Our Mission is:

To regulate the charity sector in the public interest so as to ensure compliance with the law and support best practice in the governance, management and administration of charities.

Our Vision is:

A vibrant trusted charity sector that is valued for the public benefit it provides.
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The Charities Regulatory Authority was established on 16 October 2014 and is responsible for the regulation and protection of charitable trusts and organisations (charities). It has the following statutory functions under the Charities Act 2009 (‘the Act’):

- Increase public trust and confidence in the management and administration of charitable trusts and charities;
- Promote compliance by charity trustees with their duties in the control and management of charitable trusts and charities;
- Promote the effective use of the property of charitable trusts or charities;
- Ensure the accountability of charities to donors and beneficiaries of charitable gifts, and the public;
- Promote understanding of the requirement that charitable purposes confer a public benefit;
- Establish and maintain a register of charities;
- Ensure and monitor compliance by charities with the Act;
- Carry out investigations in accordance with the Act;
- Encourage and facilitate the better administration and management of charities by the provision of information or advice, including in particular by way of issuing (or, as it considers appropriate, approving) guidelines, codes of conduct, and model constitutional documents;
- Carry on such activities or publish such information (including statistical information) concerning charities and charitable trusts as it considers appropriate;
- Provide information (including statistical information) or advice, or make proposals, to the Minister on matters relating to the functions of the Charities Regulator.
Our Values

FAIRNESS
We operate fairly and impartially. We apply our procedures consistently and give reasons for our actions and decisions.

PROPORTIONALITY
We recognise the diversity of size and capacity among the organisations which we regulate. We regulate in a proportionate way and target the resources available to us at areas of greatest risk.

INDEPENDENCE
We take decisions independently and in the public interest. We stand over our actions and decisions and take responsibility for them.

OPENNESS
We take an open and transparent approach to our work. We make information available about how we operate and about the sector we regulate.

LEARNING
Our actions and decisions are informed by evidence and embedded in a learning culture. We continually seek ways to improve how we do our work and strive to be authoritative in our field.

ENGAGEMENT
We communicate with and listen to our stakeholders. We seek to anticipate and address regulatory issues of concern to them.
The 2017 Annual Report sets out how the Charities Regulatory Authority and its staff continued to deliver on its first statement of strategy. The increase in activity highlights the continued commitment to regulate charities in the public interest, improve their management and administration, and ensure compliance with the law.

A key strategic goal is to develop the Authority as an efficient and effective organisation providing value for money for the citizen. In 2017 this was achieved through the implementation of our human resource strategy, the development and publication of a new internal Governance Framework, outlining our principal corporate levers and controls, and the continuing development of the internal Quality Management System with the aim of certification to ISO standards in 2018.

The Authority also joined Transparency International Ireland’s Integrity at Work programme and signed up to the charter on Protected Disclosures for our staff.

In July 2017, the Charities (Transfer of Departmental Administration and Ministerial Functions) Order was commenced. Functions that were previously vested in the Minister for Justice and Equality were transferred to the Minister of Rural and Community Development (DRCD). I would like to thank Minister Flanagan, Minister Ring, Minister Kyne and the officials in their departments for their assistance and support during and following the transfer.

The Authority is committed to working with the DRCD to promote rural and community development and to support vibrant, inclusive and sustainable charities throughout Ireland.

Chairperson’s Statement

Patrick Hopkins
Chairperson
The Authority recognises that the vast majority of charities are determined to comply with the law. We believe that well informed, engaged charity trustees are key to a vibrant charity. As part of our strategy to inform trustees, we instigated the first Charity Trustees’ Week, in collaboration with an umbrella group drawn from the sector, developed a new E-Learning tool, and published a series of guidance documents. We believe this strategy will assist the vast majority of charities and their trustees.

At the same time, our enforcement capability has continued to develop to ensure the small amount of unwanted, self-serving behaviour is identified, investigated and eliminated.

In October 2017, seven members of the Authority retired on expiry of their warrants of appointment, and three were re-appointed. I would like to thank the retired members for their huge dedication and commitment in bringing the Authority to its current stage of development.

The increase in activity highlights the continued commitment to regulate charities in the public interest, improve their management and administration, and ensure compliance with the law.

I would also like to thank the staff of the Authority for their hard work and commitment during 2017 and the members of the Board for the advice and direction that they provide. Together, we will carry on the task of regulating and protecting registered Irish charities.

Patrick Hopkins
Chairperson
Chief Executive’s Statement

John Farrelly
Chief Executive

During 2017 significant progress was made to expand the Charities Regulator’s capacity and capability. The regulation directorate was restructured under the leadership of a new Director of Regulation. The Register of Charities and registration process was redesigned to increase transparency for donors, beneficiaries and the public. Statutory guidance on charity trustee duties, fundraising and internal financial controls was issued to assist charities.

Our compliance unit completed the first full year of regulation using the newly commenced powers to initiate investigations, issue sanctions and successfully carry out our first prosecution.

All of these actions are part of a strategy to eliminate harm while supporting the thousands of charities and charity trustees who work tirelessly 24 hours a day, 365 days a year.

The Authority continued to work with the Department of Rural and Community Development to develop a proportionate yet robust regulatory framework which recognises that a ‘one size fits all’ approach will not work for the diversity in size, scale and location of registered Irish charities.

Our staff invested significant time in the creation of a new digital platform which will launch in 2018. This will reduce red tape whilst ensuring charities can showcase through the register the impact they are having, and how they spend their money.
It is clear from our engagement with the thousands of trustees, staff, donors and the public during 2017 that there is a shared desire to support sustainable, vibrant charities. There is also little tolerance for charities which are not transparent, open and compliant with the law.

The digital platform will also enable on-demand reporting and analysis capability to support our monitoring programme.

In 2017, we continued our consultative approach to our work by publishing the report of the consultative panel on charity fundraising and initiating a panel to make observations and proposals on the governance of Irish charities. We also consulted with the public through meetings in Dublin, Cork and Galway and carried out an online survey in which 1,193 individuals and/or organisations participated.

It is clear from our engagement with the thousands of trustees, staff, donors and the public during 2017 that there is a shared desire to support sustainable, vibrant charities. There is also little tolerance for charities which are not transparent, open and compliant with the law.

Finally, I want to recognise and commend the thousands of charities and their trustees who have engaged with the Charities Regulator. It is their resolve and work which will ensure public trust and confidence in registered Irish charities.

John Farrelly
Chief Executive
2017 Highlights

- Charities on the Register of Charities at the end of 2017: 9,061
- Charities added to the Register of Charities: 1,757
- Charities had their details removed from the Register of Charities: 699
- Concerns received: 531 (66% increase on 2016)
- Inspection Report published: 1
- Inspections launched: 2
- Guidance documents published: 3
- Visitors to the website: 100,000
- Charity Services Committee considered: 327 (38% increase on 2016)
- Contacts and queries received from the public: 30,098
Regulation Directorate

The Regulation Directorate consists of the following teams:

1. Registration and Reporting
2. Compliance and Enforcement
3. Charity Services
4. Legal Services

The Regulation Directorate was established in 2017 and is headed by the Director of Regulation. During 2017, a regulatory management team (RMT) structure was established. The RMT is made up of the Director of Regulation, heads of function, the corporate affairs legal advisor, the team’s technical accountant, and research and policy officer. During 2017, the RMT worked to finalise a number of key internal regulatory processes and procedures and authored a number of guidance documents for charities.

Members of the RMT also worked with officials in the Department of Justice and Equality to ensure that a number of amendments to the Charities Act 2009 relating to the accounting and reporting obligations of charities were progressed. A number of key amendments to the Act were ultimately approved by Government as part of the General Scheme for the Courts and Civil Law (Miscellaneous Provisions) Bill 2017.
1 Registration and Reporting

9,061
charities on the Register of Charities

1,058
Increase of
in number of charities from previous year on the Register of Charities

1,757
organisations gained charitable status

699
charities had their details removed from the Register of Charities
There were 9,061 Charities on the Register of Charities at 31 December 2017, an increase of 1,058 from the end of 2016. Of these, 7,220 were registered under section 40 of the Charities Act 2009 and 1,841 under section 39 of the Act. These are the two methods by which organisations can become a registered charity.

