

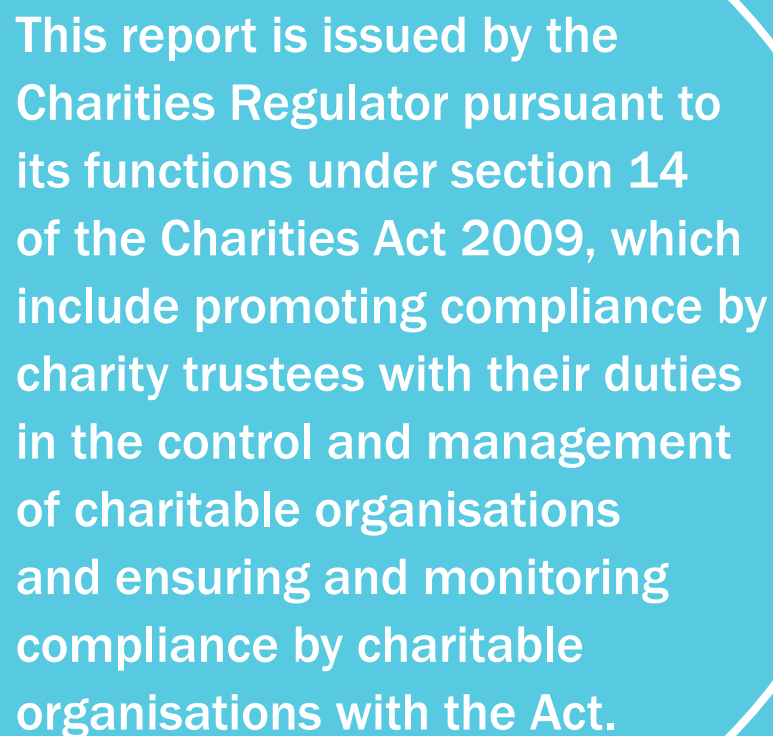


An Rialálaí
Carthanas
Charities
Regulator

Compliance Report 2017



August 2018



This report is issued by the Charities Regulator pursuant to its functions under section 14 of the Charities Act 2009, which include promoting compliance by charity trustees with their duties in the control and management of charitable organisations and ensuring and monitoring compliance by charitable organisations with the Act.

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CEO Foreword

This is the Charities Regulator's first compliance report. It covers our compliance activities during 2017.

Although the Charities Regulator was established in 2014, the early focus was on establishing the Regulator as an independent entity and building a robust public Register of Charities.

The Charities Regulator did not receive its powers to protect charitable organisations (Part 4 of the Charities Act 2009) until September 2016. As a result, 2017 was the first full year when the compliance function was in operation.

We have used these powers to publish our first inspector's report in 2017 and commenced two further investigations during the year.

I am particularly pleased with the improvements and efficiencies in terms of our concerns process which occurred during the year. The development of our online concerns form allows members of the public to easily and efficiently raise a concern with us if they suspect a breach of the Charities Act 2009.

The number of concerns raised about charities has substantially increased year-on-year. The number that we received last year (531) represents about half of the total number of concerns we received from our inception in October 2014 to the end of 2017.

The areas of financial control and governance of charities have emerged as common themes from the concerns about charities. These emerging themes informed our selection of areas targeted for our first suite of guidance documents which included trustees' duties, internal financial controls and managing conflicts of interest.

We are grateful to those people who have raised concerns. They have assisted in our monitoring of charities and their compliance with the Charities Act 2009, and in doing so they have helped increase public trust and confidence in the management of charities.

One of the Charities Regulator's key functions is to ensure and facilitate the better administration and management of charities through the provision of information. The issues identified in section three, page 8 of this report provide valuable learnings for all charity trustees working to fulfil their duties to control and manage charities.

I am confident that with our plans to recruit additional professional staff and the introduction of a tailored case management system, which is currently being developed, we will enhance our compliance function capabilities.

We will continue to undertake our compliance work to assist us to deliver on our mission to create a vibrant, trusted charity sector that is valued for the public benefit it provides.



John Farrelly
Chief Executive

The number of concerns raised about charities has substantially increased year-on-year. The number that we received last year (531) represents about half of the total number of concerns we received from our inception in October 2014 to the end of 2017.



Executive Summary

Last year, 2017, was the first full year the Charities Regulator had powers under the Charities Act 2009 (Part 4) to protect charitable organisations. These include powers to investigate the affairs of charitable organisations, to require production of documents and to impose intermediate sanctions.

During the year, the Charities Regulator appointed inspectors to carry out statutory investigations into two charities. It published the inspectors' report into a third charity, in respect of which inspectors were appointed in 2016. Separately, it imposed intermediate sanctions on another charity.

The Regulator received 531 concerns in respect of 351 organisations during 2017 – a 67% increase on the number of concerns received during the previous year. However, the majority (52%) of organisations which were the subject of concerns were not registered charities.

An analysis of concerns raised since the Charities Regulator was established in October 2014, up to the end of 2017, shows the main category of concerns related to financial control and transparency (29%), legitimacy of a charity (23%) and governance issues (23%).

As part of its compliance work, the Charities Regulator met with 48 trustees and 18 other representatives of organisations during the year in relation to compliance matters. It also received 18 reports under section 59 of the Charities Act 2009 (possession of information that causes a person to form the opinion that offences under the Criminal Justice (Theft and Fraud Offences) Act 2001 has been, or is being, committed).

