CHARITY COMMISSION
FOR ENGLAND AND WALES

Charity Commission for England and Wales Annual Report and Accounts 2023-2024

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to section 13 and paragraph 11 of Schedule 1 of the Charities Act 2011

Ordered by the House of Commons to be printed on 18 July 2024

HC 42

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(For the year ended 31 March 2024)

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Accounts presented to the House of Lords by Command of His Majesty

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Part 1 Performance Report

Introduction

The performance overview (pages 3-10) includes forewords from the Chair and Chief Executive, and provides a summary of the role of the Commission, including our statutory and strategic objectives. It provides information on how we achieve these objectives, including how we are organised and the resources that are available to us. The performance analysis (pages 11-25) sets out what we have achieved in the past year to fulfil our role, including delivery against the operational performance standards, and activity against our strategic objectives.

Part 1a Performance Overview

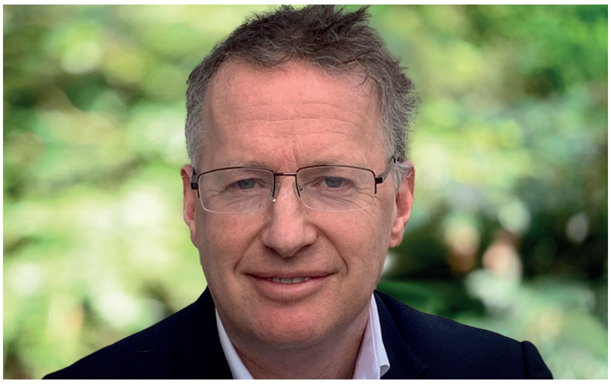
Foreword from the Chair

Welcome to the Charity Commission's Annual Report for 2023-24. This year has been marked by significant endings and new beginnings for the Commission, underlined by steadfast commitment to our purpose.

In March this year, after much deliberation and engagement, my Board launched the Commission's new 5-year strategy. It confirms our ambition to be the expert Charity Commission that is fair, balanced, and independent so that charity can thrive, and sets five priorities describing how, in practice, we will achieve that ambition. These priorities are set out later on in this report. The principles of expertise, fairness, balance and independence have informed everything I have said and done since taking up the role of Chair two years ago, and in that sense the strategy does not signal a radical change of course. But in building our strategic plan around these principles, we hold ourselves directly accountable for living up to them in all of our work. We are currently developing impact measures that will help ensure we hold our toes to the fire in that respect. Indeed, we have kept to the principles of the new strategy in the work we have delivered this year.

We made important updates and extensions to our suite of guidance to trustees, publishing three key pieces of new or updated guidance, on investing charity money, the use of social media and on accepting, refusing and returning donations. Each was prepared with the involvement of the sector and other key stakeholders, and each will help trustees navigate important, and often public and sensitive decisions in these areas.

In October, we held our Annual Public Meeting at the Florrie, a community arts and heritage charity and a beautiful venue at the heart of Liverpool. It was wonderful to welcome so many trustees and volunteers, in person and online, to our event. In my speech, I touched on events in the Middle



East, which sadly, show no sign of abating. The events reminded us again of the unique role of charities in rising to meet the humanitarian needs of the suffering. Unfortunately, the conflict has been hugely polarising in wider society, and reflecting this, we have identified a significant number of serious concerns regarding activities linked to some charities in relation to the events. I have made clear that charities must not allow their premises or events to become forums for hate speech or unlawful extremism. We are assessing all concerns raised with us against our risk and regulatory framework, taking robust action where necessary.

Our visit to the Florrie was one of many happy meetings I had with charities across England and Wales this year. These opportunities are one of the many benefits of my role, and while I visited too many charities to list here, I want to thank all the trustees and charity staff members who took time out of their already busy roles to welcome me and show me their work.

Earlier this year, we reminded charities of our existing guidance on political activity and campaigning – just in time for the announcement, in May, of the General Election. In a blog, I reminded charities that political activity and campaigning, especially during a pre-election period, can help further their causes, gain support, and influence potential future decision makers but that the law also sets clear limits, notably in preventing charities from making party political interventions, or supporting or denigrating any candidate in an election. We also expect charities to campaign with tolerance, avoiding inflammatory language or personal attacks. We will publish information about our election-related case work in due course.

A key priority for me and my Board this year has been to develop the Commission's programme to promote philanthropy. In November, I delivered the annual Shirley Lecture, named in honour of the renowned philanthropist Dame Stephanie Shirley. I set out the moral and practical arguments for greater generosity among the very wealthiest in our society, and my vision for the role the Commission can play in making this happen. Since then, Rory Brooks CBE, a great philanthropist in his own right and a member of my Board, has, with the support of our staff, taken forward several workstreams that maximise the Commission's role as convenor between the charitable sector, government, business and philanthropists, with a key focus on exploring how data, including that held and published by the Commission, can support philanthropists in identifying causes they wish to support, and in turn highlight and promote the impact of high-net-worth donations.

I would like to take this opportunity to pay tribute to Dame Helen Stephenson CBE, who left the Commission at the end of June, after a record seven years as our Chief Executive. Helen has been an exceptional Chief Executive, whose warm leadership has built a strong and respected Charity Commission, and whose clear-minded approach and deep understanding of the sector has ably steered the Commission through successive challenges and headwinds. I will miss her personally, and know that this feeling is shared by the many colleagues Helen has led, mentored, supported and worked alongside over the years. I, and my Board, wish her all the very best in the years ahead.

At the time of writing, we look forward to welcoming Helen's successor, David Holdsworth, who was the outstanding candidate for the role, and who brings the experience, talent and character required to lead the Commission into the next leg of our historic journey as the world's most experienced charity regulator.

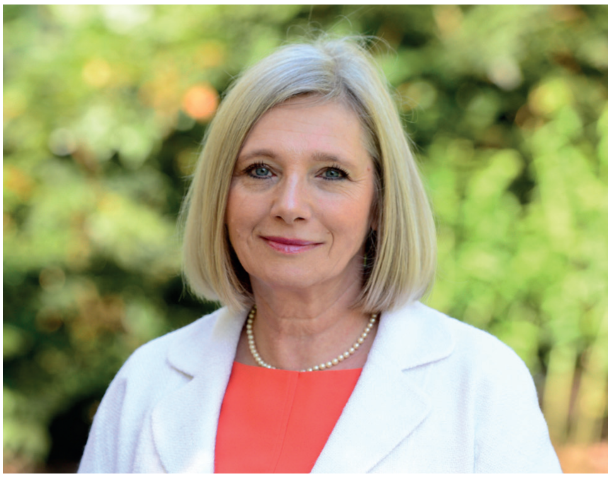
Much has shifted for the sector, and the Commission over the past 12 months, and there is no doubt much change ahead – social, political, cultural. But I am certain that charities' role in our society will only continue to grow. Charities are, and will remain, at the beating heart of every community across England and Wales. Their success rests not least on effective regulation that upholds and promotes public trust and support for charities. I know we have risen to that challenge this year, and am confident we will again, in the year ahead.

