

Response to Charities (Accounts and Reports) Regulations (NI) 2015

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1 INTRODUCTION

The Women's Resource and Development Agency is a regional organisation operating across Northern Ireland, with a mission to 'advance women's equality and participation in society by working to transform political, economic, social and cultural conditions. The organisation was established in 1983 and continues its focus on working with women and community organisations located in disadvantaged areas. WRDA is a membership organisation with over 190 members comprised of women's groups, organizations and individual members.

We welcome this opportunity to respond to the consultation on the Charities (Accounts and Reports) Regulations (NI) 2015. WRDA fully supports the response made by NICVA, particularly their evidence base which has been derived from a consultation with the community and voluntary sector.

2 ACCOUNTING & AUDIT THRESHOLDS

Proposed Income Thresholds and independent examination by someone the trustees feel has the requisite ability

We acknowledge that DSD's preferred income threshold option is £100,000. We are not convinced that the current threshold of £100,000 will work in practice, we believe it is not practical and would suggest this be increased to either £250,000 or £275,000.

WRDA recognizes the importance of having an independent person to scrutinize accounts in order to help promote trust within charities, it also assists charities to ensure financial records and procedures are up to date.

3 DE MINIMIS THRESHOLD

WRDA fully supports NICVA's call that a de minimis threshold be introduced to exempt very small charities from having to carry out an independent examination. As DSD will note, this is similar to the laws in England and Wales.

4 PROPOSED INCOME THRESHOLDS – INDEPENDENT EXAMINATION BY A QUALIFIED PERSON

We are concerned that the proposed income threshold of £500,000 proposed will pose a risk to some charities. In our view, to be more effective we suggest the threshold is increased to £1 million.

The checking of charity accounts is an important matter, the reputation of the sector is extremely important which is why publishing guidance on the independent examination process will be required so that charity trustees and indeed the public are aware of what is involved.

5 PROPOSED INCOME THRESHOLDS – A FULL STATUTORY AUDIT

Again, we ask that the threshold for full audit is increased from £500,000 to £1 million. We believe that there are likely to be significant practical and costly difficulties for charities should the threshold for a full statutory audit remain at the DSD preferred option of £500,000.

The first of these difficulties is the cost implications and secondly raising the threshold to £1 million would bring charities in line with England and Wales.

6 PROPOSED INCOME THRESHOLD – PREPARATION OF ACCOUNTS

DSD's is proposing that only charities with an income of under £100,000 be permitted to prepare their accounts on a receipts and payments basis, in our view this is too low and therefore recommend it be increased to either £250,000 or £275,000.

We believe that the detailed and complex nature of accrual accounts will cause problems for some charities. This is an important issue to take on board as some charities trustees may not have the necessary financial skills to understand accrual accounts, particularly those charities with local volunteers. Secondly, the costs involved in this type of preparation needs to be considered, as well as consideration being given to bringing NI in line with other jurisdictions such as England, Scotland and Wales.

7 INCOME THRESHOLDS – BOUNCING OVER THRESHOLDS

We would like to see consideration given to charities that may 'bounce' over the threshold in a particular year due to a one-off donation or grant. We believe that the use of triggers within the legislation would allow for charities to 'bounce' over

the threshold in any given year but at the same time ensure that a charity is complying with the rules and regulations.

8 CONCLUSION

We very much welcome the opportunity to respond to this consultation. We are however, concerned at the low levels of threshold presented throughout this consultation.

If you would like to discuss any part of this response please get in touch. As already stated we fully support the response sent by NICVA.