Section 40 of the Charities Act 2009 provides automatic registration for those organisations who, on 16 of October 2014, held a valid charitable tax exemption and associated CHY number issued by the Revenue Commissioners. Such charities are deemed registered with the Charities Regulator so long as they are entitled to hold the relevant charitable tax exemption. A total of 8,452 charities were automatically registered by this method in October 2014.

All charities which were deemed to be registered under section 40 of the Charities Act 2009 must set up an online account and then complete details for the Register of Charities. At the end of 2016, 5,902 had furnished the required information (an increase of 19% on the figure for 2016).

At the end of 2017, 1,318 charities, which had been automatically deemed registered in 2014 under section 40 of the Act, had not completed their details on the Register of Charities or provided an annual report as required by law. This represents a reduction of 56% on 2016. In 2017, 699 organisations had their details removed from the Register of Charities (up 122% on 2016).

All charities must apply for inclusion on the Register of Charities regardless of size, legal structure or income. Section 39 of the Charities Act 2009 sets out the information required of organisations when applying to be entered on the Register of Charities.

In 2017, the Charities Regulator added 1,757 charities to the Register of Charities. This is up from 84 registrations in 2016, and it takes the total to 1,841 or 20% of the Register of Charities.
The legal form of Registered Charities

The Charities Act 2009 sets out three main types of legal form (figures as of 31 December 2017):

<table>
<thead>
<tr>
<th>General</th>
<th>Type</th>
<th>Charities</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporated</td>
<td>Companies</td>
<td>4,630</td>
<td>51.1%</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>Association</td>
<td>1,495</td>
<td>16.5%</td>
</tr>
<tr>
<td></td>
<td>Board of Management (School)</td>
<td>1,593</td>
<td>17.6%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>664</td>
<td>7.3%</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td>3,752</td>
<td>41.4%</td>
</tr>
<tr>
<td>Charitable Trust</td>
<td>Trust</td>
<td>679</td>
<td>7.5%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>9,061</td>
<td>100%</td>
</tr>
</tbody>
</table>

Once a charity has completed its details on the Register of Charities, it must file an annual report within ten months of the end of its financial year.

Charities by Charitable Purpose

The Charities Act 2009 sets out specific categories of charitable purposes.

✓ The prevention or relief of poverty or economic hardship
✓ The advancement of education
✓ The advancement of religion
✓ Any other purpose that is of benefit to the community

‘Any other purpose that is of benefit to the community’ contains specific purposes such as the integration of the disadvantaged, the promotion of health and voluntary work and the advancement of: community welfare and development, environmental protection and sustainability, racial and religious integration, conflict resolution, animal welfare, and the arts. Charities may and often have more than one specific charitable purpose. The table overleaf illustrates the breakdown of charities by charitable purpose.
Charities Regulator

Charitable purpose by category

- advancement of education: 36%
- advancement of religion: 19%
- other purpose of benefit to the community: 35%
- relief of poverty or economic hardship: 10%

Financial information on charities in Ireland

‘Charities by Income’ (see below) is a breakdown of 5,986 annual reports for those charities which have completed their details on the Register of Charities. There were 9,061 charities at the end of 2017. Some 3,075 of the charities on the Register are not included in this figure. Of these, 1,757 are not required to report as newly-registered charities and they will file their first annual reports in 2018. The remaining 1,318 charities, although legally obliged to report, have not completed their details on the Register of Charities which must be done before an annual report can be filed.

The annual reports for almost 6,000 registered charities provide information on the activities of charities in a given period and show how each charity furthers its charitable purpose for the public benefit, details of its income, expenditure, numbers of employees, types and estimated number of beneficiaries in the reporting period.

Charity by income in annual reports

- Up to €10,000: 52%
- €10,001 - €100,000: 32%
- €100,000+: 16%

1 At the end of 2017 a total of 622 charities were with the Revenue Commissioners for removal of their CHY number as they were not in compliance with their requirements of holding a charitable tax exemption. Charities on the Register of Charities as a result of having an exemption under section 207 or 208 of the Taxes Consolidation Act 1997 and an associated CHY number remain on the register only for as long as they hold such an entitlement (section 40).
The Charities Regulator received 30,098 initial contacts and queries from charities, the public, beneficiaries and other stakeholders (down 2% on 2016). Telephone remains the preferred method of communication with 50% of engagement by this method, followed by email (47%) and the website (3%).

Analysis of annual reports for 2017 shows that 2,094 registered charities declared income over €250,000 in 2017. The chart below shows the numbers of these by income band.
Charity Trustees and geographic location of Charities

Charity trustees are the people who are legally responsible for the management of a charity. Although they are volunteers, the role of a charity trustee carries significant responsibility. There were 51,219 charity trustees on the Register of Charities on 31 December 2017 - see graphic below.

<table>
<thead>
<tr>
<th>Region</th>
<th>Charities</th>
<th>Trustees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leinster</td>
<td>7,377</td>
<td>38,278</td>
</tr>
<tr>
<td>Munster</td>
<td>1,842</td>
<td>9,528</td>
</tr>
<tr>
<td>Connaught/Ulster (Monaghan, Donegal and Cavan)</td>
<td>1,492</td>
<td>6,850</td>
</tr>
<tr>
<td>Other Location (NI/UK)</td>
<td>47</td>
<td>630</td>
</tr>
<tr>
<td>Dublin</td>
<td>2,478</td>
<td>13,893</td>
</tr>
<tr>
<td>Total</td>
<td>9,061</td>
<td>51,219</td>
</tr>
</tbody>
</table>

Schools

<table>
<thead>
<tr>
<th>Category</th>
<th>Charities</th>
<th>Trustees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schools</td>
<td>1,684</td>
<td>12,941</td>
</tr>
<tr>
<td>Total</td>
<td>9,061</td>
<td>51,219</td>
</tr>
</tbody>
</table>
Compliance and Enforcement

531 concerns received

66% on 2016

29% of concerns related to Financial Control and Transparency

44 the average number of concerns received each month
**Concerns**

A key role of the Charities Regulator is to monitor and ensure compliance by charities with the provisions of charities legislation, in particular, the Charities Act 2009. In 2017, the Charities Regulator enhanced its process to receive concerns about charities from the public. This included the development of an on-line concern form to supplement its provision of a dedicated concerns helpline. Our concerns process is underpinned by our Concerns Policy which is publicly available on our website [www.charitiesregulator.ie](http://www.charitiesregulator.ie).

Where we receive a concern, we examine the information provided, conduct a risk assessment, and if warranted seek assurances/information from the charity or organisation. Where the Regulator cannot be assured by the charity, then it uses its powers under the Charities Act 2009 to require information, make directions, apply sanctions and, where required, appoint inspectors to investigate the affairs of the charity.

In 2017, the regulator received **531** individual concerns in respect of **351** organisations. This figure of individual concerns received represents an increase of **66%** on the number of concerns received in 2016 (319).

**Table 1 - Concerns raised by year 2014 to 2017**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual concerns</td>
<td>16</td>
<td>212</td>
<td>317</td>
<td>531</td>
</tr>
<tr>
<td>By organisation</td>
<td>11</td>
<td>72</td>
<td>222</td>
<td>351</td>
</tr>
</tbody>
</table>

**Increase in the number of concerns received per month**

During 2017, the average number of concerns received per month increased from **36 per month** in the first half of the year to **53 per month** in the latter half of the year. The increase in the number of concerns received per month can be seen in Table 2 below.

**Table 2 - Individual concerns received by month in 2017**

<table>
<thead>
<tr>
<th>Month</th>
<th>Individual concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan - 17</td>
<td>17</td>
</tr>
<tr>
<td>Feb - 17</td>
<td>16</td>
</tr>
<tr>
<td>Mar - 17</td>
<td>14</td>
</tr>
<tr>
<td>Apr - 17</td>
<td>28</td>
</tr>
<tr>
<td>May - 17</td>
<td>34</td>
</tr>
<tr>
<td>Jun - 17</td>
<td>29</td>
</tr>
<tr>
<td>Jul - 17</td>
<td>42</td>
</tr>
<tr>
<td>Aug - 17</td>
<td>32</td>
</tr>
<tr>
<td>Sep - 17</td>
<td>24</td>
</tr>
<tr>
<td>Oct - 17</td>
<td>26</td>
</tr>
<tr>
<td>Nov - 17</td>
<td>33</td>
</tr>
<tr>
<td>Dec - 17</td>
<td>40</td>
</tr>
</tbody>
</table>
Categories of concerns received

In line with the wide range of organisations, charitable purposes and beneficiaries within the charity sector in Ireland, the specific types of issues raised with the Regulator are extremely varied.