Orlando Fraser KC
Chair

Foreword from the Chief Executive

As Orlando notes in his foreword, this is my final annual report after seven years as Chief Executive and Accounting Officer of the Charity Commission. It is with some sadness that I am saying my farewells, but I also feel a great sense of fulfilment and gratitude as I look back at what we have achieved, together, since I took up the helm in 2017. It has been among the most vibrant and varied periods of my professional career, which has seen both the sector and the Commission navigate and emerge from the stresses and strains of a global pandemic, so that charities continue to make their immeasurable contribution to all of our lives.

My overarching goal when I began my term of office was to help the Commission move away from the perennial swing between prioritising tough enforcement on the one hand, and prioritising support to help charities get things right on the other. It was clear to me then, and it has been confirmed to me over the years since, that this is a false dichotomy. Effective charity regulation requires equal and consistent energy and investment in both aspects of this work. Across the scope of the Commission's activity, you now see a culture that recognises and reflects this balance in our work. Thanks to investments we have made in both aspects of our work: overhauling our guidance to trustees and developing effective campaigns to bring that guidance to their attention; investing in our contact centre to offer vital advice to charities, ensuring we use the enforcement powers Parliament has granted us consistently and with confidence; improving our public register to help the public better scrutinise and understand charities' work; setting the record straight when charities have been subject to unfair public criticism and speaking out where our work reveals wider systemic challenges facing charities – most recently, we have campaigned on the inadequate service many



charities receive from the banks. I am proud of this legacy and pleased that the Commission's new strategy cements this balance into the foundations of our work in the years ahead.

An important way in which we have strengthened our relationship with trustees is through investing in technology that, over time, will allow us a direct digital connection with every individual trustee. The My Charity Commission Account launched this year and is the first step toward a more bespoke relationship between the Commission and the people we regulate. This was a significant milestone for the Commission and the sector, and the culmination of years of work and planning. Thelarge majority of charities had, by year end, enrolled in the system, but I do acknowledge that for some, the experience of signing up to the new service was frustrated by technical or practical difficulties. These issues increased volumes of calls into our contact centre, which in turn put pressure on call waiting times. This is set out in more detail in this report, but for my part, I would like to acknowledge the difficult experience some trustees had, while also noting how important it is that the Commission took this step. I am confident that the Commission, and trustees, will reap the benefits into the future.

Over the years, we have also collaborated successfully with the sector and other partners to achieve tangible positive outcomes for charities. I am immensely proud, for example, of the cumulative achievements of our Revitalising Trusts Programme. The project releases funds from charities that are either inactive or ineffective and ensures those monies are put to active use again. Since the programme was launched in 2018, and with the support of DCMS, the Welsh Government and Community Foundations across England and Wales, we have revitalised a remarkable £100m, every penny of which has been reinvested into charitable causes. Over the past year alone, we worked with 275 charities across our two nations, repurposing £12m.

Of course, we are the regulator for charities in Wales and England and it has been important to me that, over the past 7 years, we have strengthened our presence in Wales. We have recruited new colleagues into our Newport office and revitalised our stakeholder relationships and visibility in Wales, as well as our engagement with the Welsh language. We held our 2022 Annual Public Meeting in Cardiff. This has been important to me personally, and I have greatly enjoyed the visits I have been able to make to Wales, where I have witnessed how closely many charities are woven into the communities they serve.

More generally, it has been an honour and a privilege in my role as CEO to have visited scores of charities across the length and breadth of England and Wales – and, of course, online - ranging from tiny community organisations to huge international operations. This year, among other visits, I was welcomed by Advance Brighter Futures, a Wrexham based mental health and wellbeing charity and took part in an online workshop with Bravo 22, to better understand the work they do to help veterans living with PTSD.

Such charities are inspiring, and they have served to remind me, again and again, that our charitable sector is not a 'nice to have', but an essential part of the fabric of our society, binding communities of place and interest, and enhancing and improving lives.

Finally, I would like to say a heartfelt thank you to our staff and Board members, who are the Commission. All that I have achieved over my term of office has been possible only thanks to your expertise, commitment, resilience and, often, sheer stubborn determination to overcome a challenge. The Commission attracts good people thanks to the varied and rich nature of our work. But it inspires loyalty because we have nurtured, together, an environment of support, collaboration, and dedication. Our people care about the work they do, and they care about their colleagues. I am immensely proud and grateful to have contributed to, and gained from, an organisation that is a great place to work, learn, and develop, and I have every confidence that the Commission will remain so in the years ahead.

Thank you.

Dame Helen Stephenson CBE
Chief Executive

The role of the Charity Commission

The Charity Commission is the registrar and regulator of charities in England and Wales. We are an independent, non-ministerial government department accountable to Parliament. We are also accountable for the exercise of our powers to the First-tier Tribunal and the High Court.

As registrar, we are responsible for maintaining an accurate and up-to-date register of charities. This includes determining whether organisations are charitable and therefore should be registered, as well as removing those that are no longer considered to be charities, have ceased to exist or do not operate.

As a regulator, we regulate both registered charities and charities that are not required to be registered. We operate within a clear legal framework and follow published policies and procedures, ensuring that in making regulatory decisions we are proportionate in our approach.

At 31 March 2024, there were 170,056 charities on the Register. During the financial year 2023-24, we regulated £96bn of charity income (2022-23: £88bn) and £94bn of charity spend (2022-23: £85bn).

Our statutory objectives

Parliament, through the Charities Act 2011, gives us five statutory objectives. These are to:

1. Increase public trust and confidence in charities.
2. Promote awareness and understanding of the operation of the public benefit requirement.
3. Promote compliance by charity trustees with their legal obligations in exercising control and management of the administration of their charities.
4. Promote the effective use of charitable resources.
5. Enhance the accountability of charities to donors, beneficiaries and the general public.

We have wide discretion in how we achieve our objectives.

