

An ever changing and challenging landscape for charities and nonprofits.

In the last week of June, I delivered governance sessions in the six counties of Munster in partnership with the Volunteer Centres in those counties. The theme of the sessions was the changing operating landscape for nonprofits, focusing on the Charities Act Amendment and the Gambling Regulation Bills currently working their way through the legislative process, compliance with the Charities Governance Code, concerns received by the Charities Regulator and the Good Governance Awards which is now open for entries.

I really enjoy doing these sessions and meeting some of the fantastic people involved in running our 30,000 or so nonprofits of which, almost 12,000 are registered charities. The passion and commitment for the social purposes of their organisation is clearly evident. But I am also struck by the desire to do the right thing in the right way and trying to keep on top of the ever increasing range of compliance requirements they have to meet. This is becoming a growing challenge and burden, particularly, for the smaller organisations which make up the vast majority of the sector. 46% of charities have no employees. Around 64% have a turnover of less than €250k with 58% with less than €100k. Less than 15% of charities have a turnover over €1million.

Regulation and accountability are vitally important for the sector and for building trust in the sector. It is something that Carmichael is a strong advocate. However, the amount of regulatory and compliance requirements is going one direction and that is up with insufficient attention or recognition of the increase cost and burden this puts on the boards and management of our nonprofits. The increased regulatory powers may make sense on a theoretical level but they can have significant unintended or unforeseen practical and difficult implications for those charged with the governance of their organisations. The Australian Charities and Not-for-Profits Commission has three primary objectives, one of which is to “promote the reduction of unnecessary regulatory obligations on the sector”. I think the inclusion of similar primary objective to the remit of the Irish Charities Regulatory Authority would be a very welcome and positive addition. We hear a lot about the need for proportionality when setting compliance requirements for the sector, but unfortunately, we see very little practical manifestation of it in the current landscape.

Author: Diarmaid Ó Corrbuí, CEO of Carmichael.