However, the types of concerns raised with the Regulator fell into a number of relatively broad categories. It should also be noted that a single concern received may raise a number of different issues which would have been categorised separately.

Of the concerns received in 2017, approximately 75% raised issues that related to financial control and transparency, the legitimacy of an organisation and governance issues. The full breakdown can be seen in Table 3 below:

Table 3 - Categories of Concerns 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Control and Transparency</td>
<td>29%</td>
</tr>
<tr>
<td>Legitimacy of Charity</td>
<td>23%</td>
</tr>
<tr>
<td>Good Governance</td>
<td>23%</td>
</tr>
<tr>
<td>Political Campaigning</td>
<td>9%</td>
</tr>
<tr>
<td>*Charities Regulator not the primary regulator of charity</td>
<td>7%</td>
</tr>
<tr>
<td>Private Benefit</td>
<td>5%</td>
</tr>
<tr>
<td>Harm to Beneficiaries</td>
<td>4%</td>
</tr>
</tbody>
</table>

*These concerns received related to alleged breaches of legislation which primarily fall within the remit of other regulators and/or enforcement bodies (e.g. animal welfare, theft and fraud, workplace relations, etc.).
During 2017, as a result of its enhanced processes and investment in the training and development of staff in the compliance unit, the unit dealt with 461 concerns. This represented an increase of 257% in the number (129) we dealt with in 2016. As at 31 December 2017, the number of concerns open stood at 328 in respect of 187 organisations.

<table>
<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2016</th>
<th>% variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. concerns received</td>
<td>531</td>
<td>319</td>
<td>66% increase</td>
</tr>
<tr>
<td>No. concerns closed</td>
<td>461</td>
<td>129</td>
<td>257% increase</td>
</tr>
<tr>
<td><strong>No. concerns open year end</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>by individual concern</td>
<td>328</td>
<td>287</td>
<td>14% increase</td>
</tr>
<tr>
<td>by organisation</td>
<td>187</td>
<td>199</td>
<td>6% decrease</td>
</tr>
</tbody>
</table>
Significant Actions in 2017

Thematic Reviews

During 2017, the Charities Regulator published two thematic reports:

✓ Review of registered charities holding shares in section 110 companies on trust
✓ Review of registered charities compliance rates with annual reporting requirements 2016

1. ‘Review of registered charities holding shares in section 110 companies on trust’

In April 2017, the Charities Regulator published its review of charities on its Register of Charities which hold shares in special purpose vehicles established for the purposes of section 110 of the Taxes Consolidation Act 1997 on trust.

The purpose of the review was to determine the most appropriate regulatory approach for these organisations and whether these organisations fell within the remit of the Charities Act 2009.

The main findings of the review were that the Charities Regulator recognised that registered charities can make investments and hold shares in order to achieve a return so that they can further their charity’s aims. However, it was the view of the Charities Regulator that the holding of shares in itself should not be the motivation and reason for a charity’s existence.

Organisations seeking to obtain or maintain registration as a charity must satisfy the Regulator that it has exclusively charitable purposes.

The full report is available on www.charitiesregulator.ie

2. ‘Review of registered charities compliance rates with annual reporting requirements 2016’

In October 2017, the Charities Regulator published its ‘Review of registered charities compliance rates with annual reporting requirements 2016’

The main finding of the review found that 86% of charities submitted their annual return for 2016 (42% filed on time, 30% filed within three months of the filing deadline and the remainder filed more than three months late). The total number of annual returns outstanding for 2016 stood at 751. This represents 14% of the total number of annual returns due in that period.

While the Charities Regulator welcomed the high level (86%) of registered charities that completed the registration process and submitted an annual report to the Charities Regulator, it would like to remind charity trustees that failure to submit an annual return to the Regulator is an offence under section 52(8) of the Charities Act 2009. A key function of the Charities Regulator is to monitor compliance with the Act and it will take appropriate action to ensure that the requirements of the Act are observed.
Public Update Notices

‘Unregistered charity shops’

The purpose of the notice, issued in September, was to update the public on our compliance work in respect of ‘unregistered charity shops’.

The update noted that one shop owner has been prosecuted, three shops have ceased trading and seven shops no longer market themselves as ‘charity shops’, following interventions by the Charities Regulator since 2016.

The notice also published the details of the organisations that were subject to the above regulatory action.

House-to-house collections

The purpose of the notice, issued in December, was to inform the public that if they want to donate unwanted goods and items to charity they should check the Register of Charities to assure themselves their donations go to registered charities.

The notice stated that during 2017 the Charities Regulator received 30 reports from the public, expressing concern about people and/or organisations operating house-to-house collections of unwanted clothing and other goods, and whether or not they were registered charities.

The notice also reproduced the examples of labels in respect of clothing collections by organisations that are not registered charities that were brought to the Charities Regulator’s attention by members of the public.

Concerns regarding sales of charity land

The Commissioners of Charitable Donations and Bequests for Ireland (CCDB) had a role in respect of the disposition, of charity land, approving sales of land in certain circumstances. A disposition encompasses the sale, mortgage, exchange, transfer or surrender of charity land. This function transferred to the Charities Regulator upon the dissolution of the CCDB under the Charities Act 2009 and is carried out by the Charity Services Committee.

Following the receipt of a number of concerns about sales of charity land, the compliance division identified that there was a need to clarify the extent of the role of the Charities Regulator in respect of those sales. The compliance division developed a note on the matter with the Charity Services Committee and published the document on its website in December 2017.

Guidance issued

One of the key functions of the Charities Regulator is to promote compliance by charity trustees with their duties in the control and management of charitable trusts and charities.

During 2017, we developed and published our first set of key guidance documents:
‘Internal Financial Controls Guidelines for Charities’
‘Guidance for Charity Trustees’
‘Guidelines for Charitable Organisations on Fundraising from the Public’

All guidance documents are available to download. [www.charitiesregulator.ie](http://www.charitiesregulator.ie)

**eLearning**

In Quarter 4 of 2017, the Charities Regulator developed its eLearning tool. The first module on the platform was ‘Guidance for Charity Trustees’. This module provides guidance to charity trustees on their general duties and obligations and on their duties under the Charities Act 2009. Instruction is provided via interactive scenarios and knowledge tests. Following rigorous testing by both Charities Regulator staff and selected stakeholders from the Charities Sector, the module was launched during Trustees' Week 2017 (13-17 November).

See [https://trusteelearning.ie/](https://trusteelearning.ie/)

**Part 4 Powers – Protection of Charitable Organisations**

In September 2016, Part 4 of the Charities Act 2009 was enacted, providing investigative and protective powers for the Regulator. This includes the capability to impose sanctions if a charity breaches certain obligations such as the requirement to keep proper accounts or to submit its annual report. It also gives the Charities Regulator the authority to appoint inspectors to conduct statutory investigations into the affairs of charities.

During 2017, the Charities Regulator used these powers which included:

- publication of an inspectors’ report into Ataxia Ireland CLG and commencement of two further statutory investigations;
- issuing of intermediate sanctions in respect of a failure to keep proper books of account;
- issuing directions to charity trustees to provide information to the Regulator; and
- requiring charity trustees and other persons to attend for interview.

**Financial Action Task Force**

The Financial Action Task Force, which works to combat money laundering, terrorist financing and other threats to the financial integrity of the international financial system, published its Mutual Evaluation Report on Ireland in September. On foot of the report, the Charities Regulator has agreed a series of actions to risk-assess and monitor the Irish charity sector in relation to the financing of terrorism.
Charity and Legal Services
On the date of its establishment, the Charities Regulator assumed the roles and functions previously carried out by the Commissioners of Charitable Donations and Bequests. The charity services team, headed by the legal advisor for regulation and charity services, is part of the Regulation Directorate. Its responsibilities include processing requests from charities and their legal advisors arising under the Charities Acts 1961 and 1973 and supporting the Charities Regulator in respect of other functions previously carried out by the Commissioners.

The charity services team supports the work of the Charity Services Committee, which performs important functions relating to the protection of charitable purposes and activities in Ireland.