Our strategy and values

In February 2024 we launched our new Strategy 2024-2029. This strategy sets out our ambition to be the expert Charity Commission that is fair, balanced, and independent so that charity can thrive.

It identifies five priorities that the Commission will seek to deliver against over the course of this strategy in order to achieve its ambition:

- We will be fair and proportionate in our work and clear about our role.
- We will support charities to get it right but take robust action where we see wrongdoing and harm.
- We will speak with authority and credibility, free from the influence of others.
- We will embrace technological innovation and strengthen how we use our data.
- We will be the expert Commission, where our people are empowered and enabled to deliver excellence in regulation.

2023-24 has been a transition year, as we seek to deliver the final year of our previous 2018-2023 Strategy, while also preparing for delivery of the new strategy in 2024-25 and beyond.

Our regulatory approach

We are a risk-led regulator. Being risk-led in our regulation means being proactive in identifying risks and intervening, where possible, to prevent harm before it occurs; addressing harm effectively where it occurs; and focusing our resources effectively on the highest risks. Our Regulatory and Risk Framework outlines how we operate as a risk-led regulator, and in particular how we identify and assess risks, how we respond to risks, and how we review and adapt our approach.

We seek to hold charities to account to basic standards, and while we ensure concerns are investigated and intentional wrongdoing dealt with, we also focus on supporting trustees in getting things back on track when they do not go exactly as intended.

We continue to put the public interest front and centre of our approach to regulating charities – making sure that the public have the information they need to make informed choices about charities and that they are confident that our approach to regulation is clear and consistent.

Our quasi-judicial functions

As the charity registrar and regulator, we carry out quasi-judicial functions, regulating against both the common law and statutory obligations which govern charities. We adopt a rigorous approach in the exercise of our powers, act fairly and proportionately and give reasons for our decisions. Where the law is unclear or imprecise, we approach our work in a way we think the courts would. The common law is developed by the courts in the light of changing social and economic conditions and values, and we recognise this in our decisions. The exercise of many of our legal powers can be appealed to the First-tier Tribunal and, as a public authority, our decisions are subject to judicial review in the High Court. Decisions on charitable status and registration, the use of our powers to give formal advice and permissions, our compliance work, dealing with investigations, and taking remedial action against defaulting trustees and those who abuse charities, are all subject to appeal or review in this way. Some case reports are included within the Legal Developments section of this report.

Our governance

While day-to-day and operational management is delegated to our Chief Executive, our Board is ultimately responsible for all that we do. This includes:

- our purpose and strategy
- our overall performance
- our values
- how we meet our statutory objectives and use our legal powers
- our business direction and planning
- our Executive Leadership Team's performance, governance standards and delivery against plans

Orlando Fraser KC became Chair in April 2022, following appointment by the Secretary of State for the Department for Culture, Media and Sport. Dame Helen Stephenson CBE was appointed as our Chief Executive in July 2017. This summer, Helen's term of office came to an end and David Holdsworth took on the role of Chief Executive from 1 July 2024.

Alongside the Chair and CEO, there are currently seven non-executive members of the Commission's Board. In October 2023, Ian Karet resigned from the Board so that he could take up the role of co-Chair to the British Museum Independent Collection Security Review.

For more information about the Commission's governance, see the Accountability Report.

Our resources

In 2023-24 our revenue budget was £32.254m of which we spent £32.180m. This was largely funded by HM Treasury.

We had 488 staff on payroll as at 31 March 2024 (including 8 Board Members).

The Commission is structured in the following directorates:

- Communications and Policy
- Digital, Data and Technology
- Legal and Accountancy Services
- Regulatory Services
- Resources

We operate across four sites in Liverpool, London, Newport and Taunton. We operate bilingually in Welsh and English.

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The charity sector regulated by us

2023-24 at a glance

Commission budget

£32.254m

(£32.35m in 2022-23)

9,008
applications to register as a charity
(8,583 in 2022-23)

170,056
charities on the register
(168,893 in 2022-23)

3,885 charities removed from the register
(4,146 in 2022-23)

Total charity income we regulate

£96bn
charity income
(£88bn in 2022-23)

£94bn
charity spend
(£85bn in 2022-23)

Total trustees

924,026
trustee positions
(921,862 in 2022-23)

Contact Centre[1]

111,870
calls answered
(68,497 in 2022-23)

87,428
number of individual charities supported through the Contact Centre
(31,402 in 2022-23)

1. For more information on volumes of calls into the Contact Centre, see page 12 below.

Part 1b Performance Analysis

Operational Performance – summary

This year, we have performed our key statutory functions robustly and effectively, to deliver the final year of our 2018-2023 Strategy, focusing on the following business plan priorities:

- we will regulate effectively, being clear about our role and our decision-making
- we will strengthen our support and interventions to ensure charities are run well
- in challenging times, we will improve how we use our voice, data and intelligence to help charity deliver impact
- we will invest in our people and our systems so that we continue to be an expert Commission

These priorities were determined to progress our ambition to be an expert Commission, which is fair, balanced, and independent, as well as allowing us to progress initiatives to support a smooth transition into our new Strategy for 2024-29. Throughout the period, we continued to track our operational performance against our agreed standards.

In 2023-24, we concluded 3,710 regulatory concern cases (2,971 in 2022-23)[2]. This number has increased primarily due to a higher number of complaints that underwent our initial assessment process.

We concluded 65 statutory inquiries (68 in 2022-23), our most serious type of regulatory engagement. We opened 89 new inquiries this year, compared to 72 in 2022-23. This increase in inquiries opened reflects our strong focus on prioritising action in tackling the most serious cases of wrongdoing and harm.

We have used our powers to promote compliance with charitable law 2,189 times (2,401 in 2022-23). This decrease is driven by a reduction in the use of information-gathering powers, due to a change in the overall type of inquiry work completed. There has been an increase in the use of powers to prevent and sanction wrongdoing and harm: we used our power to issue a charity with an Official Warning on 39 occasions (11 in 2022-23), and our power to disqualify a trustee 34 times (11 in 2022-23).

During 2023-24, we received 9,008 applications (8,583 in 2022-23) to register a charity. This represents a record number of applications for charitable status, continuing a trend that has been encouraged by cost-of-living challenges and international instability. The Commission has continued to innovate our handling of these cases in order to maintain service levels, including trialling specialist support provision to those who call us about an application. On average, 54% of applications were registered as new charities (48% in 2022-23).

