



Tackling abuse and mismanagement 2015 to 16

Contents

1. Performance headlines and impacts for our Investigations, Compliance and Enforcement work 2015 to 16	2
2. Inquiry cases opened and completed 2015 to 16 – the type and frequency of issues of concern	6
3. Operational compliance cases opened and completed 2015 to 16 – the type and frequency of issues of concern	8
4. Use of commission’s compliance powers 2015 to 16	10
5. Reported concerns about charities 2015 to 16	12

1. Performance headlines and impacts for our Investigations, Compliance and Enforcement work 2015 to 16

Performance headlines	2016 1 April to 30 Sept	2015-16	2014-15	2013-14	2012-13	2011-12
Number of statutory inquiries opened	136	53	103	64	15	12
Number of statutory inquiries closed	32	48	51	23	5	9
Average duration of closed inquiry cases (days)	389	366	209	259	261	715
Number of statutory inquiry reports published	23	35	39	16	6	43
Percentage of investigation reports published within 3 month target	76%	85%	73%	75%	29%	95%
Number of operational case reports (OCRs) published	8	25	29	14	N/A	N/A
Number of operational compliance cases opened	⁹⁰³	1,327	1,182 ¹	1,865	1,513	N/A
Number of operational compliance cases closed	803	1,309	1,257 ²	1,972	1,232	N/A
Number of active Inquiries	246	157	135 ³	97	61	64
Number of new IME monitoring cases opened	232	424	429	96	42	72
Number of IME monitoring cases closed	255	405	375	54	71	215
Number of IME compliance or inspection visits	50	106	116	68	25	12
Number of accounts scrutinise	468	986	1,097	1,664	2,770	203

1 This figure has been revised since the last year's report and was published in the 2015 to 16 annual report.

2 This figure has been revised since the last year's report and was published in the 2015 to 16 annual report.

3 This figure has been revised since the last year's report and was published in the 2015 to 16 annual report.

Performance impacts	2016 1 April to 30 Sept	2015-16	2014- 15	2013-14	2012-13	2011-12
Amount of charitable funds directly protected by regulatory action (IME) (figures prior to 16/17)	£23.9m	£14.9m	£44.6m	£31m	£800k	£5m
Total income of charities directly regulated by compliance supervision (prior to 15/16 figures only include IME, but now include IME and Operations compliance work)	£7,851m	£1,6029m	£1,426m	£1,150m	£12m	£255m

Performance impacts ⁴ :the number of cases where we have	2015-16	2014-15
Protected assets	32	29
Protected vulnerable beneficiaries	3	5
Protected charity's reputation	52	49
Protected sector – public trust and confidence	80	82
Charity can support beneficiaries more effectively	10	9
Charitable funds can be used more effectively	11	13
Significant and necessary improvements in governance	34	35
Conflict of interest removed/managed	19	21
Greater transparency in charity's operations and published reports and accounts	35	34
Accounting procedures more efficient	33	28
Internal dispute overcome and charity functioning	1	2
Public no longer exposed to unregulated/unlawful/unauthorised fundraising	15	13
Trustees are complying with charity law by obtaining necessary consent	2	3
Trustees acting on regulatory advice	28	32
Improved accuracy of register of charities	50	48
Reassurance that issues are being handled/resolved	52	56
Charities independence maintained	2	4
Charity on notice to improve	15	13
Ensuring charities comply with safeguarding issues	2	3
Clearer guidance available/issue brought to the attention of sector	21	17
Contribution or support given to other agency/regulator	19	17
New guidance requirement reported to Policy	0	0
Required amendment to existing guidance reported to Policy	0	0

Performance measures 2015-16

We report on the performance of our investigations and related regulatory work with performance measures divided into 3 areas:

- detection
- investigation, sanction and redress
- prevention and deterrence

Detection

	Target	Achievement
Carry out a minimum number of compliance visits annually, to charities which are subject to monitoring and identified following a risk assessment	102	106
Report on the number of exchanges of information with other regulators and agencies, made via the commission's statutory gateway	N/A for overall number. However, the aim was to increase the percentage of information disclosures received	2,332 times, (2014-15: 2,131); and the number of times we requested and were provided with information grew 36% to 922 (2014-15: 677).
Respond to requests for information via the statutory gateway within 15 working days, or 8 working days for issues relating to strategic priorities	90%	95%
Number of proactive accounts scrutinise [this is the figure in the themed accountancy reports]	N/A	986

