




An Rialálaí  
Carthanas

Charities  
Regulator

# Compliance Report **2019**





**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 of charities.**

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# CEO Foreword

This is the Charities Regulator's third compliance report and covers our compliance activities during 2019. Monitoring and promoting compliance with the Charities Act 2009, carrying out inquiries and investigations where appropriate, and taking enforcement action where necessary are key functions of the Charities Regulator. Notwithstanding significant staff resourcing challenges during 2019, the Charities Regulator continued to focus on core compliance and enforcement activities. A number of requests for information and statutory directions were issued and an inspector's report was published in relation to Galway University Foundation which provided points of learning for other registered charities.

We also continued to engage with registered charities and other organisations regarding concerns raised in relation to their activities. Although fewer concerns were raised in 2019 when compared with 2018, more organisations were the subject of concerns raised with the Charities Regulator last year. However, it should be noted that 48% of concerns received related to unregistered charities and other organisations.

The legitimacy of an organisation as a charity remains the most common type of concern received and the majority of these concerns related to clothing collections. With the support of our colleagues in An Garda Síochána, we ran a national radio campaign urging members of the public to check the Register of Charities before donating to ensure that much needed donations are not diverted away from registered charities.

A decrease in governance-related concerns was noted in 2019. While this decrease cannot be directly linked to the launch of the Charities Governance Code in November 2018, we anticipate that an increased focus by registered charities on achieving and maintaining the basic standards of good governance set out in the Code will lead to further reductions in the number of concerns about governance raised with the Charities Regulator over time.

On foot of our continuing engagement with charities on the Charities Governance Code in 2019, we produced a suite of guidance materials, templates and FAQs all of which are available on a dedicated section of our website. The Charities Governance Code was also a key focus of our 'Meet the Charities Regulator' roadshow in 2019, videos of which are now available on our website.

I am conscious that at the time of writing, we are facing perhaps our greatest challenge as a society. Now more than ever, registered charities need the trust and confidence of the public in terms of attracting volunteers and funds and providing vital services and supports to the vulnerable in our society and the wider public. Supporting registered charities to strengthen standards of governance within their organisations while at the same time holding charities to account where those standards are not met therefore remains central to our regulatory work in 2020.

**Helen Martin**  
**Chief Executive**

# 1. Executive summary

**In 2019, 649 individual concerns were raised with the Charities Regulator. The number of individual concerns raised represents a decrease of 5% on the 686 individual concerns that were raised in 2018.**

The number of concerns raised by organisation increased by 23% from 423 organisations in 2018 to 521 organisations in 2019.

During 2019 a total of 597 individual concerns were closed. This figure represents a decrease of 17% on the 722 individual concerns that were closed in 2018.

A comparison of concerns raised with the Charities Regulator between 2018 and 2019 shows an 8% decrease in governance related concerns while the level of concerns in relation to financial control and transparency in 2019 remained at the same level as 2018 at 21% of all concerns received.

During 2019, the Charities Regulator received 16 reports under section 59 of the Charities Act 2009, which requires charity trustees and other relevant persons to report when 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.

Common issues identified in previous years continued to appear throughout 2019. Examples of these recurring issues are trustees' duties and responsibilities, managing conflicts of interest and unregistered charitable organisations.

In November 2019, the Charities Regulator published an inspectors report into Galway University Foundation (Registered Charity Number 20038823) following an investigation into the affairs of the charity.

In 2019, the Compliance Unit published further information for charities in relation to "Guidance on winding up a charity". The Compliance Unit also developed a Charities Governance Code Toolkit, which comprises a suite of guidance documents and templates, including a completed sample compliance record form, designed to assist charity trustees with the implementation of the Charities Governance Code.

## 2. Background to the Charities Regulator

**The Charities Regulatory Authority or ‘Charities Regulator’ as it is known, was established as an independent statutory body in October 2014 in accordance with the Charities Act 2009.**

The Charities Regulator has a number of statutory functions, such as setting up and maintaining the Register of Charities, 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.

Alleged breaches of the Charities Act 2009 (referred to

as “concerns” in this report) may come to the Charities Regulator’s attention in a number of different ways, for example, through the Charities Regulator’s online concerns form which can be completed by members of the public, through media reports and through monitoring or other work carried out by the Charities Regulator.

As part its compliance and enforcement function, the Charities Regulator may open an inquiry case into any concern relating to a registered charity or any other organisation to determine whether or not there has been a breach of the Charities Act 2009.





### 3. Common issues identified

During the course of managing concerns raised about charities and organisations throughout 2019, the Charities Regulator observed that the common issues identified in previous years continued throughout 2019. The recurring themes listed in the 2019 report are stated in the table below, along with relevant guidance that is available to download from our website.

#### Common Issues identified

Theme	Common issues identified	Guidance and Support available
<b>Trustee duties and responsibilities</b>	<ul style="list-style-type: none"> <li>Charity trustees not aware of their legal duties and responsibilities;</li> <li>Charity trustees lack knowledge of the requirements and conditions in their charity's governing document;</li> <li>Charity trustees not holding meetings or trustees not attending meetings;</li> <li>Charity trustees making decisions without documenting those decisions in formal Board minutes;</li> <li>Charity trustees making significant decisions without seeking out specialist advice;</li> <li>Charity trustees allowing one or a group of trustees control a charity;</li> <li>Charity trustees not aware of their legal obligations to the Charities Regulator around:               <ul style="list-style-type: none"> <li>Making an annual return;</li> <li>Keeping their details up to date on the public Register of Charities;</li> <li>Disclosing suspected offences under the Criminal Justice (Theft and Fraud Offences) Act, 2001;</li> </ul> </li> </ul>	'Guidance for Charity Trustees' <sup>1</sup>
<b>Managing conflicts of interest</b>	<ul style="list-style-type: none"> <li>Charities having too many connected persons as charity trustees;</li> <li>Charities having no conflict of interest policy in place;</li> <li>Charities not having a 'conflict of interest' standing agenda item;</li> <li>Where a conflict exists, the conflicted charity trustees not being removed from the decision-making process;</li> <li>Charities not recording how they managed conflicts that were identified.</li> </ul>	'Managing Conflicts of Interest' guidance' <sup>2</sup>
<b>Internal financial controls</b>	<ul style="list-style-type: none"> <li>A lack of documented financial policies and procedures in place;</li> <li>No segregation of duties;</li> <li>Cash not being counted in the presence of two people;</li> <li>Receipts/acknowledgments not being issued for donations received;</li> <li>Reconciliations not being performed;</li> </ul>	'Internal Financial Control Guidelines for Charities' <sup>3</sup>