We have continued our relationship with the whistleblowing charity Protect, which provides a dedicated, independent and confidential whistleblowing helpline giving whistle-blower support and guidance, enabling it to report wrongdoing in charities to the relevant authorities. In 2023-24, we received 561 whistleblowing reports compared to 301 in 2022-23.

In 2023-24, we assessed 3,106 new serious incident reports (2,969 in 2022-23).

2. We have changed the way we are reporting our casework compared to previous Annual Reports, to align with other reporting. Regulatory concern cases includes Compliance cases and Intelligence Assessments. It does not include Inquiries, Serious Incident Reports and Matters of Material Significance.

New system for trustees

In 2023-24 we implemented a new digital system, the My Charity Commission Account, through which charities access our online services. This was a substantial undertaking for the Commission and the charity sector, migrating charity contact points from a shared set of charity details to an individual, personalised account. It delivers improvements in security, as well as compatibility with upgraded digital systems, which we have moved to a new cloud provider. By the end of the performance year, the vast majority of charities (144,895 registered charities) have a user enrolled to the system.

However, during the transition, technical issues experienced by some charities led to a significantly higher volume of incoming queries to our Contact Centre than is typical. As set out in the infographic below, this had an impact on delivery against our performance standard for the Contact Centre, with the average call wait time increasing to 18 minutes and 12 seconds.

Additional staff were made available, and a programme of continuous improvement has been progressed in response to user feedback, with the result that the call wait time reduced to 10 minutes 01 seconds in March 2024. Going forwards, we will continue to prioritise usability upgrades to the system. Over time, MCCA will also be where we provide charities with tailored support and information to help them to run their charities well.

Delivery against operational performance standards

Our aim	What we achieved
If you need to contact us by phone, we aim to answer within 120 seconds	We answered 64% of all calls and 26% of calls within 120 seconds (95% of all calls and 79% of calls within 120 seconds in 2022-23)

As set out earlier, we received significantly higher volumes of calls coming into the Contact Centre in 2023-24. We answered 111,870 calls in 2023-24 compared to 68,497 in 2022-23.

Our aim	What we achieved
We aim to acknowledge all written enquiries to the Commission within four working days and start work on our initial assessment	We acknowledged 98% of all written enquiries within four working days (99% in 2022-23)

Performance against this metric has been maintained at the high level observed in the previous year.

Our aim	What we achieved
We aim to assess and provide an initial response to applications for registration, permissions and requests for advice within 10 working days	We assessed and responded to 96% of applications within 10 working days (99% in 2022-23)

Performance against this measure has been maintained above 95%, as observed in the previous year.

Our aim	What we achieved
We aim to decide registration, permission and advice requests within 30 working days	We decided 77% of all requests within 30 working days (85% in 2022-23)

As well as higher than usual call numbers, we responded to over 100,000 email communications, meaning that response times were higher than usual.

Delivery against operational performance standards

Our aim	What we achieved
All charities on our Register have an up-to-date annual return	At the end of the financial year, 81% of charities have an up-to-date annual return (91% in 2022-23)

Factors that may have contributed to the drop this year are longer wait times to have issues resolved in the Contact Centre, and sending out fewer annual return reminders as we focussed resource on supporting charities to create an account with MCCA.

Our aim	What we achieved
Use our powers to promote compliance with charitable law	We used our powers on 2,189 occasions to promote compliance with charitable law (2,401 in 2022-23)

The decrease in the overall count of powers is driven by a reduction in the use of information-gathering powers; there has been an increase in the use of powers to prevent and sanction wrongdoing and harm such as 'freezing' bank accounts or issuing an Official Warning.

Our aim	What we achieved
We aim to investigate and provide a response to complaints about the Charity Commission within 30 working days	We provided a response to 86% of complaints within 30 working days (81% in 2022-23)

Performance against this measure has increased compared to the previous year.

Our aim	What we achieved
We aim to respond to Freedom of Information requests and letters from Members of Parliament within 20 days	We responded to 86% of Freedom of Information requests and letters from Members of Parliament within 20 days (90% in 2022-23)

We continue to answer over 85% of requests within the target timeframe.

Delivering against our strategic objectives

Our 2018-2023 strategy set five strategic objectives, which are:

- Holding charities to account
- Dealing with wrongdoing and harm
- Informing public choice
- Giving charities the understanding and tools they need to succeed
- Keeping charity relevant for today's world

The following section of this report sets out examples of achievements throughout 2023-24 against each of these objectives.

This will be our last year of reporting against the 2018-2023 Strategy. Going forwards, we will report against the strategic objectives as set out in our new 2024-2029 Strategy.

Holding charities to account

Making sure that charities live up to their purpose and the high expectations of the public is about more than just compliance with the minimum legal requirements. Charities collectively are highly trusted and respected by the public, and we play an important role as a regulator in granting confidence that charities are robustly and effectively governed and that they deliver on their critical role in society.

Improving accountability for financial governance

Research conducted with the public shows consistently that maintaining trust and confidence in charities requires strong oversight of financial governance. This helps to ensure funds donated in good faith to the charity are used to help the cause or individuals the charity is established to support, and guard against inappropriate use. Most trustees take these responsibilities seriously, and they are supported by a range of guidance from the Commission to take decisions that are valid, reasonable and in the best interests of their charity.

In January 2024, we issued One Young World Limited, a youth education charity with international reach, with an Official Warning, alongside an Action Plan, to ensure that trustees take necessary steps to address governance and administrative failures. This followed concerns raised in the media about senior staff salaries and bonuses paid at the charity, and potential conflicts of interests, including employment of a person connected to a trustee. Following assessment of these matters, we found that the salary paid to an employee connected to one of the trustees was unauthorised under the requirements of the charity's governing document.

We also identified other issues including poor minute taking, a lack of evidence that conflicts of interest were effectively managed, and unauthorised payments to a connected person employed by the charity's trading subsidiary.

Through engaging extensively with the trustees the charity has already implemented remedial action, including the CEO of the charity stepping down as a trustee last year.

Social Media use and campaigning by charities

In September 2023, following a public consultation exercise, we published new guidance to make clear that charities using social media should have a social media policy in place and should ensure the policy is followed. Whilst social media can be an effective way for charities to engage, we recognised a knowledge gap from reviewing our previous casework regarding trustee awareness of the risks of social media. Our efforts to raise awareness of how a policy can help an organisation avoid problems and address issues swiftly if they occur were welcomed by commentators and experts in the sector. Whilst our guidance is also clear that trustee oversight need only be proportionate, it is the duty of trustees to act responsibly, in their charity's best interests, and in line with the law.

