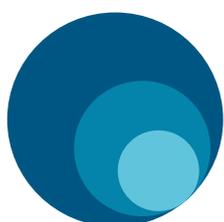




# INFORMATION NOTE - DECEMBER 2021

## Changes to the Annual Report Form



An Rialálaí  
Carthanas  
Charities  
Regulator



# 1. Background

This information note is being issued by the Charities Regulator pursuant to section 14(1) of the Charities Act 2009 (“the Act”), to encourage and facilitate the better administration and management of charities and to facilitate the publication of information relating to registered charities and their activities.

Charity trustees are the people who ultimately exercise control over, and are legally responsible for, the charity. If the charity is a company, they may also be known as directors or board members. In an unincorporated association, they may be known as committee members. In the case of a trust, if the trustees of the trust are the ones who decide policy and control the assets, then they are also charity trustees.

The online Annual Report Form, which must be submitted to the Charities Regulator within 10 months of the end of the financial period, enables charities and charity trustees to comply with their obligations under sections 48, 50 and 52 of the Act. Through the Form, charities can also provide details of their organisation’s charitable activities in respect of the previous financial period. This information is then published on the Register of Charities. Ensuring that the information is accurate and fully conveys the nature of the charity’s activities and achievements in the previous financial year is really important and is one of the ways that charity trustees can demonstrate their charity’s commitment to the principle of being accountable and transparent as set out in the Charities Governance Code.

As charity trustees are responsible for the Annual Report Form that is submitted to the Charities Regulator, they should ensure that the authorised filer (which is the person tasked with filling in the Form on their behalf who might be a volunteer, a staff member or a professional advisor) is provided with the correct and accurate information required to complete it. Once the Annual Report Form is completed, it should be approved by the trustees of the charity before it is submitted to the Charities Regulator. Failure to submit an Annual Report on time is an offence under section 52 of the Act so it is important that charity trustees ensure that a clear process is in place to review and submit the Annual Report Form on time every year.

This information note sets out a number of changes and additions to the Annual Report Form which will take effect from January 2022. These changes are intended to provide greater transparency around the activities of registered charities in Ireland. In identifying these changes and additions, the Charities Regulator has been mindful to ensure that the information sought is proportionate and limited to what is required to carry out its statutory functions.

# 2. Changes to the presentation of existing information

## 2.1 Financial information

At present, charities provide financial figures in relation to the following 3 items:

- (i) Total income (with a breakdown between different categories of income)
- (ii) Expenditure on wages and salaries
- (iii) Other expenditure

In order to assist the filer, from January 2022, a Total Income figure, a Total Expenditure figure, and a Surplus/(Deficit) figure for the period will be populated automatically when the basic financial figures as set out above are entered on the Form. This will provide a simple visual check for the filer that the figures that have been entered on the Annual Report Form match the financial statements of the charity ensuring that figures are accurately reported. Income from bequests will also have its own line in the analysis of income, previously this figure was included as part of donations. It should be noted that no new information is being requested in this section of the Form, and that the Total Income figure and Total Expenditure figure will continue to be visible on the public Register of Charities as they currently are.

The following is a sample of the new layout of this part of the Annual Report Form:

| Detail  | €                              |
|---|--------------------------------|
| Income from Government/Local Authorities      | 0.00                           |
| Income from Other Public Bodies               | 0.00                           |
| Income from Philanthropic Organisations       | 0.00                           |
| Income from Donations                         | 0.00                           |
| Income from Bequests                          | 0.00                           |
| Income from Trading and Commercial Activities | 0.00                           |
| Income from Other Sources                     | 0.00                           |
| <b>Total Income</b>                           | <b>Automatically populates</b> |
| Expenditure on Salaries & Wages               | 0.00                           |
| Other Expenditure                             | 0.00                           |
| <b>Total Expenditure</b>                      | <b>Automatically populates</b> |
| <b>Surplus/(Deficit) for the Period</b>       | <b>Automatically populates</b> |

## 2.2 Information regarding employees

At present, charities are required to report, in bands, the average number of employees engaged by the charity in the reporting period, and this information is visible on the public Register of Charities. In order to provide more accurate information regarding the numbers of people working in the charity sector, from January 2022 charities will be asked to provide the actual number of full time and part time employees engaged by the charity in the reporting period, and this information will be visible on the public Register of Charities.

The questions that will appear on the Annual Report Form will be as follows:

(a) Full time employees

Question – Please provide the average number of full time employees you had during the reporting period in Ireland and excluding Northern Ireland – provide number.