Requests which are processed by the charity services team include the following:

- **Authorisation of disposition of lands held upon charitable trust**
  The Charities Regulator may authorise the sale or disposition of lands held upon charitable trusts where the charity trustees do not otherwise have such a power.

- **Appointment of new trustees**
  Upon the application of a trustee (or any person having an interest) by way of a statutory declaration, the Charities Regulator may, on application to it and where there are no surviving trustees of a charitable trust or where the personal representative of the last surviving trustee cannot be located, appoint a new trustee or trustees.

- **Framing of schemes applying charitable property Cy-Près**
  The Charities Regulator has the power to settle schemes for applying charity property Cy-près (as near as possible to the intentions of the original donor), where the original objects have failed or are not possible to implement.

- **Compromise of claims by or against a charity**
  Upon the application of the charity trustees of a charity, the Charities Regulator may sanction a compromise in relation to a claim made by or against a charity.

- **Advice to charity trustees experiencing difficulty in administering a charitable trust**
  The Charities Regulator may advise charity trustees who have a difficulty in relation to the administration of a charitable trust, or executors of a will experiencing difficulty in administering a charitable devise or bequest.

- **Making of vesting orders in relation to leases**
  The Charities Regulator may make vesting orders freeing charity property from the operation of onerous covenants in leases made pursuant to the Leases for Schools (Ireland) Act 1881 and other leases for charitable purposes, where the person entitled to the lessor’s interest is unknown or cannot be found.

- **Examination of forms received from Probate Office**
  The Charities Regulator examines summary forms received from the Probate Office, which supplies details of all charitable bequests, for the purpose of establishing if receipts for such bequests were received.

During 2017, the Charity Services Committee considered 327 matters, which represents an increase of approximately 38% on the number of matters considered in 2016. The matters dealt with in 2017 can be broken down as follows:

<table>
<thead>
<tr>
<th>Type of Matter</th>
<th>Number of matters dealt with in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-routine applications (miscellaneous matters e.g. where the Charity Regulator’s opinion or advice is sought; Cy-Près applications)</td>
<td>107</td>
</tr>
<tr>
<td>Litigation</td>
<td>14</td>
</tr>
<tr>
<td>Routine applications - property disposals (e.g. sanction of mortgages, sales, transfers, leases)</td>
<td>136</td>
</tr>
<tr>
<td>Appointment of new trustees</td>
<td>51</td>
</tr>
<tr>
<td>Formal items (documents for sealing)</td>
<td>19</td>
</tr>
</tbody>
</table>
During 2017, the Charity Services Committee considered 327 matters.

Legal Services

The legal services team is part of the Regulation Directorate and provides legal support across the organisation.

In 2017, the legal services team provided legal advice on day-to-day regulatory issues and specific advice in the context of a number of projects and other corporate affairs matters. The increasing workload, led to the expansion of the team in September 2017 when a corporate affairs legal advisor was recruited.

Common Investment Fund

The Charities Regulator has responsibility for oversight of a Common Investment Fund, managed by Davy Asset Management Ltd, which was valued at circa €37 million on 31st December 2017.

The Common Investment Fund ("Fund") was established in April 1985 by the Commissioners of Charitable Donations and Bequests for Ireland by way of Scheme under section 46 of the Charities Act 1961. By virtue of section 82 of the Charities Act 2009, all functions of the Commissioners of Charitable Donations and Bequests for Ireland were transferred to the Charities Regulator.

There are currently approximately 340 investors in the Fund. Investors in the Fund are charities with a valid charitable tax exemption from the Revenue Commissioners or such Charitable Trusts as the Charities Regulatory Authority admit at their discretion. No additional charities are currently being admitted to the Fund.

A dividend reinvestment scheme is in place allowing unit holders the choice of receiving dividend income in cash twice a year or reinvesting back into the Fund, which would be reflected in additional units at the end of June and December. Investment is by way of purchase of units based on unit prices struck on 30 June and 31 December, or at such time as the Charities Regulator deems appropriate.

In October 2017 the Charities Regulator went to the market to carry out a Strategic Review of the Fund. This review was carried out in December 2017 and will assist the Charities Regulator in making decisions on the future management of the Fund.
Communications and Stakeholder Engagement

100,000 visitors to our website

Gathered the views of almost 1,200 people for charity governance consultation

Organised the inaugural Charity Trustees’ Week
One of the Charities Regulator’s strategic objectives is to engage and communicate effectively with all stakeholders in support of its regulatory role.

The Communications and Stakeholder Engagement team made progress in achieving this objective in a number of ways during 2017. These included increased media activity, a marked rise in engagement with the public through our website and social media channels, a national consultation process, new engagement opportunities such as Trustees’ Week and the delivery and promotion of a greater number of publications.

**Media**

The Charities Regulator published 25 press releases during the year. It received national broadcast and print coverage of its first prosecution in February, the publication of its first Inspector’s Report in July and public information notices on charity shops, and the launch of its fundraising guidance.

**Website and social media**

Our website continues to be a vital communications tool. During 2017 there were 100,761 users of the website (an 80% increase on the Analytics figures for 2016) who visited 194,483 times (+65%) and viewed 763,404 pages (+46%). Work to develop a new, more user-friendly website was at an advanced stage at the end of the year. A new website is due to be launched in 2018.

Our social media platforms also played a greater role during the year.

Our Twitter account gained 623 new followers (up 62% on 2016) bringing the total to 1,622. We published 359 Tweets which generated 578,000 impressions.

The Charities Regulator launched a LinkedIn business page in June which had 586 followers by the end of the year. The 62 posts published received 241,000 impressions.
Launch of fundraising guidelines and consultative panel report

Chief Executive, John Farrelly, addresses the audience at the launch of the two documents in September 2017.

Chairperson of the Charities Regulator, Patrick Hopkins, speaks at the event.

Chief Executive, John Farrelly, outlines the key elements of the guidelines.

Ann Fitzgerald, Chairperson of the Consultative Panel, speaking at the launch of the report.

Chairperson of Charities Regulator, Patrick Hopkins and Minister for Rural and Community Development Michael Ring.

Minister Michael Ring officially launching the panel report and guidance documents.
Publications

The team published and publicised a series of guidance documents, public information notices and reports during the year. Three guidance documents were published for charity trustees.

These were:

- ‘Internal Financial Controls Guidelines for Charities’ (in July)
- ‘Guidance for Charity Trustees’ (in July)
- ‘Guidelines for Charitable Organisations on Fundraising from the Public’ (in September).

The annual report was produced and published in July. The Charities Regulator’s first Inspectors’ report – ‘Inspectors’ Report - Ataxia Ireland CLG’ was also published in July.

The ‘Report of Consultative Panel on Charitable Fundraising’ was launched by Minister for Rural and Community Development, Michael Ring, in September. Thematic reviews were published into charities holding special purpose vehicles on trust (April) and compliance rates with annual reporting requirements (August). Public update notices on charity shops (September) and household clothing collections (December) were also publicised.

Consultative Panel on the Governance of Charities

In March 2017, the Charities Regulator established a Consultative Panel on the Governance of Charities in accordance with section 36 of the Charities Act 2009. The Charities Regulator is exploring the option of putting in place a regulatory approach which ensures registered Irish charities are well governed and managed.

The Charities Regulator was of the view that observations and proposals from a consultative panel of experts with appropriate expertise in governance, law, finance and charity administration was the optimal approach to ensuring an appropriate and proportionate framework to facilitate good governance in charities is put in place in Ireland.

The panel’s terms of reference were to consider:

- The Minister’s power to make regulations in relation to the Governance of Charitable Organisations pursuant to section 4 of the Charities Act 2009;

The Consultative Panel on the Governance of Charities at their first meeting on 30 of March 2017: Front Row (l-r): Claire O’Hare, Sarah Mongey (secretary to the panel), Senan Turnbull (Chairperson), Dr Nicolas Marcoux (researcher to the panel) and John Laffan.

Back Row (l-r): Stephanie Manahan, James Kavanagh, Ivan Cooper, Prof Niamh Brennan, Lucy Masterson, Prof Oonagh Breen, John Farrelly, Patricia Cronin and Teresa McColgan.
Options for the Charities Regulator to encourage and facilitate the better administration, management and governance of charitable organisations by the provision of information or advice, including in particular by way of issuing (or, as it considers appropriate, approving) guidelines, codes of conduct, and a range of model documents, deemed relevant by the panel in the course of its work;

Options for the Charities Regulator to promote compliance by charity trustees with their duties in the direction, control and management of charitable trusts and charitable organisations.