Social media, in particular, is where we often see debate intensify between those with strongly-held opinions from across the political spectrum on a myriad of issues. Sometimes charities can be drawn into this, resulting in inflammatory rhetoric which risks undermining public trust in the sector. We have therefore continued to highlight that charities are expected to approach these matters in a way that promotes respect, tolerance and consideration for others. Given that 2024 is expected to see a General Election, we undertook a series of well-attended educational webinars with charities throughout February and March to ensure they are aware of our full set of guidance on these matters, so that they are adhering to the rules around political campaigning.

Dealing with wrongdoing and harm

Our strategy makes clear that anyone who has serious concerns about the way a charity is being run should feel able to report them to the Commission. Our interventions, where required, will reflect our risk and evidence-driven approach. We will deal effectively and swiftly with wrongdoing when it has occurred and protect beneficiaries, funds and the reputation of the sector against harm from abuse or mismanagement.

Investigations that make a difference

This year, we concluded a number of complex investigations, where we took actions against individuals who have abused their positions or failed to discharge their duties, and to protect charity property.

In January 2024, we concluded an inquiry into The Kingdom Church GB, which was removed from the register of charities in February 2023. We initially became involved with the charity following media reports that alleged it was selling an oil product falsely advertised as being a protection against Covid-19. At that time, there were three trustees recorded on Companies House of which two, Bishop Climate Wiseman and Dr Jennifer Irungu, were husband and wife, raising concerns about the trustees' ability to manage conflicts of interest. A review of the charity's finances also identified serious regulatory concerns about the accuracy of the information provided to the Commission regarding income and expenditure.

Our inquiry subsequently established that the trustees had never held trustee meetings, and that Bishop Climate Wiseman made unilateral decisions with regard to the operation of the charity. The trustees were unable to provide any meeting minutes, records of decision making, or management accounts. Our inquiry concluded that there had been serious misconduct and/or mismanagement by the trustees, bringing the charity into disrepute. The charity's links to Bishop Climate Wiseman's private business interests, which included using the website linked to the charity to sell an oil alleged to protect against Covid-19 in the midst of a worldwide pandemic, was also found to bring undue risk to the charity's reputation. Over the course of the inquiry, we disqualified five trustees from being a charity trustee and holding an office or employment with senior management functions in charities, as well as appointing an Interim Manager, whose findings on the ongoing viability of the charity led to it to be wound up.

Taking action against sanctioned individuals

Over the course of the year, we have continued to take action related to people with roles in charities designated under the Russia (Sanctions) Regulations. In December 2023, we completed our inquiry into the World Holocaust Forum Foundation. This concluded that a trustee, Dr Viatcheslav Kantor, who was named a 'designated person' under the sanctions regulations, failed to discharge his legal duties and responsibilities and was responsible for misconduct and/or mismanagement. This led to his removal as a trustee of the charity. The inquiry also concluded that the charity was no longer viable and facilitated its dissolution after its remaining assets were applied to another charity with similar objects.

Also in December 2023, the Commission concluded an inquiry into Genesis Philanthropy Group. Following the designation of three of the trustees, there was an ongoing risk that the charity's funds could become subject to sanctions, alongside wider governance concerns identified within the charity. Our inquiry therefore appointed an Interim Manager to the exclusion of the trustees, thus protecting the charity's assets in its bank account. The designated trustees acted properly by promptly resigning from the charity, recognising that they could no longer effectively act as trustees. Following discussions between the Interim Manager and the charity's executive team, and with agreement from the Commission, it was determined that it would be in the best interests of the charity to spend its remaining funds in furtherance of its charitable purposes, following which the charity would be wound up. Over £1m has gone to a range of charitable causes, including to support those in need in Ukraine.

Combatting extremism and hate speech

Following the outbreak of the conflict in Israel and Gaza in October 2023, we have seen many charities in the UK step up their efforts to promote cohesion and combat extremism. Unfortunately, we have also been made aware of a significant number of serious concerns regarding activities linked to some charities in relation to this conflict. These include charities representing communities across the religious divide, and have primarily related to allegations of anti-Semitic or hate speech.

We have assessed and responded to these concerns, and have more than 100 regulatory interventions ongoing. We have also made over 30 referrals to the Police where we consider that a criminal offence may have been committed. In some instances, we have escalated our oversight of the organisation into inquiry, with a recent example being our investigation into the Al-Manar Centre Trust over serious concerns about a video post on the charity's Facebook page. The inquiry remains open and ongoing.

In his speech at our Annual Public Meeting in November 2023, our Chair took the opportunity to highlight that charities must not allow their premises or events to become forums for hate speech or unlawful extremism. He stressed that the Commission will always deal robustly with those who intentionally or recklessly abuse their charities, and will not hesitate to take action in accordance with the law to protect the reputation of the sector as a whole.

Informing public choice

More than ever, charities need the support and generosity of the public to succeed. This means providing people with the information they require to make informed decisions about which charities to support. As the regulator, it is our responsibility to make sure that the information charities provide about themselves is current, accurate and relevant – as well as being easy to access and use. It should allow charities to demonstrate how effective and efficient they are and show the impact they are making.

A new Annual Return for 2023

In August 2023, we launched a revised Annual Return question set and online submission service, which implemented changes under new Annual Return Regulations. Following an earlier public consultation, the implementation of these changes will enable the Commission to better identify risks and problems in the sector, help the public make informed and confident choices about charities, and allow policy-makers, researchers, the sector, and the public to gain a richer understanding of the sector in England and Wales. In particular, it includes better data on where charities might be carrying out their activities, on sources of income and their structures and membership. It also includes a topical question looking at the impact of cost-of-living pressures on the charities' resilience and on service delivery.

During 2023-24, we introduced a new approach of quarterly reporting, intended to ensure we are using data about the register and our casework to better inform the public about our work and that of charities. Data from the Annual Return 2022, for financial years ending up to 31 December that year, showed that on average larger charities saw both income and expenditure grow, while lower income charities saw expenditure outweighing their income. The data is a snapshot of the sector at the time, and it gives us, charities and policy makers an opportunity to consider what it tells us about the sector.

Safer giving

In the last year, the charity sector generated around £90bn of regulated income, which makes it a potential target for fraudulent activity such as fake appeal websites – though the number of charity scams seems to be relatively small compared with how much is given safely to charity each year.

