

# Charity Finance Summit 2014

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**Chief Executive, Charity Commission**

**7 October 2014**



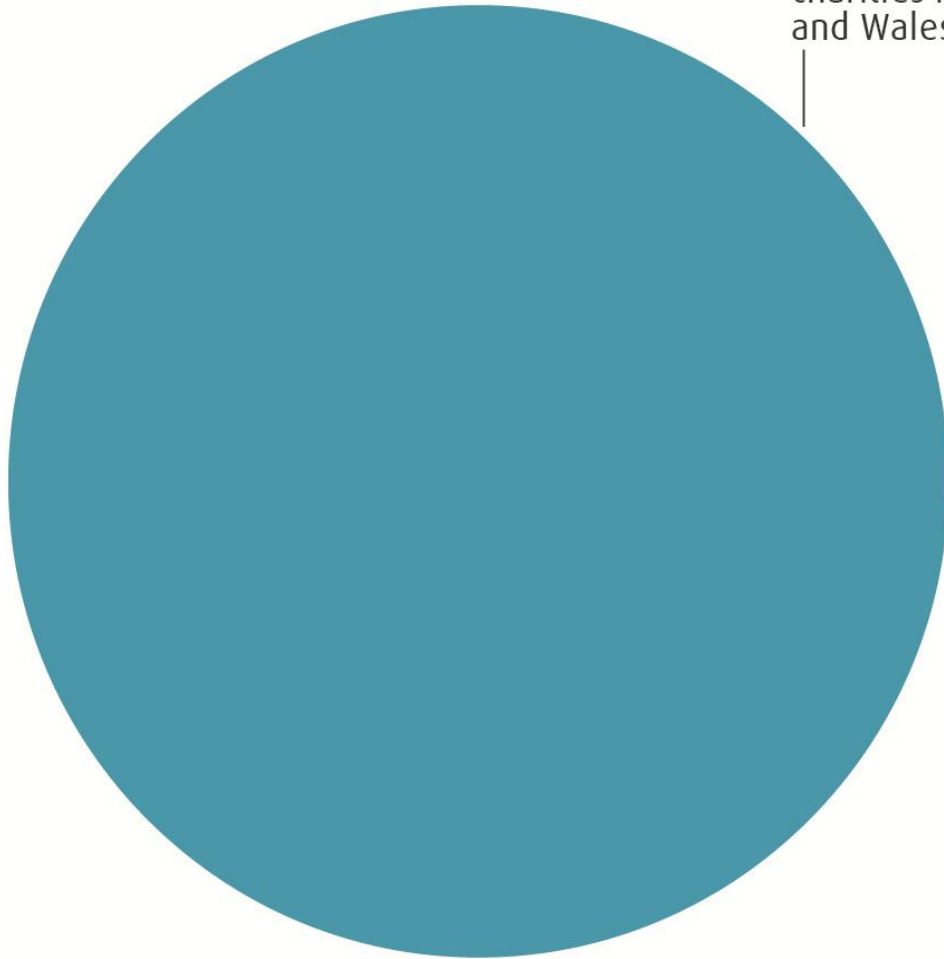
# Facts about charity

- **164,000** – registered charities
- **4,968** – new registrations in 2013-14
- **3.4 million** – regular volunteers
- **1m** – charity trustees
- **940,000** – charity workers
- **> £64bn** – annual income of registered charities
- **£106bn** – long term investments held by charities

# Scale of charitable sector



**164,000**  
number of registered  
charities in England  
and Wales



**18,000**  
number of schools in  
England and Wales\*



**16,500**  
number of coffee shops  
in United Kingdom\*\*

\* Department for Education and the Welsh Government  
\*\* Allegra Strategies

## Commission's work to uphold public trust

- our strategic approach
- how we're improving already
- my plans for the months ahead

## Charities' role in promoting public trust

- what the public expects of you
- what we expect of you

# Context for charity regulation



## Changing public expectations of charity

Demands for greater accountability

Evidence of public giving charities less 'benefit of doubt'

Media focus on charities (e.g. pay, investments)