Theme	Common issues identified	Guidance and Support available
<b>Internal financial controls</b>	<ul style="list-style-type: none"> <li>Restricted and unrestricted income not being adequately identified and recorded;</li> <li>No contracts of employment in place;</li> <li>Lack of supporting documents to validate expense claims;</li> <li>Credit card expenditure not supported by receipts;</li> <li>Charity trustees not being provided with regular financial reports detailing the financial performance and position of the charity;</li> <li>No fixed asset register in place.</li> </ul>	'Internal Financial Control Guidelines for Charities' <sup>3</sup>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>Charities submitting abridged accounts;</li> <li>Charities not clearly communicating how they are using charitable funds and the impact of those funds;</li> <li>Charities not publishing key finance and governance information;</li> </ul>	SORP (Statement of Recommended Practice) <sup>4</sup>
<b>Fundraising</b>	<ul style="list-style-type: none"> <li>Charities not obtaining and/or displaying a valid collection permit;</li> <li>Charity collectors not displaying charity information and authorisations;</li> <li>Charities not using sealed boxes for cash collections;</li> <li>Charities not describing the purpose of the fundraising;</li> <li>Charities using third party fundraising agents without a written contract in place;</li> </ul>	'Guidelines for Charitable Organisations on Fundraising from the Public' <sup>5</sup>
<b>Charity Reserves</b>	<ul style="list-style-type: none"> <li>Charities not having a reserves policy in place;</li> <li>Charities not clear on the difference between the various types of restricted and unrestricted funds, and the appropriate manner in which to utilise those funds;</li> </ul>	'Guidance on Charity Reserves' <sup>6</sup>
<b>Unregistered charitable organisations</b>	<ul style="list-style-type: none"> <li>Charitable organisations not applying to the Charities Regulator to be included in the Register of Charities;</li> <li>An organisation (other than a registered charity) describing or promoting itself as a charity</li> </ul>	'What is a Charity?' Guidance <sup>7</sup>

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

2. Managing Conflicts of Interest guidance is available at: <https://www.charitiesregulator.ie/media/1417/managing-conflicts-of-interest-may-2018.pdf>

3. 'Internal Financial Control Guidelines for Charities' - available at: <https://www.charitiesregulator.ie/media/1081/financial-controls-guidelines-june-2017.pdf>

4. SORP (Statement of Recommended Practice) – available at: <http://www.charityorp.org/>

5. 'Guidelines for Charitable Organisations on Fundraising from the Public' - available at: <https://www.charitiesregulator.ie/media/1083/guidance-for-fundraising-english.pdf>

6. 'Guidelines on Charity Reserves' - available at: <https://www.charitiesregulator.ie/media/1919/guidance-on-charity-reserves-final.pdf>

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

## 4. Charities Governance Code

**Good governance is essential for the success of any charity and with the challenges thrown up by the public health crisis in 2020, good governance is now more important than ever. By law, charity trustees (e.g. anyone serving on the Board or a Committee of a charity) have individual and joint responsibility for what happens within their charity. Charity trustees must ensure that their charity achieves its charitable objectives with integrity and is managed in an effective, efficient, accountable and transparent way.**

In November 2018, the Charities Regulator launched the Charities Governance Code, which sets the minimum standards which charity trustees should ensure their charity meets, in order to effectively manage and control their organisations.

The Charities Governance Code consists of 6 principles of governance and sets out the 32 core standards that all charities should meet when putting the principles into action. It also contains 17 additional standards that reflect best practice for charities with high levels of income and/or complex organisational and funding structures and/or significant numbers of employees.



The Charities Governance Code recognises the considerable diversity which exists within Irish charities, and aims to be proportionate. The Code is written in plain English with volunteer-only charities and charities with small numbers of paid staff in mind.

During 2019, all charity trustees were expected to familiarise themselves with the standards set out in the Charities Governance Code to ensure that their charities were in a position to implement the Code during 2020.

A 'comply or explain' model has been adopted in relation to the Charities Governance Code in recognition of the considerable diversity that exists among registered charities. This means that a charity that finds for whatever reason that it cannot comply with a particular standard specified in the Code, can record those specific reasons and provide them as an explanation if requested. A reasoned explanation will be considered sufficient compliance with the relevant standard if the charity can show that it is meeting the main principle to which the standard relates or can show that it has put in place a realistic timetable for doing so. It may be the case that not all standards may be applicable to a given charity and where this is the case, the charity can evidence this by reference to the minutes of the meeting where the particular standard was discussed by the trustees the reason why it was not implemented recorded.

The Charities Regulator will monitor compliance with the Code, with charities expected to 'comply or explain' why they are not complying. Charities will be expected to keep completed 'compliance record forms' on file, which the Charities Regulator may request to see at any time. In the coming year, the Charities Regulator intends to take a more proactive approach to its work, and the monitoring of compliance with the Charities Governance Code will form an important part of that work.

The Governance Code describes minimum standards that all charities should meet and brings together legal requirements and best practice to enable charity trustees to run their charities well.

## New Charities Governance Code Toolkit

Through our compliance work and regular engagement with charities and charity trustees we have learned that many charities, particularly small, volunteer only charities, would benefit from more practical guidance and tools to help them to implement good governance standards within their charities.

In 2019, we worked on developing such guidance and tools to support charities (particularly small, volunteer only charities) and developed the Charities Governance Code Toolkit, which comprises a suite of guidance documents and templates, including a completed sample compliance record form designed to assist charity trustees with the implementation of the Charities Governance Code. These guidance documents and templates are published under the following headings-

- Sample Compliance Record Form;
- Charity Trustee Duties and Role;
- Meetings and Minutes;
- Planning and Risk;
- Recruitment and Induction;
- General note on 'other' legal and regulatory requirements.