Throughout 2023-24, we have worked with partners such as the Fundraising Regulator and Action Fraud to encourage donors to follow simple steps before giving, such as checking the Register and asking straightforward questions, so that their money reaches the intended beneficiaries. This year we again ran our safer giving campaign during Ramadan, a time of generosity and charitable giving amongst the 3.9 million Muslims in Britain. We also issued an additional safer giving message in November 2023, which set out advice on how people can help civilians impacted by the Israel-Gaza conflict.

By reminding the public to give to a registered and regulated charity, we serve to assure them that their donations will be accounted for in line with charity law.

Giving charities the understanding and tools they need to succeed

As regulator, we want to help charities fulfil the purposes for which they were established by working with them both to help trustees get things right and to hold them to account for basic standards. This means improving our guidance and ensuring the transactions that charities must complete, such as filing reports and accounts and keeping their register entries up to date, are user-friendly and intuitive. It also means putting excellent customer service at the heart of what we do, so that more trustees can come to us for help and guidance.

Philanthropy and guidance on donations

Our 2024-2029 Strategy includes a commitment for the Commission to work to amplify donor and philanthropic confidence through robust but proportionate regulation, recognising the central role that sustainable funding streams play in delivering upon charitable purposes.

In November 2023, our Chair gave the Dame Shirley lecture on "Philanthropy Past, Present and Future" at the University of Kent. Here he discussed financial pressures on charities and how encouraging giving by those with the broadest shoulders can help to address the demands those charities face. The Chair articulated the role of the Commission in setting out the law on donations, and exploring how to help create an environment where donors give more and are confident that their giving will make a difference.

In March 2024, we published new guidance for charities facing decisions about accepting, refusing or returning donations made to them. While the law generally requires trustees to accept donations, and indeed most donations are straightforward for charities, from time to time a charity may face more challenging decisions, particularly if there are risks or controversies around the source of a donation. Our guidance sets out an approach to help trustees ensure they act in the best interests of their charity, highlighting that the starting point in law is to accept and keep any donations. We advise them to consider the risks involved with their decision, determine how it aligns with their charity's purposes and consider if they can mitigate any risks, for example by developing a public explanation for a decision.

Trustee 5-Minute Guide campaign

During the autumn of 2023, we ran the fourth phase of our ongoing campaign to raise awareness of core trustee duties and the guidance we have available to support trustees, particularly our short and engaging 5-minute guides. This time, we trialled new engagement tools including: developing a quiz to test trustees' knowledge and direct them to the relevant 5-minute guides; a new microsite; a more bespoke stakeholder toolkit; and an amended social media strategy that led to 2.7m views of these posts. The quiz proved to be highly effective – it was taken over 76,000 times and the guides were visited an additional 58,000 times during the six-week campaign period.

Supporting charities in managing their finances

In August 2023, we published renewed guidance on charities and investments, bringing it up to date for the modern era. These improvements now provide greater clarity and give trustees confidence to make investment decisions that are right for their charity.

The refreshed guidance followed a Commission consultation on financial investment and reflects a significant High Court judgment on charity trustees' investment duties (the Butler-Sloss case). As discussion continues within the sector about charities' ability to account for factors such as the environmental impact of investments, the guidance makes it clear that trustees have discretion to choose what is, in the circumstances, in the best interests of their charity and that they have a range of investment options open to them.

In recognition of the complex challenges the cost-of-living crisis has created for charities, we also published improved guidance on internal financial controls in April 2023. This includes a simple checklist against which trustees can check their own policies, including reflecting new threats and opportunities for charities such as using mobile payments systems like Google Pay and Apple Pay; and considering donations of cryptocurrency.

Keeping charity relevant for today's world

Our strategy commits us to lead thinking about how charities can thrive in a changing and ever-more challenging world. We are shaping the agenda, speaking confidently and authoritatively across government, in Parliament and more widely on charity matters as the expert regulator informed by our experience and data.

Implementing the Charities Act 2022

On 14 June 2023 and 7 March 2024, further phased changes introduced by the Charities Act 2022 came into force, following an initial stage of implementation in 2022-23. The changes set out in the Act are designed to make a positive, practical difference to charities – and to make things easier for trustees. The changes, introduced last year, included the following:

- A new statutory power that trusts and unincorporated associations can use to make changes to their governing document.
- Simplification of some of the legal requirements charities must comply with before they dispose of charity land. Disposal can include selling, transferring or leasing charity land.
- New statutory powers to enable charities to spend, in certain circumstances, from a 'smaller value' permanent endowment fund of £25,000 or less without Commission authority.
- New Commission powers to delay charities from registering with, or adopting working names, that are too similar to another charity's name or are offensive or misleading.
- For certain mergers, new rules are now in force that will allow most gifts to charities that merge to take effect as gifts to the charity that they have merged with.

To support the implementation of the new provisions, we have updated our guidance to reflect the first set of changes so that trustees can understand what this means for them and the charities they serve. We have also revised relevant forms and online systems, to ensure that it is clear what trustees need to provide when they apply to us.

Revitalising dormant funds for charities

The Revitalising Trusts programme seeks to release funds from charities that are either inactive, having had no income or expenditure over the last five years, or ineffective, having spent less than 30% of their total income over the last five years. Since the launch of the programme in 2018, over £100m has been revitalised to help charitable causes.

In 2023-24, we revitalised 142 charities in England and 133 in Wales, leading to the repurposing of £9.1m of charitable funds in England and £3.3m of charitable funds in Wales. This includes over £170,000 of funds being transferred to Community Foundation Wales, which awards grants to grassroots community groups and charities to strengthen communities across Wales, and over £57,000 to the Pre-School Learning Alliance.

Delivering on our plan for Wales

As the registrar and regulator for charities in Wales, as well as England, we recognise that engaging with and understanding the sector in Wales is important to our work. We have increased the numbers of those working in our permanent Welsh office, including a specialist Welsh policy and stakeholder manager. In addition, there has been an increased Commission presence at a number of events, including by our Board Member for Wales, Pippa Britton, and we have worked closely with sector bodies in Wales to engage positively on matters of shared importance.

In January 2024, our Board conducted a two-day trip to Wales, visiting charities from a range of different sectors including help for refugees and asylum seekers, science and technology, and community services. They also hosted a Welsh stakeholder reception, which was attended by representatives from Welsh charities and umbrella bodies.

Measuring the impact and effectiveness of our strategy

In 2019-20, the Board agreed a series of impact measures designed to monitor the progress of the Commission as it sought to deliver on our strategy. Each impact measure covers a different aspect of our work or the outcome of that work.