Investigation, sanction and redress

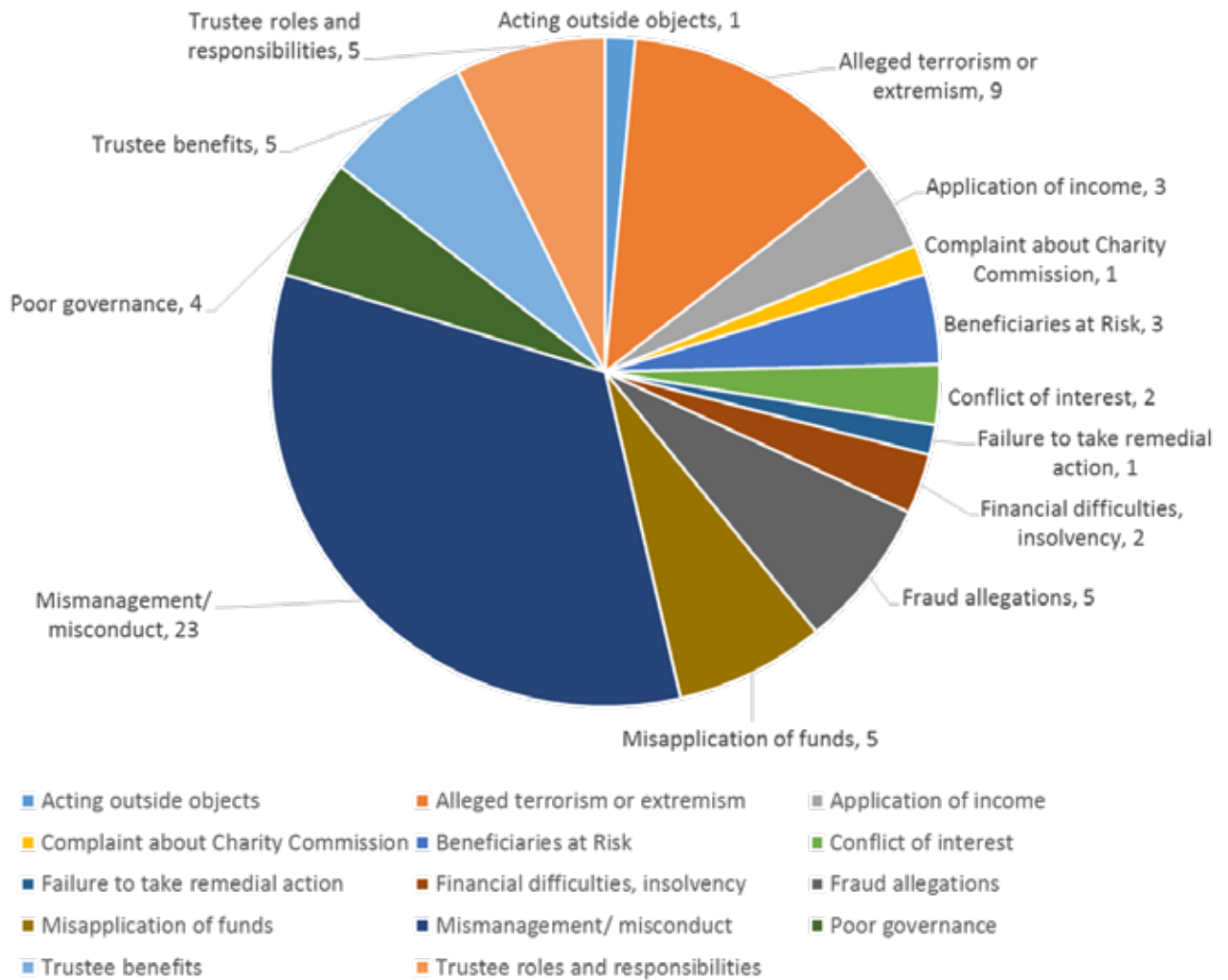
	Target	Achievement
Report on the number of powers used in compliance case work	N/A	1,073 (2014-15: 1,062)
Ensure 90% of all investigations and monitoring cases result in at least one of the specified beneficial impacts (see 'Detection' table) which protect charities from mismanagement, misconduct or abuse	90%	90% overall (93% for inquiries)
Total funds directly protected by regulatory intervention	N/A	£14.9m
Total income protected by compliance work	N/A	£16,029m