We also developed a Frequently Asked Questions (FAQs) section on the Charities Governance Code which is available on the Charities Regulator website. The FAQs section seeks to address the main queries we receive whilst engaging with charities in relation to the Code, and it is kept under review and updated as required.

We had hoped to be in a position to supplement our guidance materials with face-to-face training for approximately 1,000 charity trustees during 2019. Unfortunately, due to resource issues during the year it was not possible to progress the public procurement exercise required to identify a training provider. During 2019, we therefore focussed staff resources on developing guidance materials and practical templates which would benefit the greatest number of charity trustees. In addition to the Toolkit and FAQs referenced above, we carried out a survey of charities to identify the areas of the Code giving rise to the most queries and made the answers to those queries a key focus of our national 'Meet the Charities Regulator' roadshow, which took place in the latter part of 2019. In order to maximise the reach of those events, videos of the

presentations including one on the Charities Governance Code, have since been made available on our website. In this way, during 2019, we were able to focus our resources on making guidance and materials available to over 70,000 charity trustees.

A training provider was identified earlier this year on foot of a public procurement exercise and online training is currently and will continue to be provided in the coming months to charity trustees of newly registered charities and any charity trustees seeking to gain further practical guidance on implementing the Code within their charities.

In the coming years, it is the intention of the Charities Regulator that each charity's entry on the Register of Charities will indicate whether or not a charity has declared that it is in compliance with the Governance Code. During 2021 it is envisaged that the compliance status of any charity that declares as part of its Annual Report to the Charities Regulator that it is in full compliance with the Governance Code will be visible on the Register from the date of that declaration. It is also envisaged that any charity that declares that it is in partial compliance with the Governance Code will have the option of allowing that declaration be visible on the Register, as well as an explanation as to the reasons for non-compliance. An Information Note providing further detail will be published by the Charities Regulator.

## Other Guidance

In 2019, the Charities Regulator published 'Guidance on winding up a charity', which provides information on how a charitable organisation registered with the Charities Regulator may be wound up. This Guidance is currently being reviewed with a view to publishing an updated version later this year.

## 5. Compliance and Enforcement developments in 2019

**During 2019 there were a number of key developments in the Charities Regulator's Compliance Unit as follows:**

Our Concerns Policy was reviewed and updated to reflect operational experience. The amended version of our Concerns Policy was published in May 2019.

The case management system was further developed with a view to creating a risk indication capability within the Charities Regulator. It is envisaged that this will ultimately allow the Charities Regulator to identify and risk assess areas of interest within the charity sector. This will assist the Charities Regulator in focusing its resources on those charities which represent the greatest risk in terms of compliance thereby affording us an opportunity to engage with those charities at an early stage to provide guidance and advice as appropriate. The development of the risk indicator system will continue into next year.

A new Head of Compliance and Enforcement, Thomas Mulholland, was appointed in November 2019 and further professional staff have been recruited to the Unit in 2020. 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 seminars and training courses during 2019 in relation to the Governance Code, accounting regulations, presentation training and compliance.

## 6. Statutory actions

The number of statutory actions taken by the Charities Regulator in 2019 is set out in Table 1 below. It should be noted that most concerns raised with the Charities Regulator are initially dealt with by the Compliance and Enforcement Unit on an administrative basis as non-statutory inquiries. If information is required from a charity or other organisation for the purposes of processing

a concern, the Compliance Unit will generally request the information on a voluntary basis, before a statutory instruction to provide the information is considered. In practice in the vast majority of cases, information requested is provided on a voluntary basis.

**Table 1: Statutory Actions taken by the Charities Regulator in 2019**

Section of the Charities Act 2009	No.
• Section 53 - Requirement to provide information	3
• Section 64 - Appointment of inspectors re. investigation	Nil
• Section 68 - Requirement to produce books, documents or other records	10
• Section 73 - Imposition of intermediate sanctions	Nil

In addition to the above, statutory actions may also be taken by inspectors appointed by the Charities Regulator pursuant to section 64 of the Charities Act 2009 e.g. under section 65 which deals with the requirement to produce books, documents and other records and, to attend before or to give assistance to an inspector. These actions are not reflected in figures relating to statutory actions taken by the Charities Regulator as inspectors carry out their functions independently of the Charities Regulator.

### Galway University Foundation Inspector's Report

In November 2019 the Charities Regulator published an inspector's report into Galway University Foundation (Registered Charity Number 20038823) following an investigation into the affairs of the charity.

The Charities Regulator received concerns about the charity and following the making of preliminary inquiries a decision was made to appoint inspectors to carry out an investigation under Part 4 of the Charities Act 2009. The Charities Regulator received the inspector's report in November 2019 and a decision to publish the report was taken by the Board of the Charities Regulator pursuant to section 66(3)(c) of the Charities Act 2009.

A copy of the inspector's report is available on our website, [www.charitiesregulator.ie](http://www.charitiesregulator.ie).

## 7. 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 2019, 16 reports were made to the Charities Regulator pursuant to section 59 of the Charities Act 2009.





# 8. Concerns Analysis 2019

## 8.1 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 in two ways:

### 1. By Individual Concern Raised

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

### 2. By Reference To The Organisation In Respect Of Which A Concern Is Raised

Individual concerns raised about an organisation are considered in the context of any other concerns raised 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 raised and recorded will be higher than the number of concerns raised.

For example, a single concern could raise issues about an organisation's financial controls as well as issues about the appointment of a trustee. In this instance, the concern would be recorded as a concern received and the two individual issues will be recorded under two separate categories of issues raised.