The panel met seven times during 2017 to discuss the options.

Its membership consisted of:

- **Senan Turnbull**, Chairperson, former member of the Charities Regulatory Authority
- **Professor Oonagh Breen**, UCD Sutherland School of Law
- **Professor Niamh Brennan**, UCD College of Business
- **Ivan Cooper**, Director of Public Policy, The Wheel
- **Patricia Cronin**, Member, Charities Regulatory Authority
- **John Farrelly**, Chief Executive, Charities Regulator
- **James Kavanagh**, Chairman, Corporate Governance Association of Ireland
- **John Laffan**, Principal Officer, Civil Governance Unit, Department of Justice and Equality
- **Stephanie Manahan**, CEO, Central Remedial Clinic
- **Lucy Masterson**, CEO, Charities Institute Ireland
- **Teresa McColgan**, Tax Partner, PwC
- **Claire O’Hare**, Policy Development Manager, Charities Commission of Northern Ireland

The panel is expected to finalise its report for the Charities Regulatory Authority in 2018.

As part of the work of the Consultative Panel on Governance, a national consultation process was undertaken over a five week period from 1 November to 6 December. A total of 1,193 individuals and/or organisations participated and made their views known on a number of key issues, identified by the panel.

The process included an online questionnaire, three public meetings (in Dublin, Cork and Galway), two focus groups with charities (one for smaller organisations and the other for medium-sized charities), and written submissions.
Stakeholder Engagement Meetings

Nollaig Lonergan and Katie Sheehan from Mid West Hospital Development Trust at the Charity Trustees’ Week event in Limerick on 13 November.

Sr Colette, Jennifer Carpenter, Michael Coughlan and Sr Gabriel at the Galway Governance Consultation meeting on 6 November.

David Olayinka, Mirella Ejugwo and Bayagbon Ogheneovo attend the Governance Consultation in Galway on 6 November.

Eamon Timmins, Head of Communications at the Charities Regulator, with Caroline O’Connor (Bartlemy Parish Hall) and Celestine Farrissey (Charleville Housing) at the Governance consultation meeting in Cork on 1 November.

May Casey and Brenda Ainsworth (Thomas McDonagh Museum, Cloughjordan) at the Charity Trustees’ Week meeting in Limerick on 13 November.
Charity Trustees' Week 2017

The Charities Regulator instigated the first Charity Trustees' Week from 13 to the 17 of November. Together with a steering committee (consisting of The Wheel, Charities Institute Ireland, Carmichael Centre, Dóchas, Volunteer Ireland, and Boardmatch) a week-long series of events were organised.

The week’s aims were:

- to celebrate and thank charity trustees for the key role which they play in the governance and leadership of Ireland’s charities;
- To highlight the importance of good governance of boards and promote the need for a thorough knowledge of charity trustees’ roles and responsibilities, education and upskilling of trustees;
- To highlight the need for new charity trustees and promote the means by which they can be connected with charities that need trustees.

The Charities Regulator organised public meetings in Limerick and Dublin as part of the week. These featured presentations on the Charities Regulator’s new e-learning tool for charity trustees as well as panel discussions with locally based charity trustees. The Charities Regulator ran a national radio advertising campaign to support the event.

Oireachtas meeting

The Charities Regulator held its first public information meeting for Oireachtas members at Leinster House on 27 September in order to increase understanding and awareness of the Charity Regulator’s work. It was attended by 19 Oireachtas members or their representatives. There was good engagement from the public representatives and the general feedback was that it was a valuable exercise which would be worth repeating annually.

Parliamentary Questions

The Charities Regulator received 31 parliamentary questions during the year. The subjects of these questions included the governance of specific charities, the application status of organisations applying to be registered charities, and expenditure by the Charities Regulator on specific budget issues.

Public-facing meetings

The Chief Executive and staff from the Charities Regulator addressed a number of conferences and meetings, attended by key stakeholders. These included: the Wheel’s annual conference; the Disability Federation of Ireland’s AGM; the International Regulator’s Conference; the Davy Charity conference; the Mental Health Reform AGM; the Irish Catholic Bishops conference; meetings with Church of Ireland trustees in Dublin, Cork and Carrick-On-Shannon and Charities Institute Ireland research launch.
Access to information

The Charities Regulator is committed to being an open and accessible organisation. The Freedom of Information (FoI) Act 2014 is one method of requesting access to information for members of the public that have not been able to access the information they require under alternative routes.

Freedom of information requests

We resolved a total of 40 non-personal FoI requests, one personal and one mixed (a combination of personal and non-personal) during 2017. Two requests remained open at the end of the year.

Data Protection requests

The Charities Regulator received three requests for information under the Data Protection Act in 2017. Two of these were submitted ‘incorrectly’ (i.e. the requests should not have been made under the Act as they were not seeking information covered by the legislation). Under the Act, requests for personal information must be accompanied by evidence of identity. This was not provided in the third case.
Developing an efficient and effective organisation

Commenced implementation of a new digital platform system

Progressed the development of a quality management system

Supported training for members of the Authority
In line with the Authority’s first Statement of Strategy a key strategic objective is to develop the Charities Regulator as an effective and efficient independent regulatory Authority. Successful achievement of this objective will result in a highly motivated and engaged Authority and staff.

A strong and committed leadership team will enjoy appropriate delegation for day-to-day operations. The Regulator will have an effective IT infrastructure that makes registration and compliance for charities transparent and as simple as possible.

The Charities Regulator has developed and published a Governance Framework. The framework provides a summary of the principal levers and controls for corporate governance within the Charities Regulator. The Chief Executive and members of the Authority will review the framework annually, or as necessary, to ensure its effectiveness.

During 2017, the Charities Regulator undertook a programme of work to ensure it complied with the relevant provisions of the ‘Code of Practice for the Governance of State Bodies (2016)’ published by the Department of Public Expenditure and Reform.

An Oversight and Assurance Agreement was also put in place between the Charities Regulator and the Department of Justice and Equality. The document outlined an agreed level of service to be provided to the Charities Regulator. It also outlined the requirements of the Department that the Charities Regulator provide evidence of delivery of continually improving efficiency and effectiveness, including ongoing compliance with the relevant requirements of the Code of Practice for the Governance of State Bodies (2016).

**Authority members’ development**

The members of the Authority completed a comprehensive self-evaluation survey in December 2017 and a number of actions identified as a result will form part of the members of the Authority’s work programme for 2018.

The members of the Authority participated in a training session facilitated by Governance On-Line and covered topics such as duties and responsibilities of the board of the Authority, conflict of interest, risks and future strategic direction. In addition, members of the Authority attended a number of seminars provided by the IPA’s Governance Forum in November 2017.

In October 2017, the terms of office of four members of the Authority concluded and a further three members were reappointed to the Authority for a term of five years.

**Organisational and financial resource review**

In keeping with the programme of work to move to a preferred operating model the Authority continued to put in place the human and financial resources and structures required to implement the Charities Regulator’s statutory remit and achieve its strategic objectives.

**Quality Management System**

The development of the Quality Management System (QMS) formally commenced in 2016, and the organisation continued working on the development of the QMS with the aim of certification to ISO 9001:2015 in 2018.

The QMS is based on the Seven Quality Principles of the ISO 9001:2015 standard. To date we have reached a number of milestones.

A gap analysis was carried out and an action plan was developed to improve and standardise work processes. A quality champions forum was established and a number of training sessions took place to introduce the quality concept to management and staff.
Stakeholder service

In 2017, the Charities Regulator drafted and published its customer complaints policy and two complaints were managed under this policy. The Charities Regulator drafted its stakeholder charter which will be published in 2018.

Facilities

The corporate affairs business unit is responsible for maintaining a fit-for-purpose, safe and efficient premises, and for facilitating arrangements for internal and stakeholder use of the Charities Regulator’s facilities for meetings and other events. The Charities Regulator also facilitates meetings for other government departments and agencies.