Some of the key issues which emerged from the Charities Regulator's compliance work were shared with charities and the wider public. An examination of the concerns received during 2017 highlighted recurring issues which were affecting the ability of charity trustees to meet their legal duties to effectively manage and control their organisations. These were categorised under six themes. The largest categories related to trustee duties and responsibilities and internal financial controls. These trends shaped the Charities Regulator's work, with guidance documents for charity trustees published on both issues.

The work of the Compliance Unit was also shared with the public. The Charities Regulator issued public information notices regarding house-to-house collections, and the Charities Regulator's work relating to shops, which are describing themselves as charity shops, but which are not part of registered Irish charities. It also published an information note on the Charities Regulator's role in respect of sales of charity land.

Two thematic reports were published during 2017 regarding registered charities holding shares in section 110 companies on trust, and compliance rates of registered charities with their annual reporting requirements.

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Background to the Charities Regulator

The Charities Regulatory Authority or ‘Charities Regulator’ is a statutory organisation, set up in October 2014, to regulate and protect charities.

The Charities Regulator has a number of statutory functions, such as setting up and maintaining the [Register of Charities](https://www.charitiesregulator.ie/en/information-for-the-public/search-the-charities-register)¹, ensuring that charities comply with their legal obligations, investigating the affairs of charities and where appropriate issuing guidance to charities and charity trustees.

Charities are independent organisations run by charity trustees. They play a vital role in our society and provide public benefit in diverse ways to communities in Ireland and across the world.

The Charities Regulator may open a concern inquiry case about a charity or an organisation that is potentially in breach of the Charities Act 2009². These alleged breaches may be brought to the Charities Regulator’s attention in a number of different ways, for example, by members of the public, through media reports, through monitoring or other aspects of the Charities Regulator’s work.



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- 1 The Register of Charities is available at: <https://www.charitiesregulator.ie/en/information-for-the-public/search-the-charities-register>
 - 2 The Charities Act 2009 is available at: <http://www.irishstatutebook.ie/eli/2009/act/6/section/1/enacted/en/index.html>



Common issues identified

During the course of managing concerns raised about charities and organisations during 2017, the Charities Regulator identified a number of recurring issues which are affecting the ability of charity trustees to meet their legal duties to effectively manage and control their charities.

Specific issues identified during the course of managing a concern were addressed with organisations on an individual basis. However, as many of the issues arising were identified as being common to a number of different organisations, they highlighted a need to address the issues on a wider basis.

One of the Charities Regulator's functions is to encourage and facilitate the better administration and management of charitable organisations by the provision of information or advice.

These issues identified have shaped the Charities Regulator's work, as they informed the topics which the first suite of guidance documents addressed. Of the common issues identified, more than half related to trustees' duties and responsibilities or internal financial controls (see Table 1).

The Charities Regulator published 'Guidance for Charity Trustees' in July 2017. The Charities Regulator expects charities to be controlled and managed by charity trustees in a way which protects their charity's reputation and encourages public trust and confidence in their charity. The Charities Regulator holds the view that well-intentioned, well-informed charity trustees are key to increasing public trust and confidence.

The second guidance document 'Internal Financial Control Guidelines for Charities' produced by the Charities Regulator in 2017 addressed internal financial controls and is intended to provide support for trustees of small to medium sized charities on developing and implementing internal financial controls within their charity. Fundraising guidance 'Guidelines for Charitable Organisations on Fundraising from the Public' was published in September, covering a wide range of issues from donors and donations, to the responsibilities of trustees, management and fundraisers, to financial transparency and accountability.

Other emerging themes included issues related to fundraising, the lack of financial transparency, managing conflicts of interest and issues relating to unregistered charitable organisations. The recurring themes are listed in the table below, along with the guidance and support that is available to download from our website.

Many of the issues arising were identified as being common to a number of different organisations, they highlighted a need to address the issues on a wider basis.

Table 1 - Common Issues identified

Theme	Common issues identified	Guidance and Support available
Trustee duties and responsibilities	<ul style="list-style-type: none"> ▶ Charity trustees not aware of their legal duties and responsibilities; ▶ Charity trustees lack knowledge of the requirements and conditions in their charity's governing document; ▶ Charity trustees not holding meetings/trustees not attending meetings; ▶ Charity trustees making decisions without documenting those decisions in formal Board minutes; ▶ Charity trustees making significant decisions without seeking out specialist advice; ▶ Charity trustees allowing one or a group of trustees control the charity; ▶ Charity trustees not aware of their legal obligations to the Charities Regulator around: <ul style="list-style-type: none"> - Making an annual return; - Keeping their details up to date on the public Register of Charities; - Disclosing suspected offences under the Criminal Justice (Theft and Fraud Offences) Act, 2001; 	'Guidance for Charity Trustees' ³
Managing conflicts of interest	<ul style="list-style-type: none"> ▶ Charities having too many connected persons as charity trustees; ▶ Charities having no conflict of interest policy in place; ▶ Charities not having a 'conflict of interest' standing agenda item; ▶ Where a conflict exists, the conflicted charity trustees not being removed from the decision-making process; ▶ Charities not recording how they managed conflicts that were identified; 	'Managing Conflicts of Interest' guidance ⁴

3 Guidance for Charities Trustees - available at: <https://www.charitiesregulator.ie/media/1078/guidance-for-charity-trustees-july-2017.pdf>