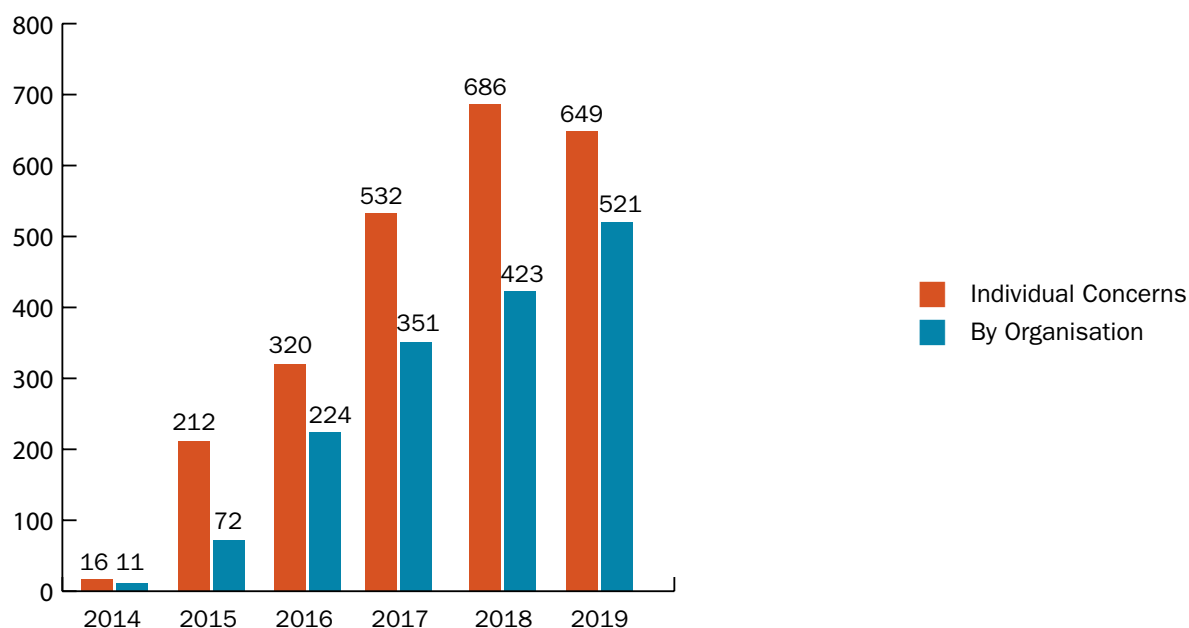
### Concerns About Multiple Organisations

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 will be recorded as a concern raised about each of the organisations referred to in the correspondence. For example, a concernee could raise a concern about similar policies being adopted by a specified group of charities with the same charitable purpose carrying out similar charitable activities e.g. charities focused on relieving poverty or economic hardship by providing services for those who are homeless.

## 8.2 Concerns Raised

In 2019, 649 individual concerns were raised with the Charities Regulator in respect of 521 organisations. The number of individual concerns raised represents a decrease of 5% on the number of concerns raised in 2018, when 686 concerns were raised. The number of concerns by organisation has increased by 23% from 423 in 2018 to 521 in 2019. These figures reflect a trend where although the incidence of multiple concerns being received in relation to individual organisations has reduced, the number of organisations in relation to which we have received a single concern has increased.



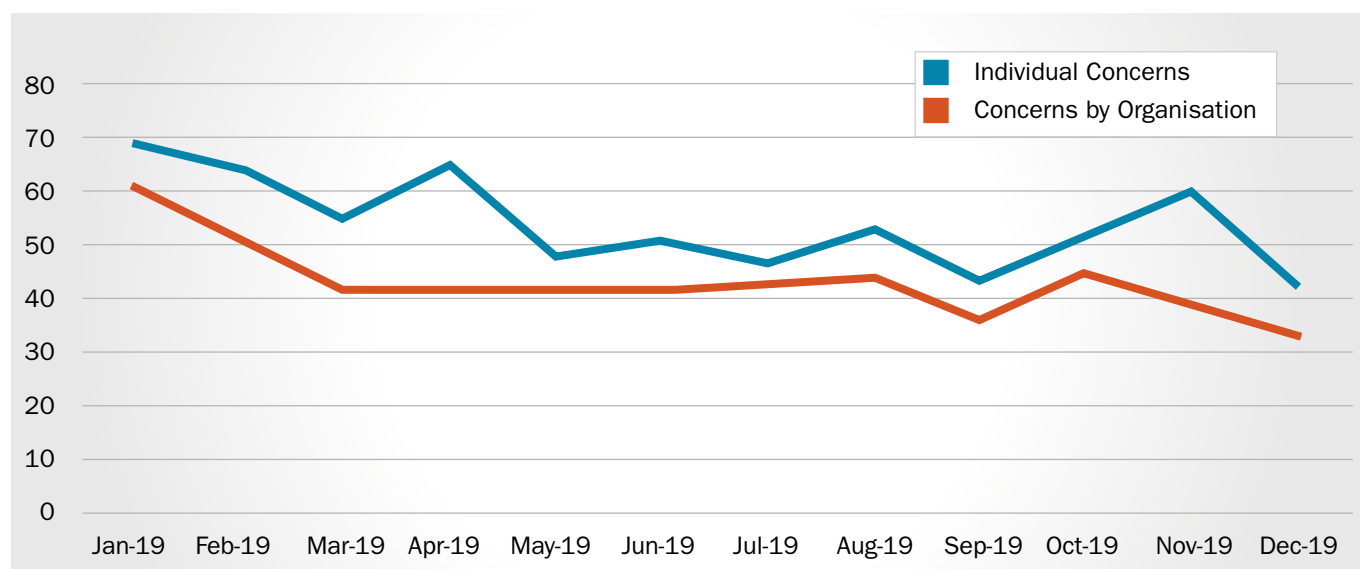
**Table 2: Concerns raised from 16 October 2014 to 31 December 2019**

The average number of concerns raised per month during 2019 was 54, with the highest number of individual concerns raised in any one month being 69 concerns in January 2019. This contrasts with December 2019 when the lowest number of concerns were raised, which was 42.

The decrease in individual concerns raised in 2019 against the increase in the number of organisations

about whom a concern was raised can be attributed in part to the significant increase in the number of concerns received regarding the legitimacy of clothing collection organisations.