Prevention and deterrence

	Target	Achievement
Publish 90% of reports on the results of investigations within 3 months of the end of the substantive investigation process (29 out of 35 published in target)	90%	85%
Publish an annual report on the 'Themes and Lessons from the Charity Commission's Compliance Work' which includes the duration of each statutory inquiry, the impact of investigations, the use of sanctions (including legal powers of remedy and protection), and the operation of our investigatory work	N/A	Published December 2015
Number of regulatory alerts issued	4	9

2. Inquiry cases opened and completed 2015 to 16 – the type and frequency of issues of concern

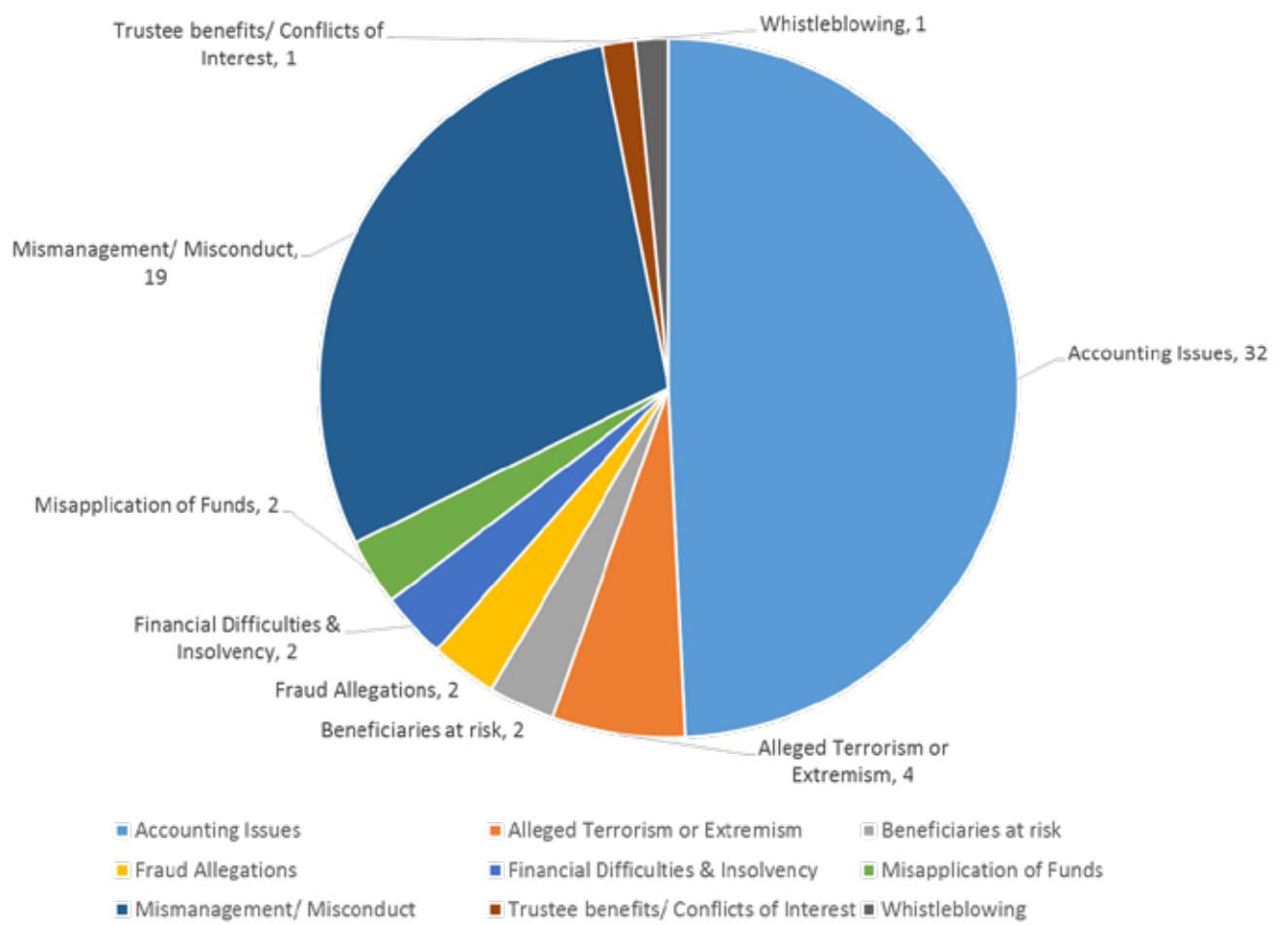
Causes of concern in opened investigations 2015 to 2016