4 Managing Conflicts of Interest guidance is available at: <https://www.charitiesregulator.ie/en/information-for-charities/guidance-for-charities>

Theme	Common issues identified	Guidance and Support available
Internal financial controls	<ul style="list-style-type: none"> ▶ A lack of documented financial policies and procedures in place; ▶ No segregation of duties; ▶ Cash not being counted in the presence of two people; ▶ Receipts/acknowledgments not being issued for donations received; ▶ Reconciliations not being performed; ▶ Restricted and unrestricted income not being adequately identified and recorded; ▶ No contracts of employment in place; ▶ Lack of supporting documents to validate expense claims; ▶ Credit card expenditure not supported by receipts; ▶ Charity trustees not being provided with regular financial reports detailing the financial performance and position of the charity; ▶ No fixed asset register in place; 	'Internal Financial Control Guidelines for Charities' ⁵
Transparency	<ul style="list-style-type: none"> ▶ Charities submitting abridged accounts; ▶ Charities not clearly communicating how they are using charitable funds and the impact of those funds; ▶ Charities not publishing key finance and governance information; 	SORP (Statement of Recommended Practice) ⁶
Fundraising	<ul style="list-style-type: none"> ▶ Charities not obtaining and/or displaying a valid collection permit; ▶ Charity collectors not displaying charity information and authorisations; ▶ Charities not using sealed boxes for cash collections; ▶ Charities not describing the purpose of the fundraising; ▶ Charities using third party fundraising agents without a written contract in place; 	'Guidelines for Charitable Organisations on Fundraising from the public' ⁷

Theme	Common issues identified	Guidance and Support available
Unregistered charitable organisations	<ul style="list-style-type: none">▶ Charitable organisations not applying to the Charities Regulator to be included in the Register of Charities;▶ An organisation (other than a registered charity) describing or promoting itself as a charity.	'What is a Charity?' guidance. ⁸



5 What is a Charity?' guidance - available at: <https://www.charitiesregulator.ie/media/1544/what-is-a-charity-rev-001.pdf>

4

Compliance developments in 2017

There were a number of key developments in the Charities Regulator's Compliance Unit during the year which included:

- ▶ Publication of the Charities Regulator's Concerns Policy;
- ▶ Development of an online concerns form;
- ▶ Publication of an information note relating to concerns regarding sales of charity land;
- ▶ Publication of information notices related to compliance matters; and
- ▶ Staff training.

4.1 Concerns Policy

The Compliance Unit developed and published its Concerns Policy on 23 February 2017. This policy explains to the public:

- ▶ What matters the Charities Regulator can and cannot deal with;
- ▶ How to raise a concern about a charity;
- ▶ How the Charities Regulator will deal with concerns about charities;
- ▶ What to expect if you raise a concern;
- ▶ What to expect if your charity is the subject of a concern;
- ▶ Considerations when providing information to the Charities Regulator; and
- ▶ How the Charities Regulator decides on the outcome of the concern.

The policy is reviewed annually with the latest version available on our website⁶.

4.2 Online concerns form

Since the establishment of the Charities Regulator, members of the public have raised concerns in respect of charities or organisations they suspect may be in breach of the Charities Act 2009.

In order to improve the efficiencies of the Charities Regulator's concern handling process, the Compliance Unit developed a dedicated concerns form. The form, which can be populated and submitted online, was uploaded to our website at the beginning of April 2017. In 2017, 246 forms were completed and submitted to the Charities Regulator.

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⁶ Concerns Policy is available from: <https://www.charitiesregulator.ie/media/1386/concerns-policy-english-may-2018.pdf>

4.3 Public information notices on compliance matters

In addition to press releases specific to individual cases, a number of other information notices on compliance matters were published during 2017. These included advice to members of the public regarding house-to-house collections and a public notice on the Charities Regulator's work relating to shops that are not part of registered Irish charities, but who describe themselves as charity shops.

4.4 Information note relating to 'Concerns re Sales of Charity Land'

The Commissioners of Charitable Donations and Bequests for Ireland (CCDB) were mandated under the Charities Acts 1961 and 1973 to provide services to charity trustees, including services relating to the disposal of charitable property. A disposal encompasses the sale, mortgage, exchange, transfer or surrender of charitable property. This function was adopted by the Charity Services Committee of the Charities Regulator upon the dissolution of the CCDB under the Charities Act 2009.

Following the receipt of a number of concerns about sales of charity land, the Compliance Unit identified a need to clarify the extent of the Charities Regulator's role in respect of such sales. The Compliance Unit, in conjunction with the Charity Services Committee, developed an information note on the matter. This information note was published on the Charities Regulator's website in December 2017⁷.

4.5 Staff training

In line with the Charities Regulator's commitment in its strategy statement to invest in staff training, staff in the Compliance Unit attended a number of training courses and conferences during 2017.

In addition to training in more general areas, which included Data Protection and Freedom of Information, staff in the Compliance Unit attended compliance-specific training, relating to regulatory investigations.

⁷ Information note relating to 'Concerns re Sales of Charity Land' available at: <https://www.charitiesregulator.ie/media/1433/concerns-re-sale-of-land.pdf>



Statutory Actions

The number of statutory actions taken by the Charities Regulator in 2017 is set out in Table 2 below.

It should be noted that concerns raised with the Charities Regulator are initially dealt with by the Compliance Unit on an administrative basis as non-statutory inquiries. If information is required from a charity or other organisation to process a concern, the Compliance Unit will generally request the information on a voluntary basis, before a statutory instruction to provide the information is considered.