Over the course of 2017, the Charities Regulator has been operating from offices at 3 George’s Dock, IFSC, Dublin 1, for which it has a 10-year lease. The offices are designed and fitted in a modern, open-plan environment, one that is highly conducive to both independent and team work. In addition, the offices have sufficient space to be able to comfortably accommodate new staff arriving in 2017.

Digital platform

A key driver in providing a professional regulation and compliance service to charities is an efficient, supportive IT system that enables quick response times to information requests from charities or the general public. This can be achieved by the consolidation of multiple IT systems into one central digital platform from which operational efficiencies can be realised. In 2016 the Authority sought and received permission from the Department of Justice and Equality to tender to procure a ‘best of breed’ solution. After a successful tendering process, implementation began in mid-2017.

The scope of the Digital Platform System (DPS) project was widened latterly, to include a new website and online eLearning education tool for charity trustees.

Work continued in the second half of 2017 with substantial time and resources invested in re-designing the registration application process in order to enhance and streamline the process. Significant improvements are expected in reduced submission times in 2018.

Access to the new registration forms will be through a new Charities Regulator website which has been designed to provide the visitor with the information they require quickly and efficiently. A new charity search facility will show a charity’s financial statements and their compliancy status in real-time, while a new interactive map will provide insights into the size and distribution of the charity sector in Ireland.

The Digital Platform System is unifying the various business units and will enable for the first time, an on-demand reporting and analysis capability that in turn, will support regulation, monitoring and compliance, which is the principle function of the Regulator.

Phase one of the new system is expected to go-live in 2018.
**Risk management**

In line with the Charities Regulator’s risk management policy, risk management is reflected in the day-to-day business operations of the various business units within the Charities Regulator. Risk and control functions are under the oversight of the Finance, Audit and Risk Committee.

The Charities Regulator established a Corporate Risk Register and appointed a Chief Risk Officer in 2016. Its Risk Management Framework was revised in 2017, aligned with the Department of Public Expenditure Reform’s guidelines on Risk Management. The Risk Register was enhanced.

Staff in the Charities Regulator were provided with risk management training and a number of risk management workshops were provided for business units.

The three primary risks identified in 2017 to the achievement of the Charities Regulator’s strategic objectives were:

1. The risk-based monitoring framework and operational system is not developed and implemented.
2. The capabilities of the Charities Regulator are not developed in a timely manner.
3. A major ‘event’ occurs in the charity sector which the Regulator is not resourced to respond to.

The Authority has put in place plans and actions to mitigate these risks.

**Procurement**

The Authority approved its procurement policy in 2017. Access to the Office of Government Procurement (OGP) contracts and frameworks provided additional support to implementation of the Charities Regulator’s procurement schedule. Some of the public procurement competitions that were successfully completed by the in-house procurement team and through the appropriate OGP frameworks included:

- Framework for the Provision of Supply of Stationery and Office Supplies;

**Financial reporting**

Financial narrative and reports showing details of expenditure against budget were presented to, and considered by, the Charities Regulatory Authority on a monthly basis throughout the year.

The Charities Regulator continued to adhere to the relevant aspects of the Public Spending Code published by the Department of Public Expenditure and Reform throughout 2017.

Draft Accounts were submitted to the Department of Rural and Community Development in the time scale set out in accordance with Code of Practice for the Governance of State Bodies. The Financial Statements of the Charities Regulatory Authority for the year ended 31 December 2017 have been prepared under FRS102, the Financial Reporting Standard applicable to the UK and Ireland issued by the Financial Reporting Council (FRC) and promulgated by Chartered Accountants Ireland. These are the Charities Regulatory Authority’s second set of financial statements prepared in accordance with FRS102.
The Charities Regulator’s annual accounts for 2017 were submitted to the Comptroller and Auditor General in accordance with the timescales set out in the Charities Act 2009.

Internal audit

The Charities Regulator used the services of the internal audit unit of the Department of Justice and Equality to perform its internal audit function. No material concerns were identified in the two internal audits carried out in 2017.

Disclosure of interests

In accordance with the ‘Code of Practice’ for the Governance of State Bodies (2016), the Charities Regulator has a Code of Business Conduct which includes guidance in relation to the disclosure of interests by Authority members. The Code of Business Conduct for members and sub-committees was reviewed and published. These procedures were complied with throughout 2017.

Authority members are designated directors for the purpose of the Ethics in Public Office Acts 1995 and 2003, and have obligations in relation to disclosure of material interest and an annual statement of interest under the terms of the Acts.

Health and safety

The Charities Regulator is committed to providing a safe place to work in accordance with the Safety, Health and Welfare at Work Act 2005. There were no reportable accidents in 2017.

Training in health and safety for 2017 included first aid training and fire marshals training. Two fire drills took place at the Charities Regulator’s Offices in 2017.

Protected disclosures

In accordance with section 21(1) of the Protected Disclosures Act 2014, the Authority adopted the Protected Disclosures Policy of the Department of Justice and Equality as its policy on protected disclosures in the workplace. This policy provides the Authority with a process for handling items of concern disclosed to it by staff.

Protected Disclosures training was provided to staff at Assistant Principal level and above. In addition, the Charities Regulator joined Transparency International Ireland’s Integrity at Work programme and signed up to the Transparency International Charter on Protected Disclosures.

No disclosure as defined by the Protected Disclosures Act 2014 was made by staff to the Authority during 2017.
Governance and Management

The Charities Regulatory Authority is an independent authority, established in 2014 by the Minister of Justice and Equality. On 26 July 2017, the Charities (transfer of Departmental Administration and Ministerial Functions) Order was commenced.

Functions that were previously vested in the Minister for Justice and Equality were then transferred to the Minister of Rural and Community Development.

The Charities Regulator comprises an Authority (which currently has 13 members), four sub-committees, a Chief Executive, executive management team and five individual business units.
Membership and Meetings

The Charities Regulatory Authority (“The Authority”).

Patrick Hopkins
(Chairperson)

Patrick was Company Secretary and Manager - Corporate Services Division at Enterprise Ireland (EI) prior to his retirement in November 2013.

David Brady
(Re-appointed October 2017)

David Brady is a Chartered Accountant, consultant and advisor to the charity sector.

Katie Cadden

Katie is a solicitor with significant experience in charity law, public law and litigation.

Sandra Chambers

Sandra is a company director and chartered tax adviser.

Cynthia Clampett

Cynthia (former Chief Executive, Mayo Roscommon Hospice Foundation) has over 20 years experience of charitable fundraising, management and development.

Tom Costello
(Re-appointed October 2017)

Tom spent 14 years with The Atlantic Philanthropies, leaving the foundation in December 2014. Prior to this, he held a variety of leadership positions in the statutory, voluntary and private sectors.
### Patricia Cronin  
*Re-appointed October 2017*

Patricia is a solicitor who has worked in both the private and public sectors, including over 25 years in various roles with IDA Ireland.

### Fergus Finlay

Fergus has been Chief Executive of Barnardos children’s charity since 2005.

### Graham Richards

Graham is a Notary Public and a retired solicitor. He was a Commissioner of Charitable Donations and Bequests for Ireland from 2004 to the dissolution of the Commissioners and transfer of their functions to the Charities Regulator in 2014.

### Noel Wardick

Noel worked as a senior professional in the overseas aid sector for 16 years. He is currently the CEO of Dublin City Community Cooperative.

### Ann Fitzgerald  
*(Term ended October 2017)*

Ann is a barrister practising in Cork with a wide-ranging general practice.

### Senan Turnbull  
*(Term ended October 2017)*

Senan is a retired public servant whose career, across many Departments and State Bodies, saw him work with the community and voluntary sector in particular.

### Hugh Maddock  
*(Term ended October 2017)*

Hugh has been involved in the charity fundraising sector for more than 30 years in the South East.