Note that most cases involve more than one issue.

Baseline: 53 investigations

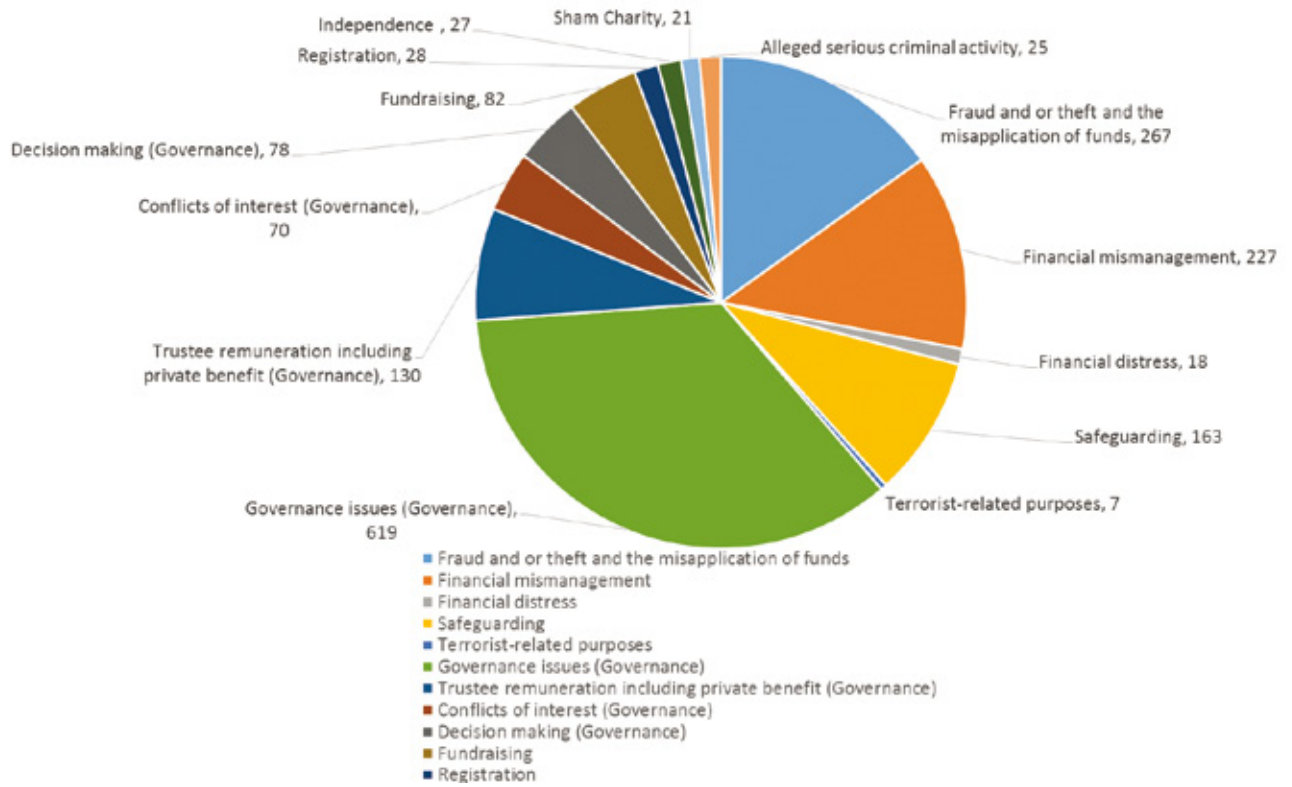
Causes for concern in closed investigations 2015 to 2016