The chart below sets out the number of concerns raised each month in 2019.

**Table 3: The number of concerns raised each month in 2019**

### 8.3 Categories of Issues 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. However, from the concerns raised it is possible to discern a number of broad categories.

Of the concerns raised with the Charities Regulator in 2019, approximately 91% raised issues in the combined

categories of 'Legitimacy of Charity', 'Governance Issues' and 'Financial Control and Transparency'.

The 'Legitimacy of Charity' category on its own represents 46% of all concerns received. This reflects public awareness of unregistered organisations seeking donations, particularly in the clothing collection sector.

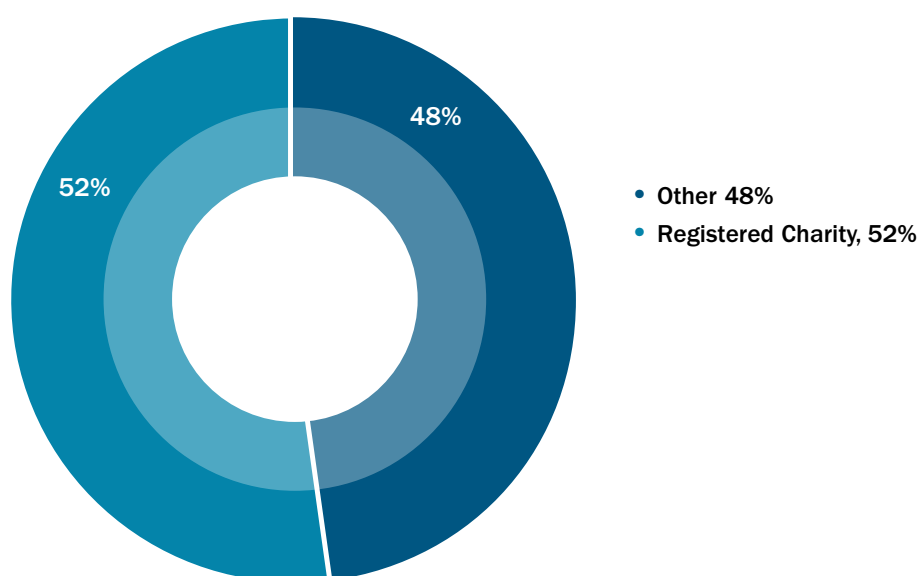
**Table 4: Breakdown and comparison of concerns raised in 2019 – Category of issue raised**

Category	No. of Concerns (2018)	% (2018)	No. of Concerns (2019)	% (2019)	2018 - 2019 % Comparison
• Legitimacy of Charity	287	30%	297	46%	+16%
• Governance Issues	309	32%	157	24%	-8%
• Financial Control and Transparency	205	21%	136	21%	0%
• Harm to Beneficiaries	19	2%	17	3%	+1%
• Private Benefit	29	3%	17	3%	0%
• Misdirected Concerns - issues outside of Charities Regulator's remit	55	6%	16	2%	-4%
• Inappropriate Political Campaigning	61	6%	9	1%	-5%

### 8.4 Status of Organisation

In addition to its role in respect of registered charities, the Charities Regulator has a role in ensuring that other organisations comply with certain provisions of the Charities Act 2009. Figure 1 below shows that whilst the majority of concerns raised were in respect of registered charitable organisations, a significant portion of concerns related to organisations that are not registered charities.

Of the 649 individual concerns that were raised in 2019, 335 (52%) related to registered charities and 314 (48%) related to other organisations. This is in contrast to 2018 when 44% of concerns raised related to registered charities and 56% of concerns related to other organisations.

**Figure 1: Breakdown of Concerns Raised in 2019 - Registered Charity/Other**

The types of concerns raised about organisations that are not registered charities in Figure 1 above includes:

- concerns about organisations that are not charities within the meaning of the 2009 Act in respect of which the Charities Regulator has no role e.g. fundraisers for the benefit of a single individual where the requirement for public benefit is not met; 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. In relation to this category, much of the work of the Compliance and Enforcement Unit entails ensuring that such unregistered entities are brought into compliance with the 2009 Act, which may entail the organisation ceasing particular activities or submitting an application to the Charities Regulator for inclusion in the Register of Charities where appropriate.

## 8.5 Charitable purpose

The Charities Act 2009 outlines 4 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.

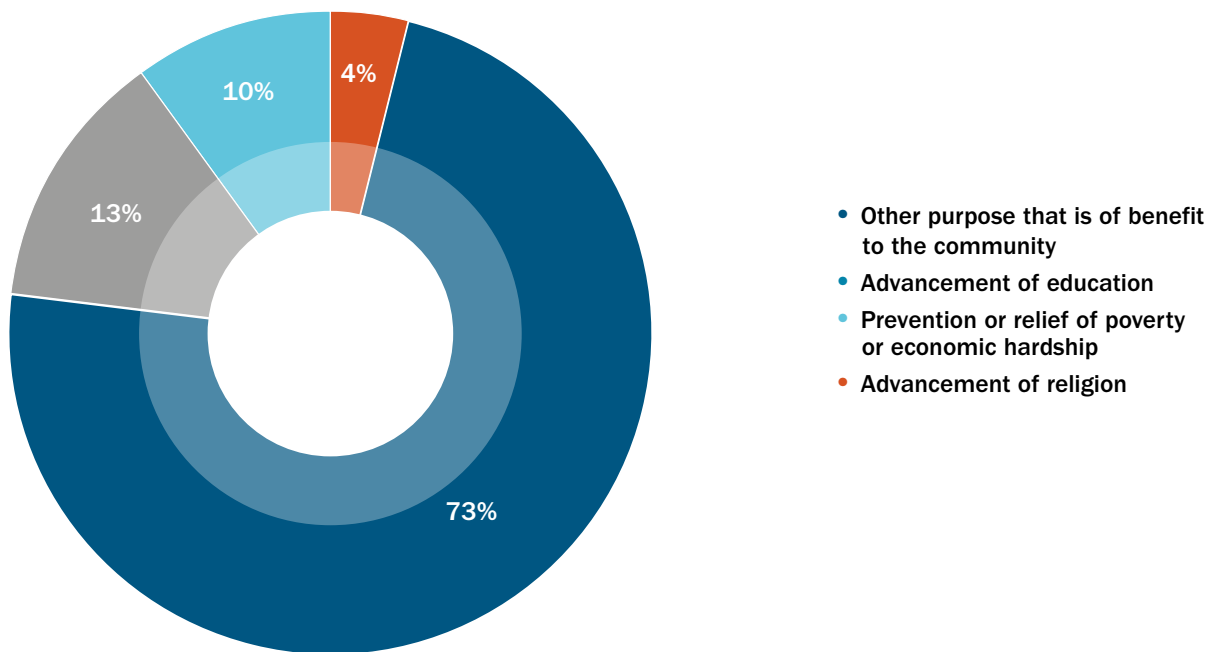
The Act goes on to list 12 further charitable purposes that fall into the 'any other purpose that is of benefit to the community' category. A charity may have a number of charitable purposes.