Collectively they are designed to show some of the outward benefits to trustees and the wider public of our progress against our strategic objectives set for 2018-23. This will be the final year of reporting against these metrics, before we launch a refreshed set of monitoring indicators to track the priorities of our new 2024-2029 Strategy.

The impact measures address the following areas, using our annual surveys of trustees and the public:

- trustees' understanding of what public expectations are and the extent to which they take these seriously
- overall levels of public trust and confidence in charities
- the assurance the public thinks it can draw from registered status and the importance it attaches to that assurance
- trustees' confidence in the risk-based regulatory model
- awareness of the Charity Commission and familiarity with its work

Overall levels of public trust and confidence in charities

This measure tracks overall public trust and confidence in charities in absolute terms and relative to other professions and institutions. It also seeks to understand the extent to which trust and confidence in charities varies among different parts of the public. The aim is to increase public trust and confidence in charities, as per the Commission's statutory objective.

In 2024, overall trust and confidence in charities among the public rose very slightly to 6.5 out of 10 (6.3 in 2023). Our research shows that this is against a background of declining trust in many social institutions, by comparison to which, trust in charities appears to have improved. Charities are the second most trusted social institution in the survey (with doctors being the most trusted). This is a significant recovery from 2018, where charities were only the fifth most trusted, scoring below the ordinary man or woman on the street.

Trustees' confidence in the risk-based regulatory model

This measure aims to assess overall confidence among trustees in the Commission's risked-based model of regulation. The aim is to maintain high levels of confidence among trustees in how effectively the Commission deals with instances of wrongdoing and harm once they have been brought to our attention. We also want to increase the proportion of trustees who are confident in our ability to uncover wrongdoing and harm in the first place.

The proportion of trustees surveyed in 2024 who were confident in the Commission dealing with instances of wrongdoing and harm effectively, once these have been brought to its attention, remains high at 92% (slightly decreased from 95% in 2023). The proportion of trustees surveyed who are confident in the Commission's ability to uncover wrongdoing and harm in the first place has slightly decreased from 87% in 2023 to 85% in 2024.

The general trend remains that, compared to the start of the 2018-2023 Strategy, trustees have become more confident in the Commission's ability both to uncover and to deal with wrongdoing.

The assurance the public thinks it can draw from registered status and the importance it attaches to that assurance

This measure seeks to understand what inferences the public thinks it can draw from a charity having registered status, and whether the Commission has direct power to influence some of these elements or not. The aim is to help understand and manage any gap between public expectations of regulatory action, and what such action can achieve.

Registered status remains a powerful marker of charities doing the right thing in the public mind. In 2024, over three-quarters of the public thought that a charity is more likely to be making an impact (79%), ensuring that a high proportion of donations are spent directly on the cause (81%), and operating ethically (81%) if it is registered and regulated by the Charity Commission. This is the second year in which there has been a slight increase in positive responses compared to previous surveys, given the scores were, respectively, 77%, 79% and 76% for 2023. Responses have remained broadly consistent over the last four years.

Trustees' understanding of what public expectations are and the extent to which they take these seriously

The aim of this measure is to show that an increasing proportion of trustees have a clear understanding of how public expectations guide their charities.

Over the last four years, trustees have continued to recognise the importance of responding to public expectations. In 2024, 55% of trustees surveyed said they have a clear understanding about how public expectations ought to shape the way charities go about doing what they do, while 19% of trustees said they were unclear (compared to 56% and 20% in 2023).

When it comes to where the responsibility lies when charities fall short of public expectations, 45% of trustees surveyed think the responsibility rests with charities for not spending enough time and trouble understanding those expectations (41% in 2023). In contrast, 25% of trustees surveyed said they think responsibility rests with the public for not understanding the complexities and difficulties involved (27% in 2023). Since 2020, the balance of responses has moved slightly towards trustees saying the onus is on charities to better understand the public, rather than the other way round.

Awareness of the Charity Commission and familiarity with its work

This measure monitors the extent to which the public is aware of the Commission and familiar with its work, and the extent to which this is correlated with overall levels of trust and confidence in charities. The aim is that awareness and familiarity should increase over time and should help, or at least not be at odds with, the growth in public trust and confidence in charities.

In 2024, 47% of the public said that they had heard of the Charity Commission and 19% said they knew it very or fairly well. This compares with 48% and 17% in 2023.

Legal Developments

Many of our decisions are challengeable in the courts, and this year we have successfully defended a number of challenges to the exercise of our regulatory powers and decisions. These include challenges by individuals that the Commission considered were unfit to act as trustees and sought to remove from trusteeship either through disqualification or removal, challenges to a high-profile registration decision and a first of its kind challenge to a decision granting permission to amend objects. This section gives an overview of some of the main developments relevant to our legal framework during the year in the First-tier Tribunal. It focuses on decisions in which the Court or the Tribunal considered significant points of law or of the regulatory framework for charities, and which will inform our approach to their regulation.

Mermaids v The Charity Commission for England & Wales & Anor [2023] UKFTT 563 (GRC)

This First-tier Tribunal Decision concerned a challenge to a decision by the Commission to register LGB Alliance as a charity. The Appellants in this appeal, another charity called Mermaids, challenged the Commission's registration decision on the basis that LGB Alliance's activities were not exclusively charitable, despite their objects, as drafted, being exclusively charitable, and submitted that the Commission should have considered extrinsic evidence about the organisation's activities when deciding the registration application.

The Commission defended the appeal on the basis that (1) Mermaids had no 'standing' to bring the appeal and (2) the objects as drafted were exclusively charitable and therefore it was not open to the Commission, in light of the relevant authorities, to look at extrinsic evidence.

During the appeal process, LGB Alliance was joined as a 2nd Respondent to the appeal.

The Tribunal handed down its decision in July 2023 and dismissed the appeal on the basis that Mermaids had no 'standing' to challenge the registration as they were not able to demonstrate that the registration affected their legal rights. This is consistent with a number of other Tribunal decisions, which have set a high bar for establishing that an appellant is a "person who is or may be affected by the decision". The matter was considered by the Upper Tribunal in Nicholson v Charity Commission [2016] UKUT 198 (TCC) and the principles established in that case were applied by the Tribunal in this case. Consequently, the challenge to the Commission's registration decision was rejected on these grounds.