### Anna Classon  
*(Term ended October 2017)*

Anna has worked in the charity sector in Ireland and the UK for 18 years at community level and senior management level.
## Board Meeting Attendance
### January to November 2017

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</thead>
<tbody>
<tr>
<td>Patrick Hopkins</td>
<td>10 out of 10</td>
<td>✓</td>
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<td>✓</td>
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<td>Ann Fitzgerald**</td>
<td>7 out of 8</td>
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<td>✓</td>
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<td>Sandra Chambers</td>
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<td>✓</td>
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<tr>
<td>Hugh Maddock**</td>
<td>8 out of 8</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
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<tr>
<td>Graham Richards</td>
<td>8 out of 10</td>
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<td>David Brady</td>
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<tr>
<td>Noel Wardick</td>
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<td>Senan Turnbull**</td>
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<tr>
<td>Tom Costello</td>
<td>9 out of 10</td>
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<td>Katie Cadden</td>
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<tr>
<td>Fergus Finlay</td>
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<td>Anna Classon**</td>
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<tr>
<td>Cynthia Clampett</td>
<td>8 out of 10</td>
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<td>✓</td>
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<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

*Board meeting held electronically (July 2017)

** Board member’s Term of Office ended 15 October 2017
Authority Members' Fees and Expenses

There were 10 meetings of the Authority in the period 1 January 2017 to 31 December 2017 and the related fees were €59,086 in 2017. Details of attendance and amounts paid to the members are outlined below. Fees were paid at the approved standard rate set by the Department of Public Expenditure and Reform.

<table>
<thead>
<tr>
<th>Board Members</th>
<th>Board Fees 2017</th>
<th>Travel and Subsistence 2017</th>
<th># of Board Meetings 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patrick Hopkins</td>
<td>8,978.00</td>
<td>572.93</td>
<td>10 out of 10</td>
</tr>
<tr>
<td>Ann Fitzgerald</td>
<td>4,732.70</td>
<td>1,946.10²</td>
<td>7 out of 8</td>
</tr>
<tr>
<td>Sandra Chambers</td>
<td>5,985.00</td>
<td>-</td>
<td>9 out of 10</td>
</tr>
<tr>
<td>Patricia Cronin</td>
<td>5,985.00</td>
<td>-</td>
<td>10 out of 10</td>
</tr>
<tr>
<td>Hugh Maddock</td>
<td>4,732.70</td>
<td>655.55</td>
<td>8 out of 8</td>
</tr>
<tr>
<td>Graham Richards¹</td>
<td>-</td>
<td>-</td>
<td>8 out of 10</td>
</tr>
<tr>
<td>David Brady</td>
<td>5,985.00</td>
<td>-</td>
<td>10 out of 10</td>
</tr>
<tr>
<td>Noel Wardick¹</td>
<td>-</td>
<td>-</td>
<td>10 out of 10</td>
</tr>
<tr>
<td>Senan Turnbull³</td>
<td>-</td>
<td>-</td>
<td>7 out of 8</td>
</tr>
<tr>
<td>Tom Costello</td>
<td>5,985.00</td>
<td>-</td>
<td>9 out of 10</td>
</tr>
<tr>
<td>Katie Cadden</td>
<td>5,985.00</td>
<td>911.94</td>
<td>9 out of 10</td>
</tr>
<tr>
<td>Fergus Finlay³</td>
<td>-</td>
<td>-</td>
<td>10 out of 10</td>
</tr>
<tr>
<td>Anna Classon</td>
<td>4,732.70</td>
<td>-</td>
<td>6 out of 8</td>
</tr>
<tr>
<td>Cynthia Clampett</td>
<td>5,985.00</td>
<td>472.89</td>
<td>8 out of 10</td>
</tr>
</tbody>
</table>

¹ Members who waived their fees in 2017.
² The above figure includes €750.18 travel and subsistence for work with the Consultative Panel on Charitable Fundraising.
³ 'One Person One Salary' Principle 2016.
The Authority has established four committees:

**Finance, Audit and Risk Committee**

The Finance, Audit and Risk Committee is responsible for advising the Board of the Authority on whether an appropriate regime of internal control, financial and other is in operation but not for the formulation or implementation of such a regime, which is the responsibility of the executive of the Authority.

The Terms of Reference of the Finance, Audit and Risk Committee were reviewed and revised in September 2017.

The committee met six times during 2017. Its members consisted of:

- David Brady *(Chairperson and Authority member)*;
- Noel Wardick *(Authority member)*;
- Sandra Chambers *(Authority member, term ended 16 January 2017)*;
- Hugh Maddock *(Authority member, joined 7 February 2017, term ended 15 October 2017)*
- Adrian Clements *(External Member re-appointed for two years)*;
- Nuala Comerford *(External Member re-appointed for two years)*.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>David Brady</td>
<td>6 out of 6</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Noel Wardick</td>
<td>4 out of 6</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Hugh Maddock</td>
<td>3 out of 4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Sandra Chambers</td>
<td>1 out of 1</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adrian Clements</td>
<td>5 out of 6</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Nuala Comerford</td>
<td>6 out of 6</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Regulatory and Governance Committee

The Governance Committee of the Authority was reconstituted as the Regulatory and Governance Committee in June 2017. Its function is to oversee the implementation of the code of practice for the Governance of State Bodies and to oversee the effectiveness and controls around the delivery of the Authority’s registration, reporting and regulatory functions.

The terms of reference for the Regulatory and Governance Committee were revised in June 2017. The Governance Committee met twice and the Regulatory and Governance Committee met three times during 2017.

Its members consisted of:

- Senan Turnbull (Chairperson and Authority member, term ended 15 October 2017);
- Katie Cadden (Authority member, Chairperson from 16 October 2017);
- Tom Costello (Authority member)
- Anna Classon (Authority member, term ended 15 October 2017)
- Paddy Hopkins (Authority member, joined Committee 20 November 2017)
- Ronan Nolan (External member term ended 29 June 2017);

<table>
<thead>
<tr>
<th>Committee Members</th>
<th>Total</th>
<th>12 Jan 2017</th>
<th>13 Apr 2017</th>
<th>29 Jun 2017</th>
<th>26 Sep 2017</th>
<th>20 Nov 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senan Turnbull</td>
<td>4 out of 4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kadie Cadden</td>
<td>5 out of 5</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tom Costello</td>
<td>4 out of 5</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Anna Classon</td>
<td>3 out of 4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Paddy Hopkins</td>
<td>1 out of 1</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Ronan Nolan</td>
<td>2 out of 3</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
### Performance and Resource Planning Committee

The committee was established to assist the Authority to manage the recruitment of a Chief Executive, to oversee the performance management process for senior management and to consider the terms and conditions of members of staff of the Charities Regulator including the terms under which staff are assigned/seconded/allocated/transferred to the Charities Regulator. There are four members on the committee, all of whom are members of the Authority.

The committee met four times during 2017. Its members consisted of:

- Paddy Hopkins (*Authority member and Chairperson)*;
- Tom Costello (*Authority member)*;
- Patricia Cronin (*Authority member)*;
- Fergus Finlay (*Authority member)*.

<table>
<thead>
<tr>
<th>Committee Members</th>
<th>Total</th>
<th>14 Feb 2017</th>
<th>17 May 2017</th>
<th>12 Sep 2017</th>
<th>16 Nov 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy Hopkins</td>
<td>4 out of 4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tom Costello</td>
<td>4 out of 4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Patricia Cronin</td>
<td>3 out of 4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Fergus Finlay</td>
<td>3 out of 4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Charity Services Committee

The Committee was established to assist the Authority in carrying out the functions previously vested in the Commissioners of Charitable Donations and Bequests. These include authorising disposal of charity property, appointment of new charity trustees and vesting of charity property in charity trustees, framing of Schemes of Incorporation and Cy-Près Schemes and approval of grants and scholarships.

The terms of reference for the Charity Services Committee were reviewed in November 2017. The committee met nine times during 2017.

Its members consisted of:

- Graham Richards (Authority member and Chairperson);
- Katie Cadden (Authority member);
- Sandra Chambers (Authority member);
- Patricia Cronin (Authority member);
- Judge John O’Connor (External member, was re-appointed for a term of two years).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Graham Richards</td>
<td>9 out of 9</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Patricia Cronin</td>
<td>7 out of 9</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Sandra Chambers</td>
<td>7 out of 9</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Katie Cadden</td>
<td>6 out of 9</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Judge John O’Connor</td>
<td>8 out of 9</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Staffing

The Charities Regulator is fully committed to promoting a working environment that takes account of the needs of individuals, while meeting the needs of the organisation in keeping with its Strategic Objective ‘To develop the Charities Regulator as an effective and efficient independent regulatory agency’.

In support of this commitment, the Charities Regulator designed a Human Resource Strategy in 2016 which it continued to roll out in 2017. Recruiting staff with the requisite competencies and skill sets continued to be challenging in 2017.

