new rules for preparing R&P accounts because a simple template is being introduced for charities under £20K. For example a charity is still small if it is under £100K income, it is very small if it is under £20K.

NICVA welcomes that a dispensation be available to charities from the requirement to prepare accruals accounts where a charity exceeds the £250,000 threshold due to an unusual spike in income but does not believe the Commission should have to grant it. At our consultation seminar concerns were raised about how this dispensation would work in practice given that a charity must file their accounts and reports within 10 months of its financial year end. The current wait time to get permission from the Charity Commission for (straightforward) 'Consents' can take 3-5 months or longer. If the Commission decided NOT to grant the dispensation then it would be difficult for the charity to prepare the accruals accounts in time for the 10 month filing deadline and get them examined.

As there already is a precedent being set with the implementation of a charity registration threshold where a charity that experiences a spike in income over the threshold will be permitted to monitor this itself for the next two years after the first spike. A similar rule could be introduced for a charity at this threshold for the preparation of accounts that experiences a spike in income, that is, if it remains above the threshold in two subsequent years, then the charity would have to then prepare accruals accounts. The Independent Examiner would then be the safeguard.

What impact would this have on transparency, public confidence, administrative burden and small charities?

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An Independent Examiner is required to follow the Commission's Directions when carrying out an independent examination of charity accounts. Direction 9 requires them to 'Check the form and content of accounts', this could be amended to allow for the spike in income and ongoing monitoring by the Trustees. A statement could also be included on the Independent Examiner's report to advise on the permissions. The safeguard for this could then be a requirement for the Independent Examiner to report it as a 'matter of material significance' to the Charity Commission if the charity does not then comply with the regulations. Additional regulations may also have to be amended to allow an Independent Examiner to carry out the IE in those years of the spike income.

It is a big step for a charity having to change from preparing Receipts and Payments accounts to Accruals Accounts, as accruals are a lot more complex and must adhere to the Charities SORP. Couple that with the potential need to also change the charity's Independent Examiner, as the Independent Examiner may only be qualified to carry out the IE of accounts up to £250,000. Over that threshold the IE must be carried out by someone who is on the prescribed list eg a professional accountant. It takes time to find a new Independent Examiner and this is something which may have to be tendered for. Cost is also a factor. Preparing the receipts and payments accounts is quite often done in house however charities would need to pay an external professional to prepare their accounts on the accruals basis if they don't have that expertise internally. Preparing accruals accounts in compliance with the Charities SORP is inevitably more expensive as more time is required by both parties.

In addition the Charity Commission is already under resourced to carry out all its functions, adding another requirement on it to issue timely dispensations for charities at the £250,000 threshold is adding an unrealistic duty to the Commission. This will only serve to be at the detriment of charities who are waiting on permissions and consents in other areas of the Commission's work.

Definition of gross income — Clause 9

Clause 9 would allow the Department to make regulations about what counts, or does not count, as charity income for the purpose of "gross income". What should be included or excluded from that definition?

A textbox for adding comments:

NICVA agrees with the Department not to amend the definition of gross income in the 2008 Act but instead to allow for it to be updated over time via subordinate legislation but after consultation with the sector and in particular those with charity accounting experience.

Non-Northern Ireland institutions — Clause 11

Clause 11 would repeal section 167 of the Charities Act (Northern Ireland) 2008 in relation to institutions operating for charitable purposes in or from Northern Ireland but established elsewhere. Do you agree with this approach?

Yes

Please add any additional information to support your answer:

NICVA responded to the Department's consultation in October last year which sought views on proposed changes to section 167 of the 2008 Act. NICVA supported the commencement of Section 167 believing that it would allow charities registered in other jurisdictions to be formally recognised in Northern Ireland, facilitating eligibility to access local funding and enhancing donor confidence.

As the Department has now outlined that registration under section 167 would not confer charitable status under Northern Ireland law, so would therefore not resolve the funding issues or tax issues experienced by some organisations, NICVA agrees with the decision to repeal section 167.

What practical, regulatory or public confidence issues should the Committee consider?

A textbox for adding comments:

NICVA notes that some charities which operate on the island of Ireland but which are registered with the regulator in the Republic of Ireland have already had to establish a separate NI charity in order for it to continue to claim gift aid on donations from UK taxpayers.

Delegated powers and Assembly scrutiny

Are the delegated powers in the Bill appropriate, including powers to make regulations on accounts, gross income, annual reports and annual returns?

Yes

Please add any additional information to support your answer:

Regarding implementation of new rules for the content of receipts and payments accounts, there is a concern that a receipts and payments framework could be created that looks to the Charities SORP and the accrual accounting for a format, which requires more complex accounting and reporting. Take for example requiring a value for assets: to properly account for the value of assets, would the charity then be required to include depreciation? If so then the R&P framework wouldn't be simplified, it would be more complex. Requiring values on fixed assets could also mean more expense for the charity to get an asset valued. NICVA believes that the Department should not be introducing changes which are going to incur greater expense on small charities.

There needs to be consultation on the regulations with the sector so that the Department can understand any issues. It would also be helpful if the Department set up a panel of critical friends to discuss the content of any regulations before they go to consultation so that they can identify any issues that they may not have thought of previously. The Charity Commission uses critical friends effectively to review draft guidance that it is proposing to publish.

Should any of these powers be subject to a higher level of Assembly scrutiny?

Not Answered

Please add any additional information to support your answer:

NICVA understands that the detail of this would be included in the new Regulations as opposed to within this Bill however there usually is less scrutiny on Regulations than a Bill so it is important to raise this now. While it may be nice to know more information, it should not be at the expense of causing more unnecessary stress on our Trustees who are already spending precious time volunteering in their roles on these committees and boards of small charities.

Impacts and suggested amendments

What impact would the Bill have on small, rural, community-based or volunteer-led charities, and are there any equality, human rights, data protection or rural needs issues the Committee should consider?

A textbox for adding comments:

The impacts identify above are largely the same across the sector but we need to have particular regard to the requirement to use digital bearing in mind that internet access is not at the same accessible level across Northern Ireland especially in rural areas.

Please identify any specific amendments you would suggest, including the relevant clause where possible.

A textbox for adding comments:

NICVA believes that there must be consultation on the proposed new format for both the template reporting and for the content of Receipts and Payments accounts so that trustees of small charities can test it to ensure it is not over complicated for a non-financial person. We need to avoid causing any further stress to trustees on trying to comply with the requirements.

NICVA suggests that the new template reporting for charities under £20k be available for download so that charities can complete it, and that there is the option to upload it or information can be inputted digitally. At our 2024 seminar on the registration threshold consultation some raised concerns about the digital capability of some trustees and also that some small organisations are already completing annual accounts on a template required by their funder and some with an umbrella body. This would then introduce a third template for those particular small charities which could be confusing. If the intention is to simplify the accounting framework to reduce reporting burdens for small charities then the Department needs to deliver on that.