



Consultation summary

Reporting serious incidents – updates to guidance and reporting regime

Charities have had to report serious incidents to the Charity Commission (the ‘commission’) since 2007. The most common types of incidents reported include fraud, theft and confirmed safeguarding issues. Latest data and trends are reported in the commission’s **Tackling abuse and mismanagement report** and its **annual report**.

The number of incidents reported has increased year on year. In 2015-16, over 2,200 serious incidents were reported by charities to the commission. However, casework continues to find serious incidents that should have been reported but were not. The commission is also asked on a regular basis by charities for advice on what to report, how and when.

The commission has reviewed its current guidance to trustees, and with this consultation exercise, seeks views on the proposed changes. Responses to these questions will help the commission decide how its guidance can be improved in order to enable more effective and timely reporting in the future.

The key changes

The draft updated guidance for trustees includes the following revisions:

- making it clearer what to report, how and when – encouraging reporting at the time the incident occurs, or as soon as possible afterwards
- an updated section to help with multiple reporting for larger charities, or those that report incidents on a regular basis, due to the risks arising from the nature of their work
- removing the need to report some types of incident, where these are risks rather than serious incidents, and where the relevant information about the risk is now requested in the annual return
- adding some new types of incidents – which charities are experiencing on a regular basis and/or struggling to manage properly

What specific issues is the commission consulting on?

The commission is keen to obtain general feedback on the new draft guidance, but in particular, invites responses to the following questions:

1. Have you used the current web version of 'How to report a serious incident' before?
If yes, was it helpful? If no, why not?
2. Overall is the new, revised guidance helpful? If not, please state why.
3. Is the section on multiple reporting helpful?
4. Do you agree that the following should be removed, on the basis that they're risks rather than serious incidents:
 - a. the charity has no vetting procedure to ensure that trustees or charity staff are eligible to act in the position they are being appointed to
 - b. the charity does not have a safeguarding policy in place
5. Do you consider the criteria for reporting safeguarding incidents to be clear and do you understand the distinction between the commission's remit and that of other statutory agencies?
6. Do you agree with the inclusion of new examples in the guidance around incidents of significant financial loss, for example :
 - a. losses affecting solvency
 - b. significant fines and penalties from HMRC, ICO and other agencies
 - c. financial losses arising from litigation
 - d. losses resulting from loss of fundingIf not, why not?
7. Do you agree with the inclusion of new examples in the guidance around forced insolvency/winding up of a charity/withdrawal of banking services? If not, why not?
8. Are there other types of common incidents that should be reported to the commission and should be included in the guidance?
9. In the new version, is the explanation of trustees' responsibilities clear and easy to understand, in particular:
 - a. is it clear what a 'serious incident' means?
 - b. is it clear what trustees should do in order to report a serious incident?
 - c. do you understand the difference between fraud and theft, and how to report each?
10. Are the new information checklists helpful?
11. What, if anything, did you find unclear or unhelpful in the new guidance – how could this be better presented?

12. Some charities and trustees may be unaware of their responsibility to report serious incidents. What more could the commission do to raise awareness of this important responsibility and better promote the new guidance?
13. Have you ever reported a serious incident before, either to the commission or to another regulator, for example the police?
14. If an incident has taken place in your charity in the last 5 years and you did not proactively report it to the commission, why was this? Having read the new guidance, would you now? If not, why not?

Who does the commission want to hear from?

The commission welcomes comments from charities, professional advisers, or others that report serious incidents on behalf of charities, as well as other regulators and public bodies that exercise similar sector reporting schemes.

How, where and when to send comments on this consultation?

Please respond to this consultation via email Investigationsdevelopment@charitycommission.gsi.gov.uk answering the questions posed and providing additional comments where relevant.

The closing date for responses to this consultation is 5pm on 12 January 2017.

What will happen at the end of the consultation period?

The commission will use the responses it receives to inform the new, improved guidance. It will publish a summary of responses within 3 months of consultation-end.