The Charities Regulator increased its staffing complement in 2017 to 46 people. It also procured additional support services in a temporary capacity to assist with the establishment of a number of key operational activities. A workforce plan was developed to enable the Charities Regulator strengthen its capacity and capabilities and enable it to reorganise itself in the ‘preferred operation model’ identified in the commissioned and approved Operational Strategic and Resource Review. This was aligned to the Authority’s ‘First Statement of Strategy 2016 – 2018’.

Charities Regulator designed a Human Resource Strategy in 2016 which it continued to roll out in 2017.
The executive management team at the end of December consisted of:

**John Farrelly**

John was appointed as Chief Executive of the Charities Regulator in May 2016.

Previous to this he was Deputy Chief Inspector of Social Services, where he led on the regulation of nursing homes and services for children.

**Helen Martin**

Helen joined the Charities Regulator as Director of Regulation in March 2017. Helen is a solicitor and previously worked in the Office of the Attorney General, and as senior associate in the Regulatory and Competition law unit of a large solicitor’s firm.

Helen also worked in the private sector for over 10 years as an in-house legal and regulatory adviser for a number of telecommunications companies.

**Meiread Ashe**

Meiread joined the Charities Regulator in September 2016 as Head of Corporate Affairs and also acts as Secretary to the Authority.

Previous to this Meiread was the Head of the Central Policy Unit in the Department of Public Expenditure and Reform and has extensive experience in management of corporate services and finance in a range of organisations in the private and public sectors.

**Eamon O’Halloran**

Eamon was appointed Head of Registration and Reporting in June 2015.

Eamon has significant experience in both public and private sectors; most recently in a management role with the Official Assignee in Bankruptcy.
Tom Malone

Tom joined the Charities Regulator in August 2016 as Head of Compliance.

Prior to joining the Charities Regulator, he spent 10 years with the Office of the Comptroller and Auditor General conducting financial audits and value for money examinations.

Eamon Timmins

Eamon joined the Charities Regulator in May 2017 as Head of Communications and Stakeholder Engagement. Prior to this he worked for 11 years with the older people’s charity, Age Action, initially as Head of Communications and latterly as Chief Executive.

He was a journalist for 19 years, working for a number of national and regional titles.

Ciara Cahill *

Ciara Cahill joined in August 2015 as Legal Advisor. She provides legal advice to the registration, compliance and corporate affairs functions of the Charities Regulator.

She also manages the charity services function of the Charities Regulator.

*Ciara Cahill was on leave from September 2017.

Office: 3 George’s Dock; IFSC, Dublin 1 D01 X5X0
Index to Financial Statements
Charities Regulatory Authority
For the year ended 31 December 2017

Administration
For the year ended 31 December 2017

The Charities Regulatory Authority
(“The Authority”)

Patrick Hopkins (Chairperson)
Anna Classon (term ended October 2017)
Ann FitzGerald (term ended October 2017)
Cynthia Clampett
David Brady (reappointed October 2017)
Fergus Finlay
Graham Richards
Hugh Maddock (term ended October 2017)
Katie Cadden
Noel Wardick
Patricia Cronin (reappointed October 2017)
Senan Turnbull (term ended October 2017)
Sandra Chambers
Tom Costello (reappointed October 2017)

Chief Executive
John Farrelly (appointed 16 May 2016)

Office
3 George’s Dock, IFSC, Dublin 1, D01 X5X0
Financial Statements

The summarised financial information that is set out in this report is derived from draft accounts and as such, may be subject to change. Finalised audited accounts will be made available as soon as is practicable after auditing by the Comptroller and Auditor General. This audit is scheduled for August 2018.

**Summarised Income and Expenditure Account for Charities Regulator**

*Year ended 31 December 2017*

<table>
<thead>
<tr>
<th>Income</th>
<th>€’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Justice and Equality</td>
<td>3,992</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>3,992</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>€’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Costs</td>
<td>1,820</td>
</tr>
<tr>
<td>Administration</td>
<td>1,639</td>
</tr>
<tr>
<td>Audit</td>
<td>15</td>
</tr>
<tr>
<td>Depreciation</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>3,500</td>
</tr>
</tbody>
</table>

| Excess of Income over Expenditure | 492   |
| Transfer to Capital Account      | (375) |
| **Surplus for the year**         | 117   |
| Opening Reserves                | (206) |
| Closing Reserves                | (89)  |

For more detailed information, consult the full accounts for the period ended 31 December 2017 and the Comptroller and Auditor General’s certificate for the accounts. Once available, copies of the accounts can be obtained from [www.charitiesregulator.ie](http://www.charitiesregulator.ie).
Financial Statements
– Common Investment Fund

The summarised financial information that is set out in this report in relation to Charity Funds for the period ended 31st December 2017 as required by the Charities Act 2009, is derived from draft accounts and as such, may be subject to change. Finalised audited accounts will be made available as soon as is practicable after auditing by the Comptroller and Auditor General. This audit is scheduled for August 2018.

**Summarised Income and Expenditure Account for Charities Regulator Charity Funds**
**Year ended 31st December 2017**

<table>
<thead>
<tr>
<th></th>
<th>€’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Investment Fund/Other receipts</td>
<td>1,112</td>
</tr>
<tr>
<td>Interest</td>
<td>5</td>
</tr>
<tr>
<td>New Charity Funds</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>1,137</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>€’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Investment Fund transfers and other payments</td>
<td>(3,624)</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>(3,624)</strong></td>
</tr>
<tr>
<td><strong>Excess of Income over Expenditure</strong></td>
<td><strong>(2,487)</strong></td>
</tr>
<tr>
<td><strong>Opening Reserves</strong></td>
<td>3,751</td>
</tr>
<tr>
<td><strong>Closing Reserves</strong></td>
<td>1,264</td>
</tr>
</tbody>
</table>

For more detailed information, consult the full accounts for the period ended 31st December 2017 and the Comptroller and Auditor General’s certificate for the accounts. Once available, copies of the accounts can be obtained from [www.charitiesregulator.ie](http://www.charitiesregulator.ie).
Statement on Internal Control

Scope of responsibility

On behalf of the Charities Regulator, we hereby acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the system of internal control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the Charities Regulatory Authority for the year ended 31 December 2017 and up to the date of approval of the financial statements.

Capacity to handle risk

The Charities Regulatory Authority has a Finance, Audit and Risk (FAR) Committee comprising three Authority members one of whom is the Chair and two external members, with financial and audit expertise. The FAR Committee met six times in 2017.

The Charities Regulatory Authority has also established its internal audit function through the Department of Justice and Equality, which was adequately resourced and conducted a programme of work agreed with the FAR in 2017.

Risk and control framework

The Charities Regulatory Authority has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A Risk Register is in place which identifies the key risks facing the Charities Regulatory Authority and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the FAR Committee on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. We confirm that a controlled environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities have been assigned at management level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management;
there are systems aimed at ensuring the security of the information and communication technology systems, and there are systems in place to safeguard the assets.

there are systems aimed at ensuring the security of the information and communication technology systems. The ICT division of the Department of Justice and Equality provides the Charities Regulatory Authority with ICT services.

the National Shared Services Office provide Human Resource and Payroll Shared services. They are audited under the ISAE 3402 certification processes.

**Ongoing monitoring and review**

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. We confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

**Procurement**

We confirm that the Charities Regulatory Authority has procedures in place to ensure compliance with current Office of Government Procurement (OGP) rules and guidelines. In October 2017, the Charities Regulatory Authority went to the market to carry out a strategic review of the Common Investment Fund (CIF). This review was undertaken in December 2017.

**Review of effectiveness**

We confirm that the Charities Regulatory Authority has procedures to monitor the effectiveness of its risk management and control procedures. The Charities Regulatory Authority monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Finance, Audit and Risk Committee which oversees their work, and the senior management within the Charities Regulatory Authority responsible for the development and maintenance of the internal financial control framework.

We confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2017.

**Internal control issues**

The internal controls were strengthened within Charities Regulatory Authority to ensure all payments were supported by relevant back up, with evidence of authorisation and approval by Head of Corporate Affairs/Accountant/Chief Executive to prevent erroneous payments and minimise the risk of financial loss statements.

**Employee benefits**

There were no long term benefits expected to be settled after 12 months of the annual reporting period.