Explanation: An employee who works 52 weeks in the reporting period is 1 full time employee.

(b) Part-time employees

Question – Please provide the average number of part time employees you had during the reporting period in Ireland and excluding Northern Ireland – provide number.

Explanation: A part-time employee is anyone who works less than a comparable full time employee.

## 2.3 Information regarding volunteers

At present, charities are required to report, in bands, the average number of volunteers who volunteered with the charity during the reporting period, and this information is visible on the public Register of Charities. In order to clarify that the figure being requested should be the number of volunteers excluding the trustees of the charity, the question appearing on the Annual Report Form from January 2022 will change to read as follows:

Indicate the number of individuals, excluding charity trustees, who volunteered with your charity during the reporting period.

The existing bands will continue to apply, and the information provided will continue to be visible on the public Register of Charities.

# 3. Additional information

## 3.1 Information on assets and liabilities

From January 2022 onwards, charities will be requested to provide information in relation to their assets and liabilities, and the information provided will be visible on the public Register of Charities in addition to the Total Income and Total Expenditure figures that are already published. This will assist the Charities Regulator and the public to better understand the financial situation facing individual charities and the wider charities sector in line with the principle of transparency and accountability. The availability of this information will also enable the Charities Regulator to enhance its risk profiling capabilities, which will enable us to provide improved guidelines and assistance to charities. The 3 additional financial figures that will form part of the Annual Report Form in January 2022 are as follows:

- (i) Cash at bank and in hand
- (ii) Other assets
- (iii) Total liabilities

This information will be readily available from the financial statements prepared by the charity and does not require additional work to be done. Using the above information, a Total Assets figure and Net Assets/(Liabilities) figure for the period will be populated automatically, as per the table below. The calculation of these figures on an automatic basis will provide a simple visual check for the filer that the figures that have been entered on the Annual Report match the financial statements of the charity ensuring that figures are accurately reported.

The following is a sample of the new layout of this part of the Annual Report Form:

| Assets and liabilities at the end of the financial period | €                              |
|---|--------------------------------|
| Cash at Bank and In Hand                                  | 0.00                           |
| Other Assets  | 0.00                           |
| <b>Total Assets</b>                                       | <b>Automatically populates</b> |
|   |                                |
| <b>Total Liabilities</b>                                  | <b>0.00</b>                    |
|   |                                |
| <b>Net Assets/(Liabilities)</b>                           | <b>Automatically populates</b> |

## 3.2 Information on Audit opinions

Audit opinions where applicable are an important part of reporting on a charity's activities in the previous financial period. From January 2022, charities will be able to indicate in the Annual Report Form whether their financial statements have been audited, and if so, what type of audit opinion was provided by the auditors. The provision of this information will allow the Charities Regulator to determine the total number of charities that are audited each year, and also monitor the type of audit opinions that charities receive. This information will not be visible on the public Register of Charities.

The question that will appear on the Annual Report Form from January 2022 is as follows:

Provide information on any audit opinion relating to the charity's financial statements, where applicable, by selecting from the following options:

- Have the financial statements been audited? – Select 'Yes' or 'No'
- If Yes, then select one of the following:
- The audit report was unmodified (i.e. a clean audit report)
- The audit report contained an emphasis of matter
- The audit report contained a qualified opinion
- The audit report contained an adverse opinion
- The audit report contained a disclaimer of opinion

## 3.3 Information on international transfers of funds

The Financial Action Task Force (FATF), of which Ireland is a member, is an inter-governmental global money laundering and terrorist financing watchdog that produces recommendations and standards to ensure a co-ordinated global response to crime. Charities have been specifically referenced by FATF as organisations which are at risk of being used for the purposes of money laundering or terrorist financing. In order to provide increased transparency around the activities of charities and to enhance Ireland's reporting to FATF by capturing the levels of international transfers of funds by charities in Ireland, the following questions are being added to the Annual Report for charities:

- The total income received by the charity from outside the State during the financial period to which the annual report relates – provide figure.
- A listing of countries from which income was received (selected from a drop down list).
- Total funds spent or transferred outside the State by the charity during the financial period to which the annual report relates – provide figure.
- A listing of countries to which funds were transferred (selected from a drop down list).
- The methods used to transfer funds outside the State, if relevant e.g. bank based in the State, An Post, online, cash etc.

