

Meeting of Public Accounts Committee on 17 October 2024.

Opening Statement by Madeleine Delaney, Chief Executive, Charities Regulator

Chairman, I would like to thank you and the members of your Committee for this opportunity to address the Committee on the Charities Regulator's financial statements for 2023.

I am joined here today by the Director of Compliance and Enforcement, Thomas Mullholland and the Head of Charity Services, Seán O'Connor.

Background

The Charities Regulator was established 10 years ago yesterday, on 16 October 2014. It is funded by the Exchequer through a sub-head of Vote 42 of the Department of Rural and Community Development. Our budget in 2023 was €5 million. Pay accounted for approximately €3 million of our overall budget and non-pay expenditure amounted to approximately €2 million.

There are currently 13 members on the Board of the Charities Regulator and 47 fulltime equivalent members of staff. A number of Board sub-committees assist it in carrying out its functions.

At the end of 2023 there were 11,516 charities and more than 75,000 charity trustees. It is a diverse sector that ranges from very small volunteer-only charities to large scale operations with significant numbers of employees. They are supported by hundreds of thousands of volunteers across Ireland including those who take up the role of charity trustee. Additionally, an estimated 281,250 people were employed in charities in 2023, equivalent to almost one in eight workers. The [overall financial impact](#) of the charity sector was estimated at €32.1 billion in 2022.

Not for Profit v Charity

Cathaoirleach, it is important to mention that a charity is only one type of not-for-profit organisation. The word **charity** is generally used to describe a non-profit organisation that helps people. However charity is a protected legal term and the distinguishing feature of a charity is that it must provide a public benefit. This is a key part of the test that is set out in the legislation and applied by us as part of the registration process. The persons legally responsible for the management and administration of a charity are the directors or committee members who are referred to as charity trustees.

Charity Regulator's role

Charities can come under the remit of a number of regulators and public bodies depending on the services they provide. Our role is grounded solely in the Charities Acts, in particular the Charities Act 2009. Our statutory functions include maintaining a Register of Charities, and promoting high standards of governance and accountability in charities. Our guiding function is to increase public trust and confidence in the administration and management of charities.

We also deal with applications by charities under the Charities Acts 1961 and 1973 for services and assistance such as approving cy-près schemes, appointing new trustees and authorising the sale of charity property. These services are provided free of charge and are an alternative to applying to the High Court.

Our first ten years

During its first 10 years the Charities Regulator focused on establishing its organisational structures and governance and setting up the Register of charities. We have also developed and maintain a wide range of guidance materials and supports to assist charity trustees understand and fulfil their responsibilities in running their organisations. We work with charity trustees, charity representative groups and other experts and stakeholders to make sure our guidance and materials are practical and relevant to those volunteering and working in the sector.

Where issues or concerns arise, we seek to take a proportionate approach. We engage extensively on a one to one basis with charities and charity trustees to resolve governance and compliance matters. Most issues are resolved voluntarily without the need for us to use any formal powers. In 2023, for example, we received 632 new concerns. However during that same year we issued only 15 statutory directions to provide information or to produce documents.

When the situation requires, we will use our powers, for example by appointing inspectors to investigate and report on the affairs of a charity. For example, during 2023, we undertook a targeted initiative to address falling compliance rates with the requirement to file an annual report. The filing of an annual report is a relatively simple task and is an essential part of accountability and transparency. It is also a legal obligation, and one that is complied with by the majority of charities. This initiative has led so far to eight (8) prosecutions in the District Court and thirty one (31) charities have been removed from the Register.

Strategic Plan

We are in the final year of the Charities Regulator's current statement of strategy, and I would like to acknowledge the work of our dedicated, professional staff. During the lifetime

of this strategy, we have introduced a new registration application form, increased our engagement with key stakeholders established a new stakeholder forum, and held trustee events and surveys. We have also enhanced our website, added new guidance, increased the frequency of our ezine and our webinars, and undertaken focused staff training. We have promoted informed giving, and our latest campaign, Click, Check, Give, has helped to increase searches of the Register.

We have also worked closely with the Department of Rural and Community Development on amendments to the Charities Act 2009 which will enhance and strengthen the existing regulatory framework. We look forward to working with the Department and the sector on implementation of these provisions.

Looking ahead

Our next statement of strategy, which will run to the end of 2027, will focus on fair and effective regulation, deepening our relationships with our stakeholders and developing our organisational capability. We aim to learn from what has worked well over the past decade and also what has not worked as well as we intended. And to bring that knowledge into our engagement with charities.

Our ambition is to develop a regulatory model which is appropriate to the diversity across the sector and which supports good practice in the governance, management and administration of charities.

I hope the foregoing gives some sense of our role as Regulator in a highly complex and diverse charities sector.

I am happy to respond to any questions that you, a Cathaoirleach, and members of the Committee may have.

Thank you.