## Increased external scrutiny of Commission

National Audit Office review of CC's work

Public Accounts Committee hearings

Debates in Parliament

## Significant cuts to CC funding

CC budget 2013-14 - **£21.4m**

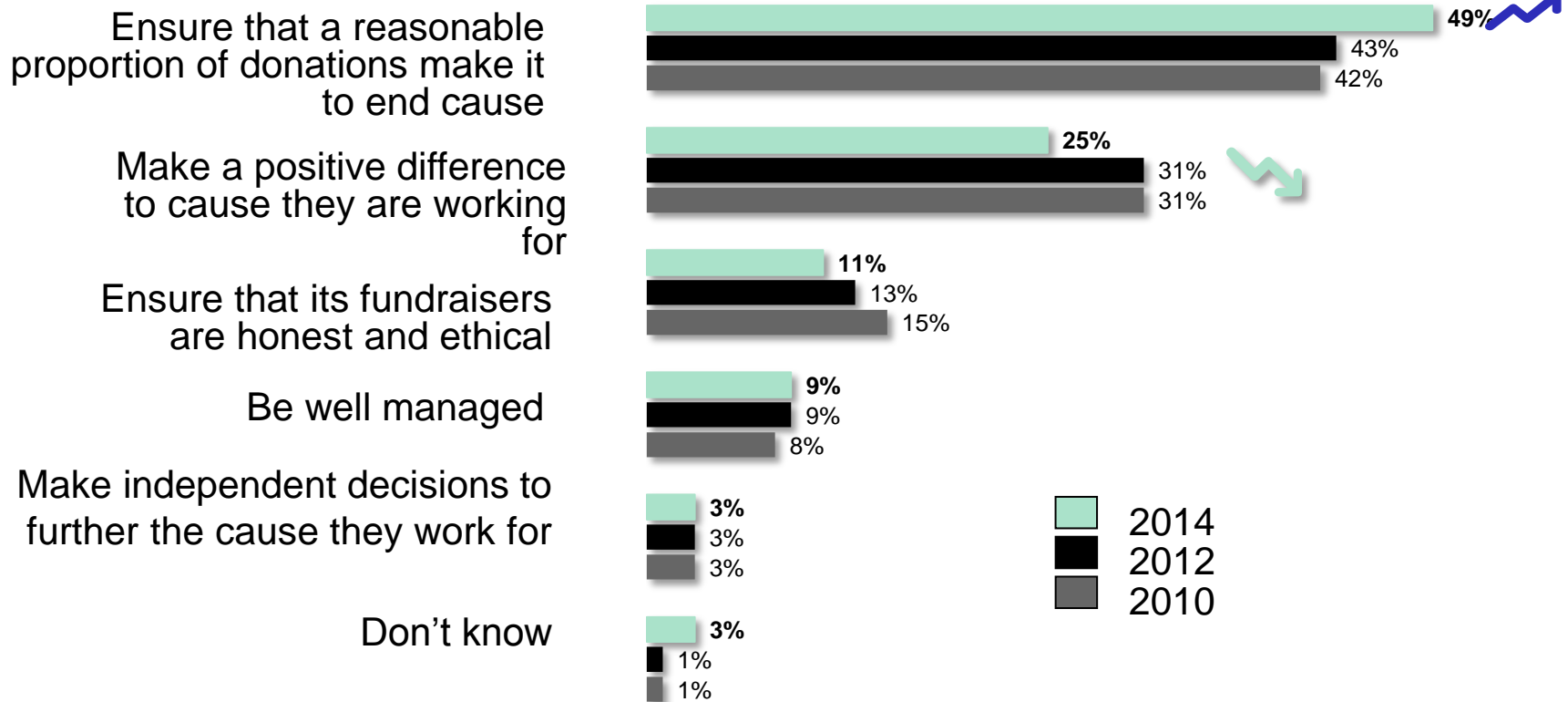
CC budget 2007-8 - **£31.7m**

= c. **50% real terms** cut since 2007.

# Public Trust and Confidence Research



## Q Which one, if any, of these qualities is most important to your trust and confidence in charities overall?



Base: All respondents – 2014 (1163); 2012 (1,142), 2010 (1,150)

Source: Ipsos MORI

# Our new strategic approach

CHARITY  
COMMISSION

“The best way for the Commission to promote public trust and confidence in charities [...] is to concentrate on **promoting compliance** by charity trustees; enhancing the rigour with which we hold charities accountable, and upholding the definition of charity”

# Robust regulation in action



- **64** – charities placed under inquiry (15 in 2012-13)
- **540** – use of legal powers in investigative work (216 in 2012-13)
- **Regulatory alerts** – e.g. recent alert on reporting serious incidents.



# More proactive approach



## Operations / registrations

- New operations monitoring team
- 318 referrals, including **89** from registrations (betw. October 2013 & April 2014)

## Accounts monitoring

- Casework related and themed accounts reviews
- **1,664** sets of accounts reviewed

## Smarter, more focused guidance

- Clearer focus on expectations of trustees
- E.g. new Conflicts of Interest guidance

# Greater transparency

## Greater openness about statutory inquiries

- announcing inquiries when its in the public interest
- marking open inquiries against charities' online entry

## Reports of operational cases

## New online charity search tool

- more information about charities
- easier to access from mobile devices.

# What we need to do now...

## Risk

- Better use of **data**
- **Targeting** work where it makes greatest impact
- Supporting increasingly **proactive** approach to case work

## Digitisation

- **Digitising** front-end services
- **Streamlining** low risk customer-facing services  
= recognising charities are our customers

## Structure

- Recruiting 6-strong senior management team
- Skills and talent management agenda

Over to you...

CHARITY  
COMMISSION



What can **you** do to promote  
public trust in charity?

# Show integrity



## Have trustees:

- acted within their powers?
- acted in good faith and only in interests of charity?
- adequately informed themselves
- taken into account all relevant factors, disregarded irrelevant factors?
- managed conflicts of interest?
- made decisions within range of decisions that reasonable trustee body would make?

# Be accountable



“It is important to me that charities provide the public with information about how they spend their money”

**96%** of those asked agree

# How accountable are charities?



**86%** charities filed annual returns on time

**86%** charities filed annual accounts on time

**99%** of sector income accounted for

= over all compliance is high... **but:**

**58** charities have been subject to double defaulters class inquiry

**£47m** of charitable funds now accounted for

# Report serious incidents



**1,280** serious incidents reported in 2013-14  
**> 580** reports so far this year  
**= huge underreporting by charities**

## **Serious incidents include:**

- fraud, theft, significant loss
- abuse of beneficiaries
- financial links to banned group
- Investigation by another regulator  
= *actual or suspected*



# Final thought...



“Charities play an essential, very or fairly important role in society”

**96%** of those asked agree

# Thank you

7 October 2014

The logo for the Charity Commission, featuring the words "CHARITY" and "COMMISSION" stacked vertically in white, uppercase letters on a green rectangular background. The logo is positioned in the bottom right corner of the slide, overlaid on a photograph of a multi-story brick building with several people standing in front of it.

CHARITY  
COMMISSION