## 4. Summary Tables

The following tables summarise the changes to the Annual Report Form which will take effect from January 2022:

### Table 1

| Changes to the Annual Report Form               | Currently Visible on the Public Register of Charities | Not Currently Visible on the Public Register of Charities |
|---|---|---|
| Layout of income & expenditure information      | ✓   |   |
| Number of full-time and part-time employees     | ✓   |   |
| Number of volunteers excluding charity trustees | ✓   |   |

### Table 2

| Additional Information in the Annual Report Form        | Will be Visible on the Public Register of Charities | Will Not be Visible on the Public Register of Charities |
|---|---|---|
| Assets & liabilities at the end of the financial period | ✓   |   |
| Audit of financial statements (if relevant)             |   | ✓   |
| Information on international transfers of funds         |   | ✓   |

A full list of the information which will appear in the Annual Report Form from January 2022 is set out in the Appendix. In order to assist charity trustees and authorised filers, the information is presented in the form of a check list.

# Appendix - List of Information in the Annual Report Form

NOTE: The  symbol denotes information that is published on the public Register of Charities

| Tab 1 - Compliance with the Charities Governance Code (the Code)   |   |  |
|--|---|--|
| Does the charity need to meet the Additional Standards of the Code, or not?  |   |  |
| Has the charity complied with all sections of the Code, or some sections of the Code, or has not yet commenced compliance with the Code, or prefers not to say?  |   |  |
| <ul style="list-style-type: none"> <li>If the charity declares that it has fully complied with all sections of the Code, then this declaration will be published on the public Register of Charities</li> </ul>  |  |  |
| <ul style="list-style-type: none"> <li>If the charity declares that it has complied with some sections of the Code, it can indicate what sections have not been complied with and provide a reason why they have not been completed.</li> <li>The charity can choose if it wants this declaration of partial compliance and the reasons provided published on the public Register of Charities.</li> </ul> |  |  |
| <ul style="list-style-type: none"> <li>If the charity declares that it has not commenced compliance with the Code or if it prefers not to say, this will not be visible on the public Register of Charities</li> </ul>   |   |  |

| Tab 2 – Activities   |   |  |
|--|---|--|
| What activities were carried out by your charity during the reporting period in furtherance of your charitable objectives?     |  |  |
| Give a short description of your charity's activities during the reporting period in furtherance of your charitable objectives |  |  |
| Who were the direct beneficiary groups of your charity during the reporting period?  |  |  |
| Does your charity provide a direct service to individuals?   |   |  |
| Provide the average number of full-time employees you had during the reporting period in Ireland (excluding Northern Ireland)? |  |  |
| Provide the average number of part-time employees you had during the reporting period in Ireland (excluding Northern Ireland)? |  |  |
| Indicate the number of individuals, excluding charity trustees, who volunteered with your charity during the reporting period  |  |  |

| Tab 3 - Financial   |   |  |  |
|---|---|--|--|
| Income from central government or local authorities   |    |  |  |
| Income from other public bodies   |    |  |  |
| Income from philanthropic organisations   |    |  |  |
| Income from donations & specify type of donation  |    |  |  |
| Income from bequests  |    |  |  |
| Income from trading and commercial activities   |    |  |  |
| Income from other sources & specify other sources   |    |  |  |
| Expenditure on salaries & wages   |   |  |  |
| Other expenditure   |   |  |  |
| Total expenditure   |    |  |  |
| Cash at bank and in hand  |  |  |  |
| Other assets  |  |  |  |
| Total liabilities   |  |  |  |
| Were your financial statements audited, and if yes, what type of audit opinion was provided by the auditors (unmodified opinion, qualified opinion etc.)? |   |  |  |
| Total income received by the charity from outside the State during the financial period to which the annual report relates                                |   |  |  |
| List countries from which income was received   |   |  |  |
| Total funds spent or transferred outside the State by the charity during the financial period to which the annual report relates                          |   |  |  |
| List countries to which funds were transferred  |   |  |  |
| List method(s) used to transfer funds outside the State, if relevant (bank transfer, An Post etc.)  |   |  |  |

**Tab 4 – Documents**

Upload financial statements for the reporting period

Upload other supporting documents

**Tab 5 - Declaration**

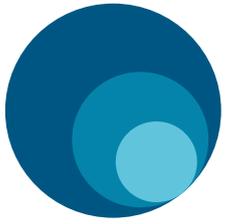
Filer first name

Filer last name

Filer email

Filer phone number

Tick to confirm the declaration



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