Table 2 - Statutory Actions taken by the Charities Regulator in 2017

Section of the Charities Act 2009	No.
Section 53 - Requirement to provide information	1
Section 64 - Appointment of inspectors re investigation	2
Section 65 - Requirement to produce books, documents and other records, to attend before or to give assistance to an inspector	25
Section 68 - Requirement to produce books, documents or other records	2
Section 73 - Imposition of intermediate sanctions	1

6

Notifications under section 59 of the Charities Act 2009

Section 59 of the Charities Act 2009 requires charity trustees, and other relevant persons, to report to the Charities Regulator where information comes into their possession that causes them to form the opinion that there are reasonable grounds for believing that an offence under the Criminal Justice (Theft and Fraud Offences) Act 2001 has been, or is being, committed.

During 2017, **18** reports were made to the Charities Regulator pursuant to section 59 of the Charities Act 2009.

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Thematic Reports

During 2017, the Charities Regulator published two thematic reports:

7.1 'Review of registered charities holding shares in section 110 companies on trust'⁸

In April 2017, the Charities Regulator published a review of charities on the Register of Charities which hold shares in special purpose vehicles established for the purpose 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 existence.

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

7.2 'Review of registered charities compliance rates with annual reporting requirements 2016'⁹

In October 2017, the Charities Regulator published a review of registered charities' compliance rates with annual reporting requirements in 2016.

The main findings 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 reminded charity trustees that a failure to submit an annual report 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 Charities Act and it will take appropriate action to ensure that the requirements of the Charities Act are observed.

Both reports are published on the Charities Regulator's website.

The main findings of the review found that 86% of charities submitted their annual return for 2016.

⁸ Review is available from - <https://www.charitiesregulator.ie/media/1542/review-of-registered-charities-holding-shares-in-section-110-companies.pdf>

⁹ Review is available from - <https://www.charitiesregulator.ie/media/1262/annual-reporting-compliance-review-2016.pdf>



Concerns analysis 2017

Introduction to Concerns Analysis

To facilitate the processing of concerns and to reflect how concerns are raised with the Charities Regulator, concerns are recorded and reported on primarily in two ways:

1. By individual concern raised

Concerns raised with the Charities Regulator are assessed, processed and recorded based on the issues raised in the concern.

2. By the organisation in respect of which a concern was raised

Individual concerns raised about an organisation are considered in the context of any other concerns about the same organisation.

Source of concerns

Concerns are raised with the Charities Regulator through a variety of sources, both external and internal, and include the following:

- ▶ members of the public (including charity trustees, volunteers and employees);
- ▶ other government bodies/regulators; and
- ▶ through proactive monitoring by the Charities Regulator.

Multiple issues in a single concern raised

A concern raised may include a number of issues in respect of a single organisation. As the different issues raised may fall into different categories, the number of categories of issues recorded will be higher than the number of concerns raised.

For example, a single concern could include issues about an organisation's financial controls as well as issues about inappropriate political campaigning. In this instance, the concern would be recorded once as a concern received and in two separate categories as issues raised.

Concerns about multiple organisations

A single piece of correspondence received from a member of the public may raise issues about a number of different organisations. In this instance, the single piece of correspondence would be recorded as a concern raised about each of the organisations referred to in the correspondence.

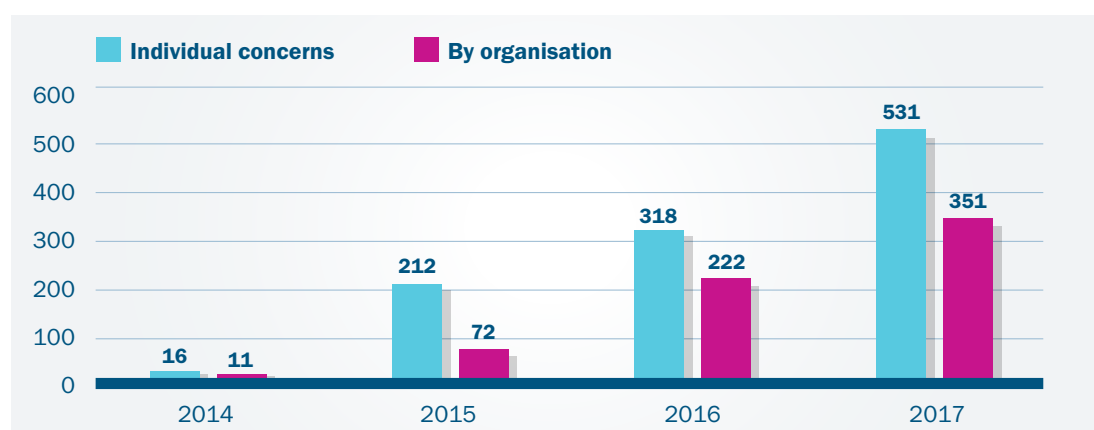
**From
October 2014
until the end of
December 2017, 1,077
individual concerns
were raised in
respect of 564
organisations.**

8.1 Concerns raised

The number of concerns raised with the Charities Regulator has increased year-on-year since its establishment on 16 October 2014. From establishment until the end of December 2017, **1,077** individual concerns were raised in respect of **564** organisations.