Baseline: 48 investigations

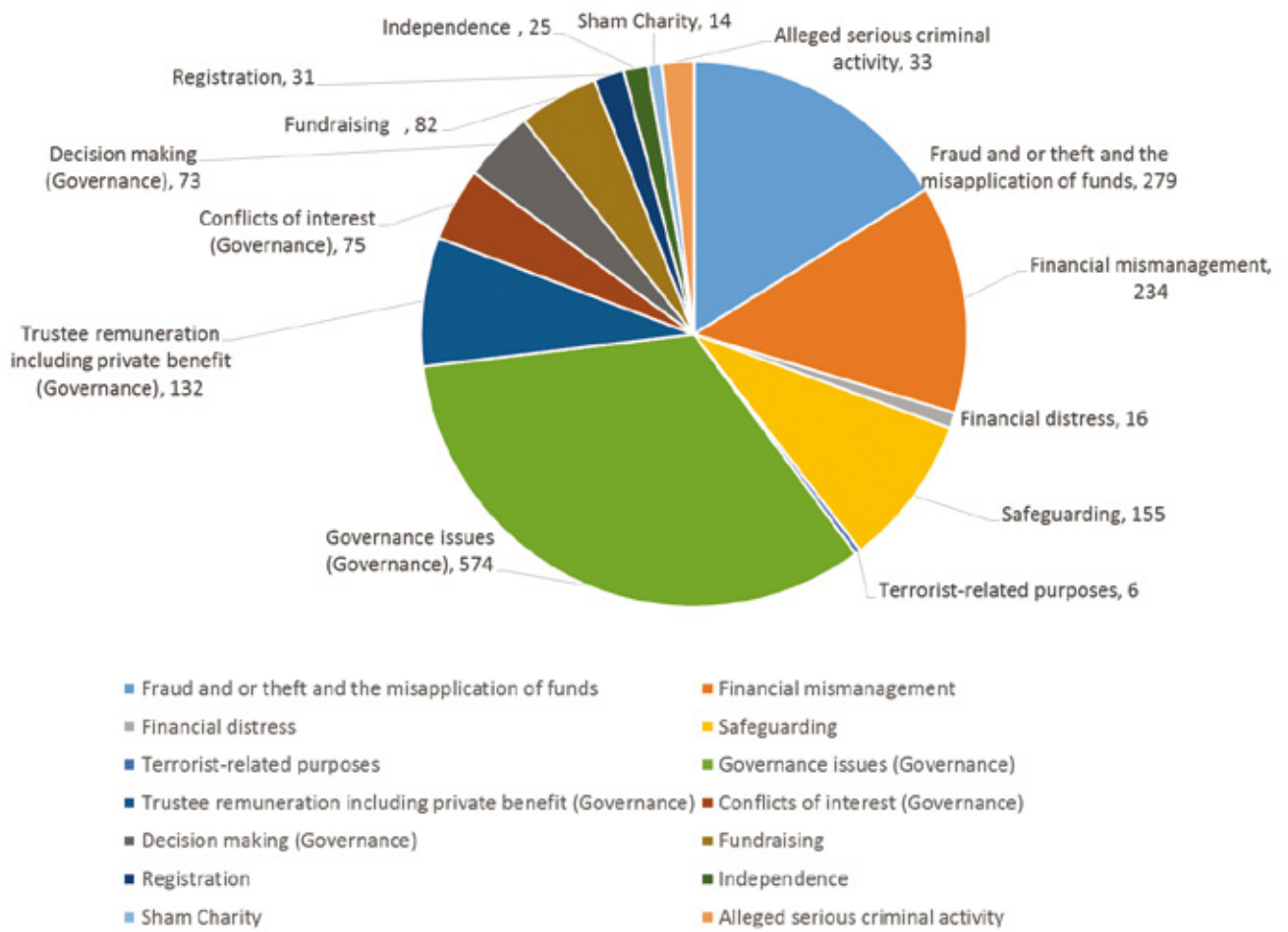
3. Operational compliance cases opened and completed 2015 to 16 – the type and frequency of issues of concern

