



**An Rialálaí
Carthanas**

**Charities
Regulator**

**Review of Registered Charities
Compliance Rates with
Annual Reporting Requirements
2016**

October 2017

The Charities Regulator, in accordance with the provisions of section 14 of the Charities Act 2009, carried out a review of registered charities compliance rates with annual reporting requirements 2016.

1. Purpose and scope of the review

The Charities Regulator commenced a review of charities on its public Register of Charities (the “Register”) for the purpose of establishing the number of registered charities compliant with annual reporting requirements in 2016.

The scope of the review relates to registered charities that have completed the registration process and were required to submit an annual report in 2016 to the Charities Regulator.

2. How organisations become registered charities

There are two distinct methods by which an organisation can become a registered charity within the Act (see Figure 1 below).

Figure 1 - Methods of Registration

Method A:

Section 40 Charities:

Automatically registered charities

Section 40 of the Charities Act 2009 provides automatic registration for those organisations which, as of 16 October 2014, held a valid charitable tax exemption (CHY number) issued by the Revenue Commissioners. Such charities are deemed registered with the Charities Regulator so long as they are entitled to hold this charitable tax exemption.

Method B:

Section 39 Charities:

Organisations apply to the Charities Regulator to become registered charities

Section 39 of the Charities Act 2009 sets out the information required of charitable organisations when applying for charitable status. Charitable organisations established before 16 October 2014 (pre-established) which did not have a charitable tax exemption (CHY number) and charitable organisations established after that date must apply for inclusion on the Register regardless of size, legal structure or income.

3. Annual Reporting

Once a charity has completed its registration with the Charities Regulator, it is required to report annually on its charity's finances, resources and activities. The **annual filing date is due 10 months after the charity's financial year end.**

Annual reporting by registered charities is essential in keeping the Register up to date and is a legal requirement.

Section 52(1) of The Act provides that *"The charity trustees of a charitable organisation shall, not later than 10 months or such longer period as the Authority may specify, after the end of each financial year, prepare and submit to the Authority a report (in this section referred to as the 'annual report') in respect of its activities in that financial year."*

The requirement to file an annual return does not apply to schools. Therefore schools are excluded from the analysis below.

4. Number of Registered Charities

As at 31 December 2016, there were 8,006 charities (excluding schools) included on the Register and 5,026 of those charities had completed the registration process by providing required information on their charities to the Charities Regulator (See Table 1 below).

TABLE 1 – Number of registered charities¹

31 December 2016	Completed Registration	Did not Complete Registration	Total
Section 39	64	-	64
Section 40	4,962	2,980	7,942
Total	5,026	2,980	8,006

Source: "Charities Regulator analysis of data contained on the Register of Charities"

In 2016, 2,980 charities, which had been automatically deemed registered under Section 40 of the Act had not completed their details on the Register. The Charities Regulator has taken steps to ensure that the charities whom have yet to engage either:

- Complete their registration and reporting requirements, or;
- Are removed from the Register.

The Charities Regulator will publish a separate report of its work in relation to the above.

¹ Excludes schools

5. Findings

As at 31 December 2016, of the 5,026 charities that completed their registration, 4,962 were due to file their annual report in 2016. Of the 2,980 charities that did not complete their registration, 271 have completed the registration process in 2017 and are required to submit their annual report for 2016. The remaining 64 charities are newly registered charities and are due to file their first return in 2017. The vast majority of charities have a financial year end of 31 December resulting in an annual reporting deadline of 31 October (i.e. 10 months after their year-end).

Following an analysis of the annual reporting compliance rates, the Charities Regulator has 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 the same period (see Table 2 below).

TABLE 2 - Analysis of Annual Return submission times due in 2016

Monthly reporting deadlines	Submitted on Time	Submitted late		Did not submit as at 31/07/2017	Total
		Less than 90 days	More than 90 days		
Jan-16	74	61	58	22	215
Feb-16	34	34	21	12	101
Mar-16	23	21	24	7	75
Apr-16	77	70	55	31	233
May-16	27	37	34	17	115
Jun-16	55	37	131	37	260
Jul-16	62	57	48	29	196
Aug-16	8	65	26	19	118
Sep-16	9	28	3	7	47
Oct-16	1,796	1,136	291	537	3,760
Nov-16	25	19	6	14	64
Dec-16	25	21	2	19	68
Total	2,215	1,586	699	751	5,251
%	42%	30%	13%	14%	

Source : "Charities Regulator analysis of data contained on the Register of Charities"

6. Conclusion

The Charities Regulator welcomes the high level (86%) of registered charities that completed the registration process and have submitted an annual report to the Charities Regulator. The Charities Regulator would like to remind charity trustees that failure to submit an annual return to the Regulator is an offence under Section 52(8) of the Act. A key function of the Charities Regulator is to monitor compliance with the Act and it will take appropriate action to ensure that the requirements of the Act are adhered to.