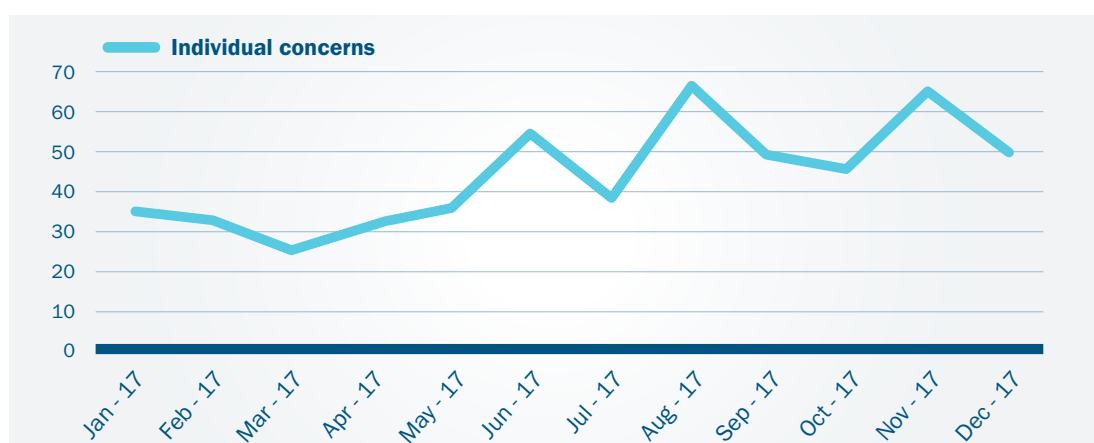
In 2017, **531** individual concerns were raised in respect of **351** organisations, which represents an increase of **67%** on the number of concerns received in 2016 (**318**). The amount of concerns raised in 2017 amounts to almost 50% of the total number of concerns raised with the Charities Regulator from establishment to the end of that year.

Table 3 - Concerns raised from 16 October 2014 to end 2017



During 2017, the average number of concerns per month increased from **36** per month in the first half of the year to **53** per month in the second half of the year. The increase in the number of concerns raised per month during the year is illustrated in Table 4 below.

Table 4 - Individual Concerns raised by month in 2017



8.2 Category of issue raised

The varied nature of the issues, raised with the Charities Regulator, reflects the wide range of organisations, charitable purposes and beneficiaries that make up the charity sector in Ireland. The issues raised are recorded in a number of relatively broad categories.

As indicated in the introduction to this section, a single concern may raise multiple issues in respect of a single organisation, which leads to a disparity between the number of concerns raised and the number of issues falling within each category of concern raised.

Of the concerns raised with the Charities Regulator from the date of establishment on 16 October 2014 to the end of 2017, the main categories of issue raised were Financial Control and Transparency (**29%**), Legitimacy of an Organisation (**23%**) and Governance Issues (**23%**). The full breakdown of the categories of issues raised from establishment to the end of 2017 is set out in Table 5 below.

The varied nature of the issues, raised with the Charities Regulator, reflects the wide range of organisations, charitable purposes and beneficiaries that make up the charity sector in Ireland.

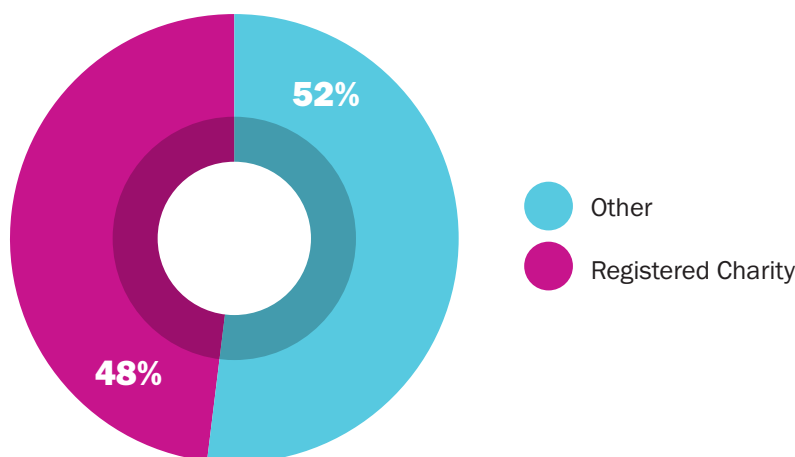
Table 5 - Breakdown of concerns raised from 16 October 2014 to end 2017
– Category of issue raised

Category	No of Concerns	%
Financial Control and Transparency	451	29%
Legitimacy of Charity	357	23%
Governance Issues	352	23%
Inappropriate Political Campaigning	137	9%
Misdirected concerns - Issues outside of Charities Regulator's remit	104	7%
Private Benefit	70	5%
Harm to Beneficiaries	62	4%

8.3 Status of Organisation(s)

Of the **351** organisations in respect of which concerns were raised in 2017, **170 (48%)** were registered charities as set out in Figure 1 below.

