

The Charities Regulator's Annual Report 2022

The Regulator's Annual Report for 2022 provides a great source of interesting information and official statistics about the charities sector. It gives a profile of a very diverse and important sector that reaches almost every part of our daily lives from cradle to grave. The official statistics provide an authoritative insight into the makeup of the sector and should help dispel many of the myths and misunderstandings about the sector. In 2022, there were 11,506 registered charities, a small net increase of 81 on 2021. I often hear the statement that there are far too many charities in Ireland for a such a small country. But when I ask what is the right number, who should decide what the right number is or that we have a lower number of charities per capita compared to Northern Ireland, Scotland, England & Wales, or New Zealand, the response is muted.

11,506 registered charities at a face value is a big number, but given the diversity and significant differences in scale, the figure needs to be unpacked to provide a more nuanced understanding of the makeup of the sector. It may surprise many to learn that almost 1 in 3 (32%) of the registered charities are primary and secondary schools. Why schools are registered charities is a discussion for another day. When people think about charities, they tend to think about organisations that are involved with the relief of poverty, economic hardship or the integration of the disadvantaged, but only 17% of charities would have these objectives as their primary purpose. Other primary purposes include Community Welfare (11.4%), Religion (7.6%) Health (6.6%) Community Development (6.6%), Civic Responsibility & Voluntary Work (5.3%) and Arts & Culture (5.2%).

Another surprise for many is the size of charities. Most charities are very small in terms of income and numbers of employees. Almost 1 in 5 (19%) charities have an annual income of less than €10k and almost half (49%) have an income of less than €100k. Only 5% of charities have an income of over €5million. Half of all charities have no employees and 32% have between 1 and 9 employees. Only 4% have 50 or more employees.

Interestingly the Regulator received 642 concerns regarding charities in 2022 up 13% on 2021. The two biggest categories of concern were related to governance issues (36%) and the legitimacy of a charity (35%). The next biggest area related to financial control and transparency (17%) The Regulator opened 2 statutory investigations in 2022. 73% of charities have declared themselves to be in full compliance with the Charities Governance Code, an increase of 4% on 2021. The Regulator monitors declaration of compliance by checking a random selection of charities to verify the accuracy of the declaration. 65% of those checked were found to be in full compliance. Only 59% of charities filed their annual report on time with the Regulator. Another 14% filed their annual reports by the end of the year. Filing an annual report with the Regulator is not only a legal requirement for charities, it is also important for transparency, accountability, demonstration of a commitment to good governance and for public trust and confidence. The 2022 compliance rates are disappointing and unacceptable and even more so, given that the compliance rate has decreased by 5% from the 2021 rate.

If you are involved with the charities sector, be that as a trustee, volunteer, employee, funder or supporter, the 2022 Charities Regulator's Annual Report, contains a lot interesting information and statistics about the sector and is well worth a read.

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