Information was compiled regarding the charitable purpose of the organisations about whom concerns were raised in 2019 and whose details were recorded by the Charities Regulator. The 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.

Of the 521 concerns raised in respect of organisations with the Charities Regulator in 2019, 288 (55%) were registered charities. A total of 397 charitable purposes were listed by those 288 registered charities.

As set out in Figure 2, the majority of concerns were raised regarding organisations that included 'any other purpose that is of benefit to the community' as a charitable purpose (73%).

**Figure 2 - Breakdown of Concerns Raised in 2019 by reference to Charitable Purpose**



The Charities Act 2009 provides further detail on the subdivisions that constitute a charitable purpose under 'any other purpose that is of benefit to the community'. An analysis of the charitable purpose of registered charities by these subdivisions in relation to concerns received in 2019 is set out in Table 5.



**Table 5: Breakdown of concerns raised in 2019 – ‘Any Other Purpose that is of Benefit to the Community’ category**

Charitable Purpose	%
• The advancement of community welfare including the relief of those in need by reason of youth, age, ill-health, or disability	21%
• The promotion of health, including the prevention or relief of sickness, disease or human suffering	16%
• The integration of those who are disadvantaged, and the promotion of their full participation, in society	16%
• The promotion of civic responsibility or voluntary work	11%
• The prevention or relief of suffering of animals	8%
• The advancement of community development, including rural or urban regeneration	8%
• The advancement of the arts, culture, heritage or sciences	7%
• The protection of the natural environment	4%
• The advancement of environmental sustainability	4%
• The promotion of religious or racial harmony and harmonious community relations	2%
• The advancement of the efficient and effective use of the property of charitable organisations	2%
• The advancement of conflict resolution or reconciliation	1%

Charities may, and often do, have more than one charitable purpose. The table below provides the breakdown of registered charities on the Register of Charities by reference to the main charitable purpose of registered charities and shows the percentage of concerns received by reference to each charitable purpose.

**Table 6: Breakdown of registered charities with concerns raised against them in 2019 by charitable purpose(s).**

Charitable Purpose	% Breakdown of Register by Charitable Purposes	% of Registered Charities with Concerns by Charitable Purpose
• Advancement of religion	9.1%	3.8%
• Advancement of education	47.7%	11.2%
• Prevention or relief of poverty or economic hardship	13.7%	8.0%
<b>Any Purpose that is of Benefit to the Community</b>		
• The advancement of community welfare including the relief of those in need by reason of youth, age, ill-health, or disability	12.4%	16.1%
• The promotion of health, including the prevention or relief of sickness, disease or human suffering	3.7%	12.3%
• The integration of those who are disadvantaged, and the promotion of their full participation, in society	2.1%	12.1%
• The promotion of civic responsibility or voluntary work	1.5%	8.7%
• The prevention or relief of suffering of animals	1.2%	6.3%
• The advancement of community development, including rural or urban regeneration	5.2%	5.9%
• The promotion of religious or racial harmony and harmonious community relations	0.1%	1.5%
• The advancement of the arts, culture, heritage or sciences	2.5%	5.7%
• The advancement of conflict resolution or reconciliation	0.2%	1.1%
• The protection of the natural environment	0.5%	3.2%
• The advancement of the efficient and effective use of the property of charitable organisations	0.2%	1.5%
• The advancement of environmental sustainability	0.1%	2.7%

## 8.6 Relationship of Concernee with Organisation

Any person raising a concern about an organisation, via the Charity Regulator's online concerns form<sup>1</sup>, is requested to indicate what the nature of their relationship is with the organisation that they are raising a concern about. In addition, for any concerns received other than through the concerns form e.g. by post, email etc., staff of the Compliance and Enforcement Unit will record what a person's relationship with the charity is based on the information they provide. This information can be helpful to the team in terms of following up with the concerne (assuming they have not chosen to remain anonymous) as it can indicate the kind of information that the person raising the concern might

be basing their concern on. A charity trustee should for example be able to provide documentary evidence to support concerns raised that would not be available to a beneficiary or a member of the public.

Of the concerns raised with the Charities Regulator in both 2018 and 2019, in terms of the relationship with the organisation that the concern was raised in respect of, the highest proportion indicated that they had no relationship.

A further breakdown is set out in table 7 below.