Figure 1 - Breakdown of Concerns Raised in 2017- Registered Charity/Other

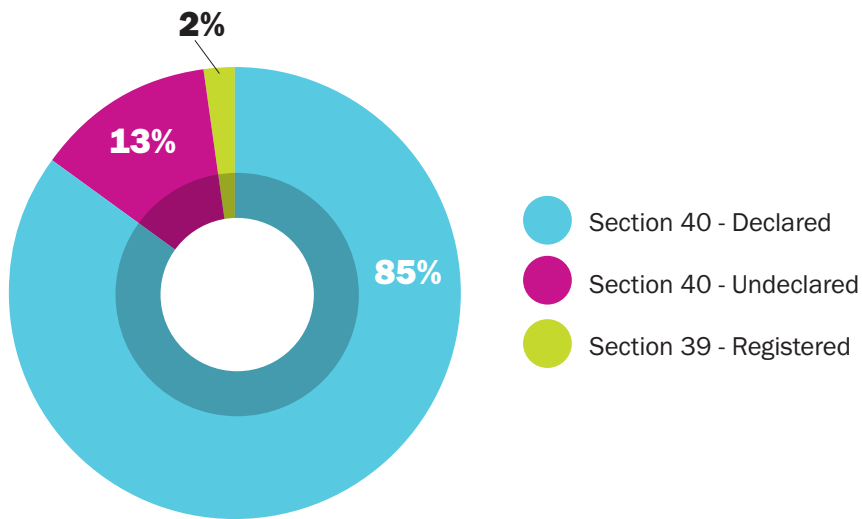


In addition to its role in respect of registered charities, the Charities Regulator has a role in ensuring that organisations other than registered charitable organisations comply with certain provisions of the Charities Act 2009. Figure 1 above shows that the majority of concerns raised are in respect of organisations other than registered charitable organisations. It should be noted that the proportion of concerns raised about organisations other than registered charities in Figure 1 above includes:

- ▶ concerns about organisations that are not registered charities in respect of which the Charities Regulator has no role e.g. fundraisers for the benefit of a single individual; and
- ▶ concerns about organisations that are not registered charities in respect of which the Charities Regulator does have a role e.g. charitable organisations carrying out activities in the State while not registered, organisations misrepresenting themselves as charitable organisations etc.

The registered charities about which concerns were raised in 2017 can be divided into three categories as set out in Figure 2.

The Charities Regulator has a role in ensuring that organisations other than registered charitable organisations comply with certain provisions of the Charities Act 2009.

Figure 2 - Breakdown of concerns raised in 2017 - Registered Charities

Section 39 - Charitable organisations who did not have a CHY number prior to 16 October 2014, who applied for inclusion in the Register of Charities and who were subsequently added to the register.

Section 40 - Charitable organisations who were automatically included in the Register of Charities under section 40 of the Charities Act 2009, having held a Revenue CHY number prior to establishment of the Charities Regulator. These organisations were required to submit additional information to the Charities Regulator, for inclusion in the Register of Charities.

The section 40 organisations who submitted the required additional information are recorded as 'declared' and those who failed to submit the additional information are recorded as 'undeclared'.

8.4 Location of organisations

Location information was compiled on organisations about which concerns were raised in 2017 and whose details were recorded by the Charities Regulator. In addition to registered charities, records include details of draft applications and de-registered charities. The location information was compiled by the Compliance Unit for analysis purposes only, and was not compiled at the time the concerns were recorded.

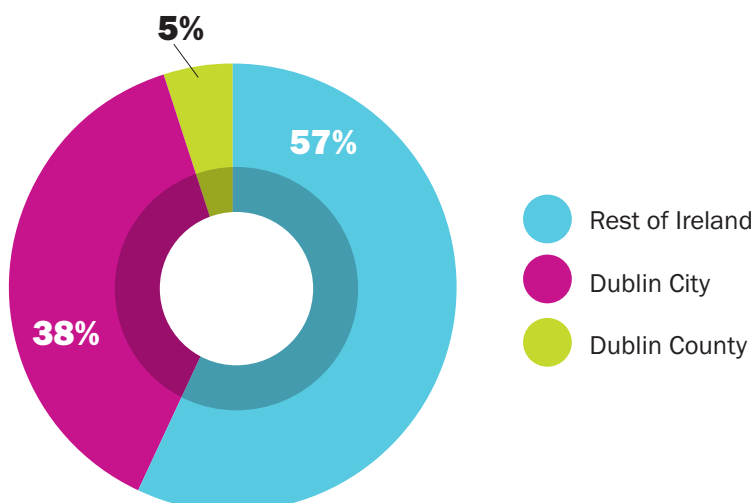
Figure 3 - Breakdown of concerns raised in 2017 - Location

Table 6 - Breakdown of concerns raised in 2017 - Location by County

Location	Number	%
Dublin City	87	38%
Cork	24	11%
Dublin County	11	5%
Galway	10	4%
Donegal	8	4%
Kerry	8	4%
Limerick	8	4%
Waterford	8	4%
Cavan	7	3%
Kildare	7	3%
Mayo	7	3%
Tipperary	7	3%
Roscommon	6	3%
Wicklow	5	2%
Carlow	4	2%
Other (3 or less)	21	9%
Total	228	

8.5 Size of organisations

In line with the values of the Charities Regulator, a proportionate approach is adopted in relation to any action in respect of concerns raised. In assessing a concern(s) the case manager will consider the magnitude of the potential harm or loss that could arise from an issue raised. One factor used to determine the magnitude of the potential loss or harm is the size of the organisation.