Operational compliance cases - new in 2015 to 2016



More than one issue can be selected per case meaning the total of issue may come to more than the total number of cases

Operational compliance cases closed in 2015 to 2016



More than one issue can be selected per case meaning the total of issue may come to more than the total number of cases

4. Use of commission's compliance powers 2015 to 16

Statutory inquiry and operational compliance cases - breakdown of the number of individual orders or directions under the Charities Act 2011 (or equivalent in 2003 Act)	2016 1 April to 30 Sept	2015-16	2014-15	2013-14	2012-13	2011-12
S47 (2) - (a) Furnish information/answers	57	78	94	68	2	2
S47 (2) - (b) Furnish copies/documents	77	104	97	57	3	0
S47 (2) - (c) Attend and give evidence	1	24	25	11	0	0
S47(3) - Provide information under declaration of truth	0	6	4	N/A	N/A	N/A
S52 (1) - (a) Furnish information	30	62	94	145	195	23
S52 (1) - (b) Furnish copies/documents	190	458	328	371	N/A	82
S76(3) - (a) Suspend trustee, officer, etc	3	1	4	4	0	1
S76(3) - (b) Appoint additional trustee	0	0	0	1	0	0
S76(3) - (c) Vest property in the Official Custodian for Charities	78	0	1	0	0	1
S76(3) - (d) Not to part with property	14	8	24	28	3	2
S76(3) - (e) Not to make payment	0	0	0	1	0	0
S76(3) - (f) Restrict transactions	3	9	1	15	0	2
S76(3) - (g) Appoint Interim Managers	1	4	4	6	0	0
S79(2) - Establish a scheme	0	0	0	0	0	0
S79(4) - Remove trustee, officer, etc	0	8	4	1	0	0
S80 Appoint trustee(s)	2	5	0	0	0	11
S84 Specific direction to protect charity	44	715	154	38	0	8

Statutory inquiry and operational compliance cases - breakdown of the number of individual orders or directions under the Charities Act 2011 (or equivalent in 2003 Act)	2016 1 April to 30 Sept	2015-16	2014-15	2013-14	2012-13	2011-12
S85 Direction application of funds	26	4	2	1	N/A	N/A
S89(5) notice of intention to remove a trustee, officer etc issued	0	14	4	4	N/A	N/A
Others (including discharge orders)		364	359	39	7	42
TOTAL Orders/directions issued in period	600	1248	1,200	790	216	188
Other measures						
Witness statements made for other agency action	n/a	29	30	32	n/a	n/a
Action plans made	n/a	137	119	84	n/a	n/a