**Table 7: Breakdown of concerns raised in 2019 – Relationship of concerne with Organisation**

Relationship with Organisation	Number 2018	%	Number 2019	%
None	276	40%	263	41%
Not Specified	235	34%	200	31%
Other	34	5%	51	8%
Director/Trustee, or Former Director/Trustee	25	4%	33	5%
Beneficiary/Service User	29	4%	27	4%
Member	6	1%	20	3%
Employee/Former Employee	27	4%	18	3%
Donor/Supporter	33	5%	16	2%
Internal CRA Staff	-	0%	11	2%
Volunteer/Former Volunteer	21	3%	10	2%
<b>Total</b>	<b>686</b>	<b>100%</b>	<b>649</b>	<b>100%</b>

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



## 8.7 Concerns closed

As indicated in section 8.1, 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:

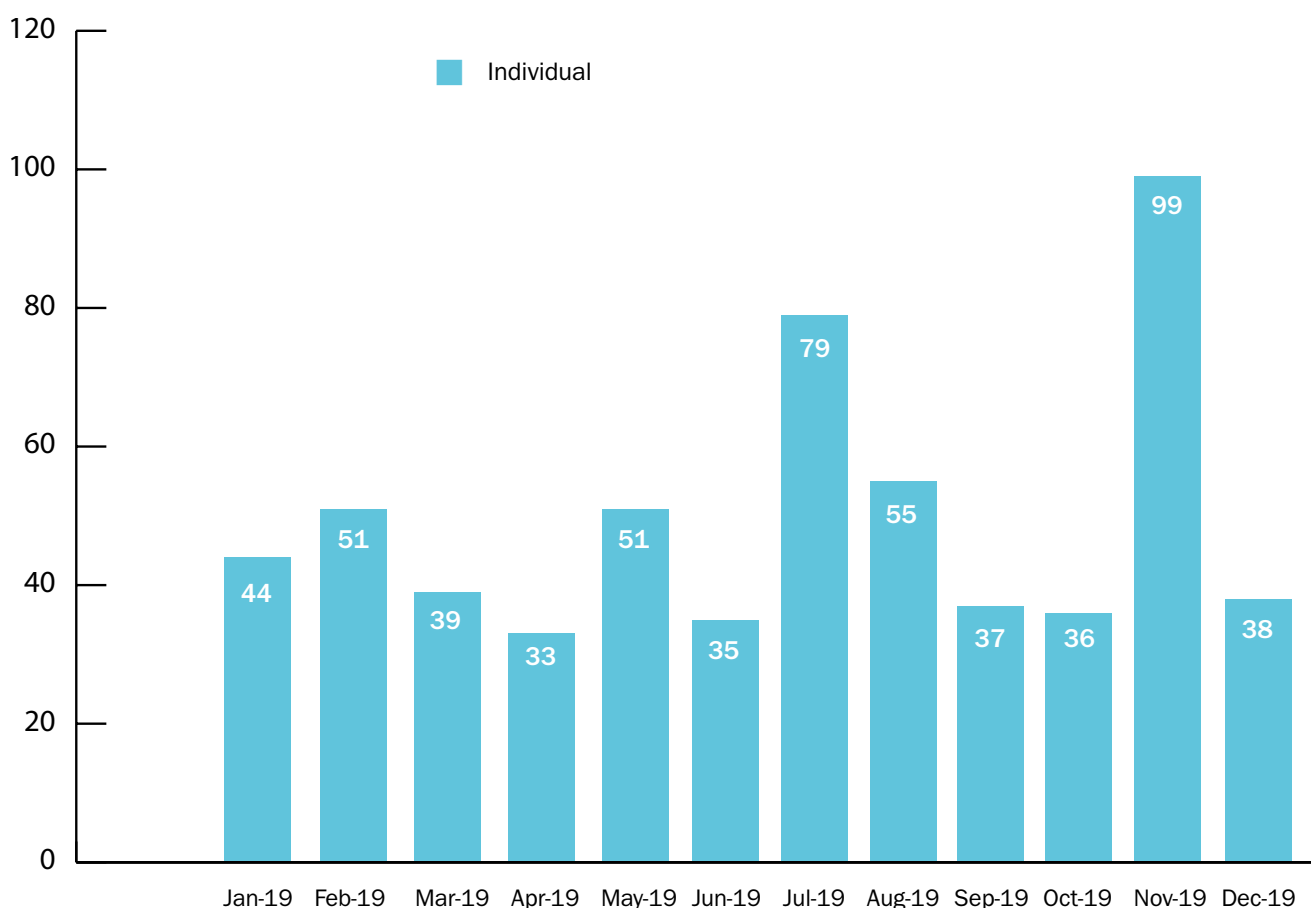
- Entity now in compliance with the 2009 Act
- Unregistered organisation is engaging with registration process
- Case manager satisfied based on assurances provided
- Issues are outside of the remit of the Charities Regulator
- Case cannot be progressed due to lack of information
- Relevant advice/guidance issued to entity
- Entity complied with actions requested by case manager
- Issues already addressed/being addressed by entity
- No breach of the 2009 Act apparent following assessment

All concerns that are closed are now categorised by reference to one of the reasons specified, which will facilitate future reporting.