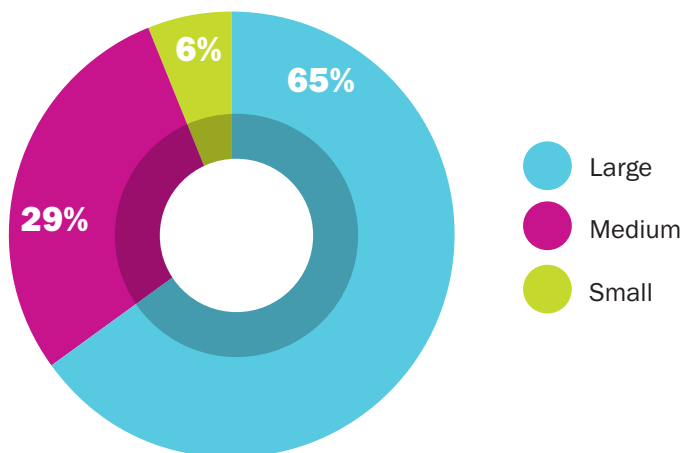
The size of an organisation is recorded on the Register of Charities as large, medium or small, according to the size of the organisation's gross annual income:

- ▶ Large - Gross annual income of more than €100,000;
- ▶ Medium - Gross annual income of €10,001 - €100,000; and
- ▶ Small - Gross annual income of €10,000 or less.

Information was compiled regarding the size of organisations about which concerns were raised in 2017 and whose details were recorded by the Charities Regulator. In addition to registered charities, records include details of draft applications and de-registered charities. While the size of an organisation is considered by the case manager when examining a concern, the sample information in Figure 4 below was compiled by the Compliance Unit for analysis purposes only, and was not compiled at the time the concerns were recorded.

From the sample reviewed, the size of the organisations in respect of which concerns were raised in 2017 is set out in Figure 4. The majority of concerns were raised in respect of organisations whose size was recorded as large (**65%**).

Figure 4 - Breakdown of concerns raised in 2017 – Size of organisations



8.6 Charitable purpose

The Charities Act 2009 outlines four charitable purposes:

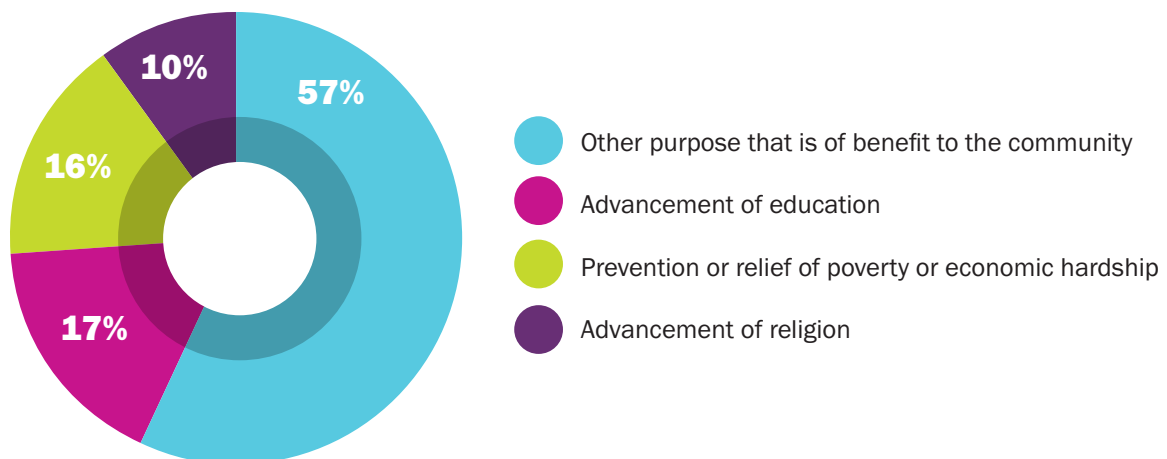
- ▶ the prevention or relief of poverty or economic hardship;
- ▶ the advancement of education;
- ▶ the advancement of religion; and
- ▶ any other purpose that is of benefit to the community.

Information was compiled regarding the charitable purpose of the organisations about whom concerns were raised in 2017 and whose details were recorded by the Charities Regulator. In addition to registered charities, records include details of draft applications and de-registered charities. The sample information in respect of the charitable purpose of the organisations was compiled by the Compliance Unit for analysis purposes only, and was not compiled at the time the concerns were recorded.

From the sample reviewed, concerns were raised with the Charities Regulator in 2017 regarding organisations whose purposes included each of the four charitable purposes. As set out in Figure 5, the majority of concerns were raised regarding organisations that included 'any other purpose that is of benefit to the community' as a charitable purpose (57%).

Concerns were raised with the Charities Regulator in 2017 regarding organisations whose purposes included each of the four charitable purposes.

Figure 5 - Breakdown of Concerns Raised in 2017 - Charitable Purpose



The Charities Act 2009 provides further detail on the subdivisions that are deemed a charitable purpose under 'any other purpose that is of benefit to the community'. Concerns were raised regarding organisations whose charitable purpose included a subdivision of 'any other purpose that is of benefit to the community' as set out in Table 7.

Table 7 - Breakdown of concerns raised in 2017 – ‘Any Other Purpose that is of Benefit to the Community’

Charitable Purpose	%
The advancement of community welfare including the relief of those in need by reason of youth, age, ill-health, or disability	22%
The promotion of health, including the prevention or relief of sickness, disease or human suffering	18%
The integration of those who are disadvantaged, and the promotion of their full participation, in society	17%
The promotion of civic responsibility or voluntary work	10%
The prevention or relief of suffering of animals	7%
The advancement of community development, including rural or urban regeneration	7%
The advancement of the arts, culture, heritage or sciences	7%
The advancement of the efficient and effective use of the property of charitable organisations	4%
The promotion of religious or racial harmony and harmonious community relations	3%
The advancement of conflict resolution or reconciliation	3%
The protection of the natural environment	1%
The advancement of environmental sustainability	1%

8.7 Relationship of concernee with organisation

Any person raising a concern about an organisation, via the [online concerns form](#)¹⁰, is requested to indicate what the nature of their relationship is, with the organisation they are raising a concern about.

