

**RESPONSE OF THE COUNCIL FOR PUBLIC AFFAIRS OF THE
PRESBYTERIAN CHURCH IN IRELAND TO THE DEPARTMENT FOR
COMMUNITIES INDEPENDENT REVIEW OF CHARITY REGULATION**

MAY 2021

Background

1. The Presbyterian Church in Ireland (PCI) has over 217,000 members belonging to 535 congregations across 19 Presbyteries throughout Ireland, north and south. The Council for Public Affairs is authorised by the General Assembly of the Presbyterian Church in Ireland to speak on behalf of PCI on matters of public policy. Through its Council for Social Witness the Church seeks to deliver an effective social witness service on behalf of PCI, and to the wider community, through the provision of residential care, nursing care, respite care and supported housing for vulnerable people including the elderly, those with disabilities and those transitioning from the criminal justice system. The Council for Global Mission helps to lift our gaze as a denomination from the island of Ireland to the work of developing mission overseas, and brings issues of global concern to the attention of the wider church, including those which have a local impact like multicultural relations and stewardship of creation. Other aspects of the life, work and witness of the denomination are demonstrated through the work of the General Council, Council for Mission in Ireland, Council for Training in Ministry and the Council for Congregational Life and Witness.
2. PCI welcomes the opportunity to contribute to the Independent Review of Charity Regulation in Northern Ireland and respond main review areas below.

Delivery of the five original objectives and statutory functions of the Charity Commission for NI

3. At the very outset we should note that the Commission's staff provided very helpful support to PCI as we sought to guide our congregations through the application for registration process. Two members of staff from the Commission attended all of our regional training events and their input in outlining the role of the Commission and their contribution during the question and answer sessions was very useful.
4. From PCI's perspective the obligation to register and complete an annual monitoring return has probably increased trustees' awareness of their legal obligations and this is to be welcomed. It did however also have a negative impact as some long serving charity trustees became concerned at what they perceived to be an increase in personal liability. Unfortunately, in some cases this led charity trustees reassessing their positions. This also manifested itself in an increased concern about insurance cover and what happened if "something went wrong".

5. The Commission is to be commended on many of its “accounting” resources for charities which provide clear and helpful guidance.
6. The requirement to provide accounting information in a certain format while understandable has caused some confusion at congregational level. Congregations have had to adapt their reporting formats accordingly but in many cases members of the congregation still expect to see the financial information of the congregation in the manner they were used to. This has therefore to some extent added a further level of financial reporting.

Effective delivery going forward

7. While PCI has endeavoured to support its congregations in meeting the requirements to complete an annual monitoring return, in some cases this guidance has not always been strictly complied with. When a charity completes an annual monitoring return it would be helpful if there was some preliminary compliance review by the Commission e.g. that the correct documents have been filed and that these are in a compliant format. Issues of non-compliance could then be raised in a non-threatening manner which might encourage a review and a further submission. This should in the long term improve the level of compliance.
8. A number of schemes have been submitted by PCI or connected charities over the last number of years and the experience to date is that it is taking the Commission an extremely long time to process these. Anything that can be done by the Commission to speed up such matters is to be welcomed.

Commission engagement with stakeholders

9. PCI has an agreement with the CCNI that should issues arise with any congregation that these are initially raised centrally rather than directly with the congregation. I think is a helpful protocol and seems to have worked well in practice. CCNI contacted PCI’s Financial Secretary regarding some congregations which had failed to complete their annual monitoring returns on time. The Commission raised this in a non-threatening and proportional manner centrally with the Financial Secretary and very much in a way of trying to encourage those congregations to submit their returns as soon as possible. This approach was very helpful.

Matters relating to the regulatory framework

10. Clearly the obligations to register, complete annual monitoring returns and submit accounts in a new format have put significant pressure on those who are voluntary and faithful serving members of congregations. There is no doubt that this was felt more acutely by smaller congregations with less resources and where the burden fell on a smaller number of people. This has probably led in some cases to resignations of people who just found the increased level of regulation too much to deal with. In many cases congregations have had to avail of external professional assistance and this can be costly and places another financial burden on congregations which may already be financially stretched.
11. One particular issue which is of concern is the financial limits for preparing annual accounts and in particular the requirement to change from receipts and payments accounts to accrual accounts once the £250,000 income limit is exceeded. This provides a cliff edge break point. Consideration should be given to maybe apply a change only where this limit has been exceeded over a number of years. A congregation’s income can increase dramatically especially if it receives a large bequest or embarks on a fund-raising project. The change from receipts and payments accounts to

accruals accounts may well be beyond the capability of the existing Treasurer and time to plan for such a change would be helpful.

12. PCI has no further comments to make on the remaining terms of reference.

Handwritten signature of Daniel Kane in black ink, featuring a stylized 'D' and 'K'.

**Rev Daniel Kane
(Convener of the
Council for Public Affairs)**

Handwritten signature of Trevor D Gribben in black ink, with a long horizontal line underneath.

**Rev Trevor D Gribben
(Clerk of the General Assembly)**