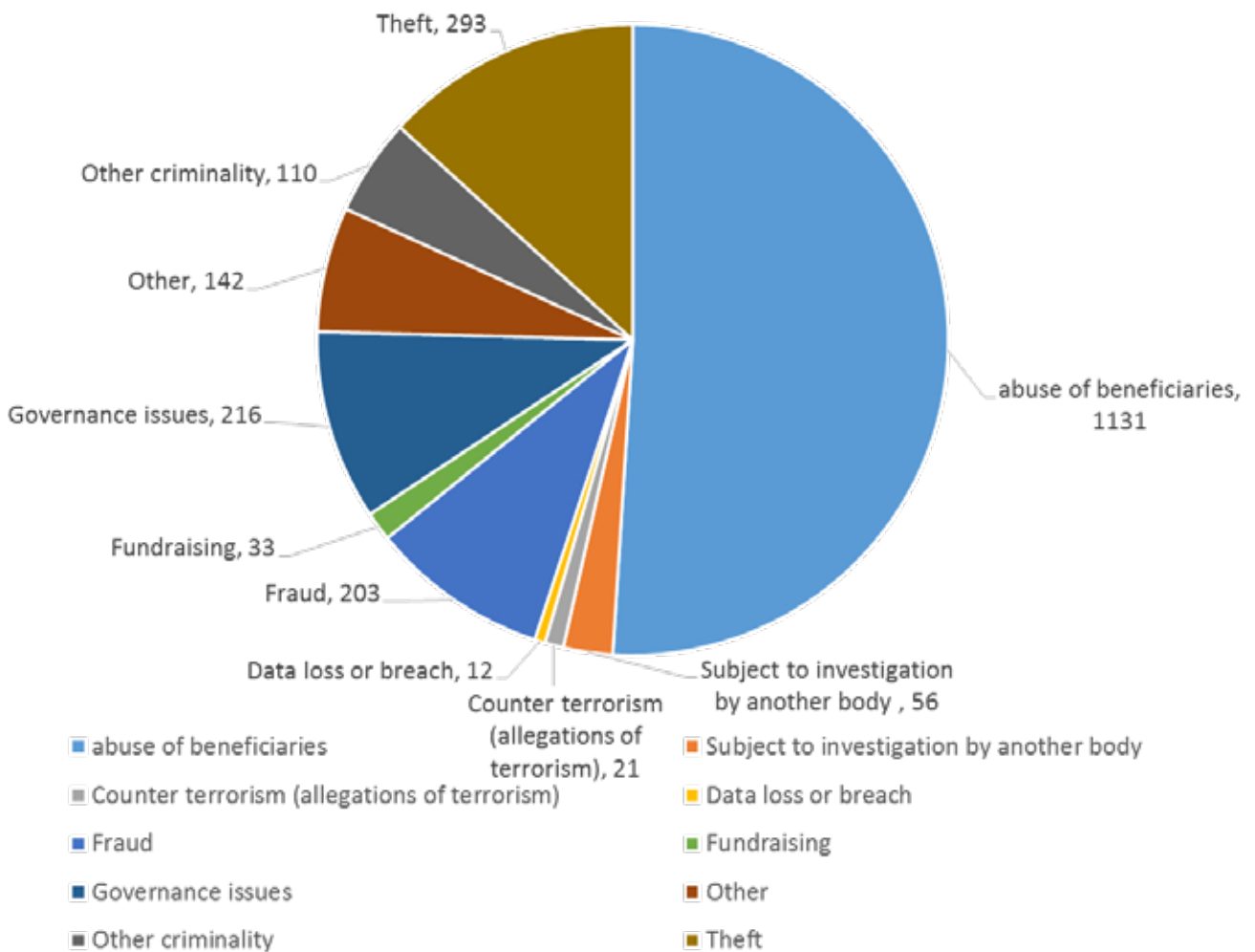
5. Reported concerns about charities 2015 to 16

5.1 Reports of serious incidents (RSIs)

There were 2,217 serious incidents reported to us in 2015 to 16 (2014 to 15: 2,129). The key issues in these reports were as follows, showing the principal issue only.

We engaged with charities that had previously reported serious incidents, to seek assurances that they have since acted on the regulatory advice we had given. Of the serious incidents reported to us, 1928 were dealt with solely by our customer facing team, First Contact, 36 referred to our investigations team, and 249 to our operations team.