The majority of persons (**57%**) who submitted an online concern form during 2017 indicated they had no relationship with the organisation they were raising a concern about. A further breakdown is set out in Table 8 below.

The majority of persons (57%) who submitted an online concerns form during 2017 indicated they had no relationship with the organisation they were raising a concern about.

Table 8 - Breakdown of concerns raised in 2017 – Relationship of concernee with organisation

Relationship with organisation	Number	%
None	141	57%
Beneficiary including Service User	29	12%
Other	17	7%
Director/Trustee, or Former Director/Formal Trustee	16	7%
Employee/Former Employee	16	7%
Donor/Supporter	14	6%
Volunteer/Former Volunteer	13	5%
Total number of concern forms received	246	

8.8 Concerns closed

As indicated in the introduction to the concerns analysis, concerns are processed individually and also in the context of other concerns raised about the same organisation. Reflecting the wide range of issues that can be raised with the Charities Regulator about an organisation, concerns can be closed for a variety of reasons, including:

- ▶ Specific actions to address issues raised were taken by the charity;
- ▶ Assurances in respect of the issue raised were provided by charity trustees;
- ▶ Organisation is now in compliance with the Charities Act 2009;
- ▶ Issues raised in the concern are outside of the remit of the Charities Regulator;
- ▶ Following examination, issues raised in the concern were considered to be without substance.

During 2017, 461 individual concerns were closed in respect of 329 organisations. As at the end of the year there were 328 individual open concerns and 187 concerns open in respect of organisations.

¹⁰ Online Concern Form – available from <https://www.charitiesregulator.ie/en/information-for-the-public/raise-a-concern>

8.9 Meetings with organisations

The Compliance Unit met with a number of organisations in relation to compliance matters during 2017.

Table 9 - Number of Meetings with Organisations in 2017

Organisation Type	Number	%
Registered Charities	19	83%
Other Organisations	4	17%
Total	23	

In the majority of the meetings in the table above, charity trustees attended to represent their organisation. However, the Compliance Unit also met with other representatives of organisations, including staff, volunteers or persons who provide a professional service, such as accountants or solicitors.

Table 10 - Representatives met with during 2017

Representatives	Number	%
Trustees	48	73%
Other Representatives	18	27%
Total	66	

8.10 Correspondence with charities/organisations in 2017

In 2017, the Compliance Unit initiated correspondence with at least 123 organisations in respect of compliance matters. This figure represents initial correspondence with an organisation only and does not include follow-up correspondence or correspondence regarding new concerns received about an organisation with which the Charities Regulator may have corresponded with previously.

8.11 Concerns analysis – future developments

The information on organisations for processing concerns and for reporting and analysis purposes is currently recorded on a manual basis. The planned introduction of a tailored case management system will enhance how the Compliance Unit carries out the Charities Regulator's compliance function and enable on-demand reporting and analysis, allowing the Regulator to produce figures on compliance related matters with increased accuracy and efficiency.

9 References

- 1 The public Register of Charities is available at: <https://www.charitiesregulator.ie/en/information-for-the-public/search-the-charities-register>
- 2 The Charities Act 2009 is available at: <http://www.irishstatutebook.ie/eli/2009/act/6/section/1/enacted/en/index.html>
- 3 'Guidance for Charities Trustees' - available at: <https://www.charitiesregulator.ie/media/1078/guidance-for-charity-trustees-july-2017.pdf>
- 4 'Managing Conflicts of Interest' guidance - available at: <https://www.charitiesregulator.ie/en/information-for-charities/guidance-for-charities>
- 5 'Internal Financial Control Guidelines for Charities' - available at: <https://www.charitiesregulator.ie/media/1081/financial-controls-guidelines-june-2017.pdf>
- 6 SORP (Statement of Recommended Practice) – available at: <http://www.charitycorp.org/>
- 7 'Guidelines for Charitable Organisations on Fundraising from the Public' - available at: <https://www.charitiesregulator.ie/media/1083/guidance-for-fundraising-english.pdf>
- 8 'What is a Charity?' - available at: <https://www.charitiesregulator.ie/media/1544/what-is-a-charity-rev-001.pdf>
- 9 Concerns Policy – available at: <https://www.charitiesregulator.ie/media/1386/concerns-policy-english-may-2018.pdf>
- 10 Information note relating to 'Concerns re Sales of Charity Land' - available at: <https://www.charitiesregulator.ie/media/1433/concerns-re-sale-of-land.pdf>
- 11 'Review of registered charities holding shares in section 110 companies on trust' - available at: <https://www.charitiesregulator.ie/media/1542/review-of-registered-charities-holding-shares-in-section-110-companies.pdf>
- 12 'Review of registered charities compliance rates with annual reporting requirements 2016' - available at: <https://www.charitiesregulator.ie/media/1262/annual-reporting-compliance-review-2016.pdf>
- 13 Online Concerns Form available at: <https://www.charitiesregulator.ie/en/information-for-the-public/raise-a-concern>



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