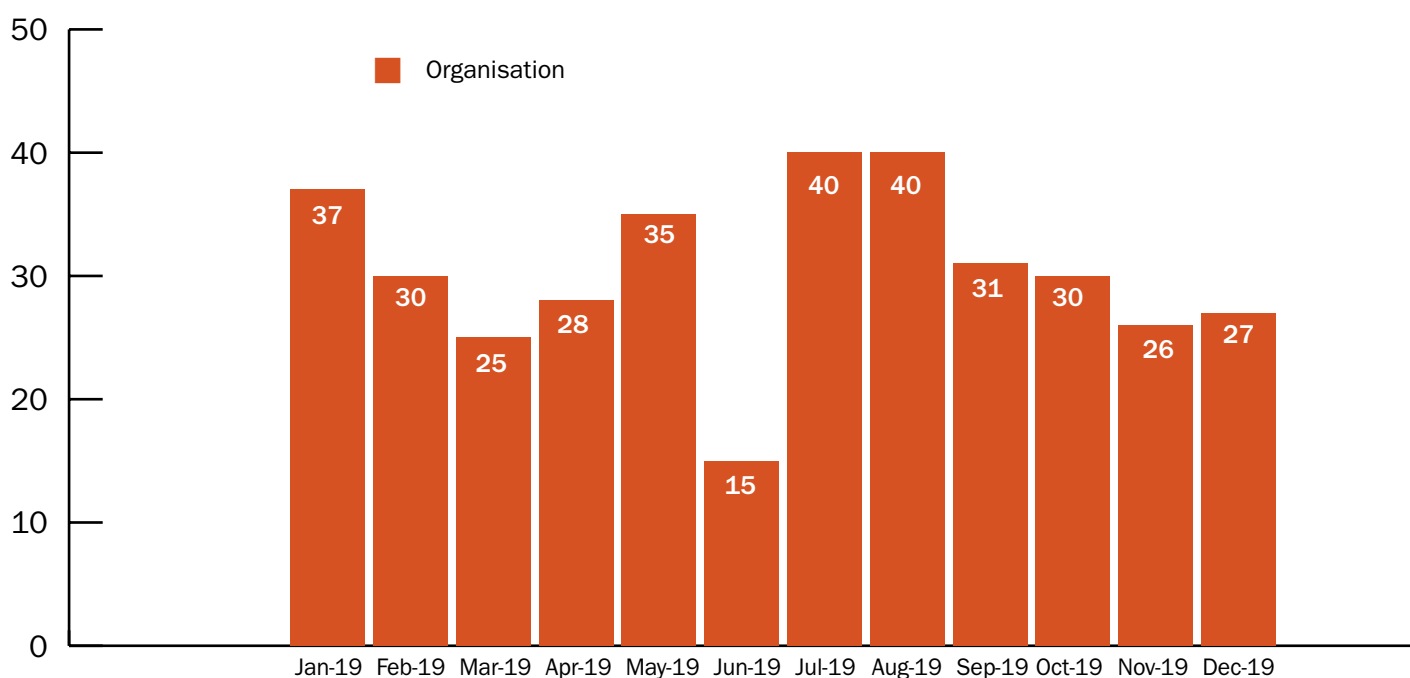
During 2019, a total of 597 individual concerns were closed, as set out in Table 4. This figure represents a decrease of 17% on the overall number of individual concerns that were closed in 2018, which was 722. The decrease in the number of individual concerns that were closed during 2019 was in part due to resource constraints due to staff shortages particularly in the Compliance and Enforcement Unit. Those shortages reduced the capacity of the unit to close concerns at the same rate as previous years. The necessity for staff from the Unit to work on developing and implementing the new back office case management system, which was a significant project in 2019, also had an impact on the overall output of the Unit.

As at 31 December 2019, the number of open concerns stood at 359 in respect of 237 organisations, up from 294 open concerns in respect of 158 organisations as at 31 December 2018.

**Table A shows the monthly breakdown throughout 2019 of individual concerns closed.**



**Table B shows the number of organisations that had concerns relating to them closed each month in 2019.**



## 8.8 Meetings with organisations

The Compliance and Enforcement Unit held face-to-face meetings with a number of organisations in relation to compliance matters during 2019. Charities are usually represented by charity trustees at the majority of such meetings. However, the Unit has also met with other representatives of organisations, including staff, volunteers

and persons providing professional services to the organisations, such as accountants or solicitors. During 2019, the Compliance and Enforcement Unit met with 2 charities, 1 charities representative body, and 3 other organisations.

## 8.9 General queries

On an ongoing basis our Compliance and Enforcement Unit will deal with contacts from the public and organisations which do not reach the threshold of being a concern about potential non-compliance with the Charities Acts. In 2019, the Unit dealt with 110 such queries.

In many instances our expanding body of published guidance documents will serve to address queries received. In other cases, we will analyse the issue raised and provide advice where appropriate.

## 8.10 Concerns analysis

The information on which the analysis in this report is based, was recorded on a manual basis. It is envisaged that the case management system which was implemented by the Unit in 2019 will provide electronic data analytics capabilities on which future compliance reports will be based.

# 9. Conclusion

## 9.1 Advice for Charities and compliance with the Charities Act 2009

The Charities Regulator recommends that all charity trustees familiarise themselves with our guidance documents, in particular the 'Guidance for Charity Trustees' and 'Internal Financial Controls Guidelines for Charities'.

It is also essential that all charity trustees ensure that the charities for which they are responsible have appropriate governance arrangements in place as required by the

Charities Governance Code. Practical assistance is available through the Charities Governance Code Toolkit and FAQ's, which consist of guidance materials and templates. Further information and guidance is also available through videos of staff presentations, which can be found on our website and include presentations on the Governance Code and the work of the Charities Regulator's Compliance Unit.

## 9.2 Advice for Potential Donors and Volunteers

The Charities Regulator recommends that anyone thinking of donating to, or volunteering with an organisation describing itself as a charity check the Register of Charities on our website to ensure that the organisation is registered.

In addition, potential donors and volunteers should take steps to inform themselves fully about the organisation and its activities and ensure that they are satisfied that the organisation has the appropriate structures, policies and procedures in place to ensure their donation, whether time or money, is put to best use.

# 10. References

The public Register of Charities is available at: <https://www.charitiesregulator.ie/en/information-for-the-public/search-the-register-of-charities>

The Charities Act 2009 is available from the eISB website at: <http://www.irishstatutebook.ie/eli/2009/act/6/section/1/enacted/en/index.html>

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

Managing Conflicts of Interest Guidance - available at: <https://www.charitiesregulator.ie/media/1417/managing-conflicts-of-interest-may-2018.pdf>

Internal Financial Control Guidelines for Charities - available at: <https://www.charitiesregulator.ie/media/1081/financial-controls-guidelines-june-2017.pdf>

SORP (Statement of Recommended Practice) – available at: <http://www.charityorp.org/>

Guidelines for Charitable Organisations on Fundraising from the Public - available at: <https://www.charitiesregulator.ie/media/1083/guidance-for-fundraising-english.pdf>

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

Concerns Policy – available at: <https://www.charitiesregulator.ie/media/1737/concerns-policy.pdf>

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

Charities Governance Code, Toolkit and Guidance Notes & Templates – available at: <https://www.charitiesregulator.ie/en/information-for-charities/charities-governance-code>

Guidance on Charities and the Promotion of Political Causes – available at: <https://www.charitiesregulator.ie/media/1391/guidance-on-charities-and-the-promotion-of-political-causes.pdf>

Guidance on Winding Up a Charity – available at: <https://www.charitiesregulator.ie/media/1670/guidance-on-winding-up-a-charity.pdf>





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