RSI



5.2 Whistleblowing reports

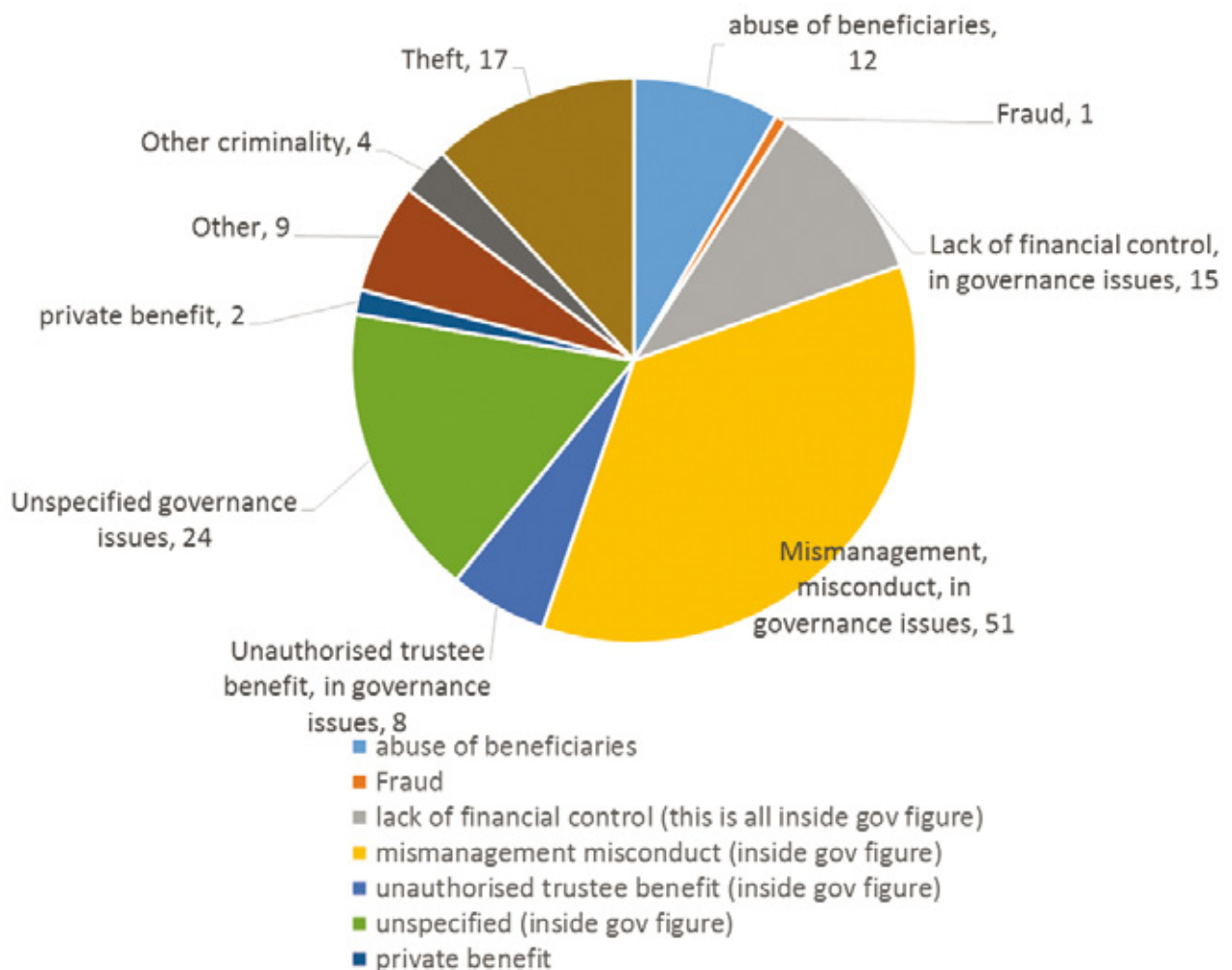
We dealt with 143 whistleblowing enquiries this year (2014 to 15: 114). They fall into 3 source categories

- 15 from auditors (2014 to 15: 18)
- 41 from independent examiners (2014 to 15: 46)
- 87 from employees: (2014 to 15: 50)

As a result we opened 85 cases of which 16 are still active, 1 resulted in a statutory inquiry, and 3 in action plans. Of Whistleblowing cases, 87 were referred to us by employees, 15 by an auditor and 41 by independent examiners. Of these cases, 41 were dealt with solely by our First Contact team, 5 went to our investigations team, 95 to our operations team, of which 2 were monitoring cases.

The key issues in these reports were as follows, showing the principal issue only.

Whistleblowing incidents by category 2015 to 16



Footnotes

- 1 This figure has been revised since the last year's report and was published in the 2015 to 16 annual report.
- 2 This figure has been revised since the last year's report and was published in the 2015 to 16 annual report.
- 3 This figure has been revised since the last year's report and was published in the 2015 to 16 annual report.
- 4 This table shows performance impacts which applied from October 2014 to March 2015.
- 5 Now reported as number of orders made, rather than number of trustees directed to act.