Tony Miller & Anor v The Charity Commission for England and Wales & Anor [2023] UKFTT 805 (GRC)

This First-tier Tribunal Decision concerned a challenge to a decision the Commission made pursuant to s.69 of the Act to make a scheme for the administration of the Victoria Hall Ealing charity, on the basis that a cy-pres occasion had arisen (the purpose of the charity, as originally envisaged, was no longer sustainable). The scheme issued by the Commission allowed Ealing Council, as a sole trustee, to dispose of the Ealing Town Hall complex (part of which is land owned by the charity) to developers, and for the Hall to be leased back to the charity for a term of 250 years.

The Appellants, 2 local residents, challenged the Commission's decision to make the scheme on the basis that a cy-pres occasion had not arisen and that the purpose of the charity was not sustainable due to historic mismanagement by the Council as a sole trustee.

The charity was established in 1893, when the Victoria Hall was placed in trust for the purpose of meetings, entertainments and other activities with any profit to be applied to any charities in Ealing. The Tribunal found that the original purposes of the trust could not today be carried out, or not carried out in accordance with the directions given and the spirit of the gift. This was largely because the Hall was not financially self-sustaining. Therefore, a cy-pres occasion had arisen and it was appropriate for the Commission to make a scheme which applied the property of the charity for charitable purposes that were, desirably, close to the original purpose, and suitable and effective in the light of current social and economic circumstances.

The Tribunal upheld the Commission's decision that a cy-pres occasion had arisen and upheld the need for the specific scheme which allowed the sale of the charity's property as part of a wider transaction to proceed. However, the Tribunal disagreed with some of the specific details of the scheme and remitted it back to the Commission to make a new scheme, in consultation with the Council and the Appellants, and made some findings/observations in the Decision to assist with the revised scheme.

Since the Decision was handed down in September 2023, the Appellants sought permission to appeal to the Upper Tribunal. The application was heard by the Upper Tribunal in March 2024 and permission to appeal was refused.

Andrea Shirland v Charity Commission for England and Wales [2024] UKFTT 187 (GRC)

This First-tier Tribunal Decision concerned a challenge to a decision by the Commission made pursuant to s.198 of the Act to grant permission to the Whiteley Homes Trust charity to amend its objects. This was an appeal by a beneficiary of the charity (a resident in an almshouse operated by the charity). This was the first appeal as against this specific power since it was introduced.

The Tribunal dismissed the appeal and upheld the Commission's decision in its entirety. In its decision, the Tribunal noted that s.198 did not provide a specific statutory test to be satisfied before the permission to change a charity's objects can be given and therefore considered whether the non-statutory 3 stage test devised by the Commission in OG 518, and applied in this case, was the appropriate test or whether a different test was appropriate. The relevant 3 stage test is:

a) whether the proposed objects are exclusively charitable,
b) whether the decision to change the objects to the proposed objects is within the range of reasonable decisions the trustees could make and
c) that the proposed objects do not undermine the previous objects.

The Tribunal concluded that the Commission's test was appropriate and, in its decision, applied the same test and reached the same conclusions as the Commission.

The Tribunal also accepted that the role of the Commission was to ensure that such decisions should be properly made by the trustees and should be within the range of reasonable decisions. The Commission should only intervene when such decisions are improper or unreasonable in line with s.20 Charities Act 2011 and the Supreme Court Judgment in the CIFF case.

Suzanne Goodband v The Charity Commission for England and Wales [2024] UKFTT 111 (GRC)

This First-tier Tribunal Decision concerned a challenge to a decision the Commission made pursuant to s.181A to disqualify Ms Goodband for a period of 12 years. The disqualification was largely based on substantial personal benefit gained by Ms Goodband (in excess of £300,000) for commercial services she provided to the charity while she was also the chair of the trustees.

The Appellant, Ms Goodband, challenged the disqualification order on the basis that she was not involved in the decision to pay her for the services, but the other trustees made the decision and that the charity had value for money.

The Tribunal found that Ms Goodband was a trustee of the charity at the time when misconduct or mismanagement in the administration of the charity took place and that she was in part responsible for, knew of, failed to take any reasonable steps to oppose, or contributed to or facilitated such misconduct or mismanagement. The Tribunal went on to find that she was unfit to be a trustee because she lacked the perspective and objectivity required to effectively discharge a role as a trustee of charity acting for the public benefit. The Tribunal also found that due to the nature and seriousness of the misconduct and mismanagement that the third limb of the legal test was met i.e. that it is desirable in the public interest in order to protect public trust and confidence in charities generally that a disqualification order be made.

The Tribunal agreed with the Commission that the disqualification should not extend to positions with senior management functions. In making that decision, the Tribunal commented that Ms Goodband remains a highly competent and capable individual with considerable valuable experience. In an environment or structure where she can be effectively questioned and guided by others, Ms Goodband could still make a useful contribution to a charity or to the charitable sector.

While the Tribunal agreed that the criteria for disqualifying Ms Goodband as a charity trustee were met, it considered that the case did not fall into the most serious of categories for disqualification. It therefore reduced the period of disqualification from 12 to 7 years. In making this decision, the Tribunal took into account the fact that Ms Goodband had resigned from being a trustee 5 years previously in 2018.

Part 1c Financial Review

The resource accounts report a revenue underspend of £0.074m (2022-23: £0.259m). This underspend amounts to 0.2% of our net £32.254m annual budget, which reflects the tight margins under which the Commission operates in order to maximise resource utilisation.

Our funding was largely via the HM Treasury Vote of £32.254m supplemented by additional funding from other government departments to cover the cost on ongoing projects delivered on their behalf.

The following table sets out our funding limits over the current spending period (2021-25).

	2020-21	2021-22	2022-23	2023-24	2024-25
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Revenue DEL	29,200	30,550	32,348	32,254	31,519
of which non ring-fenced	27,250	28,300	28,533	28,678	27,925
of which ring-fenced depreciation	1,950	2,250	3,815	3,576	3,594
Capital DEL	2,200	2,200	3,107	2,250	5,274

Note: ring fenced revenue DEL (Departmental Expenditure Limit) is the element of voted funding set aside for depreciation and amortisation. Capital DEL has increased in 2024-25 due to property lease due to renew in year and their accounting treatment under IFRS 16.

Financial performance against statutory limits

The level of expenditure incurred by government departments, including the Commission, is subject to statutory funding limits approved by Parliament. It is a fundamental form of accountability that expenditure within a financial year must not exceed these limits. There are three key financial limits which the Commission must achieve and all three of them were duly met. These are Revenue DEL, Capital DEL and Net Cash Requirement.

	Revenue DEL	Capital DEL	Net Cash Requirement
	(£'000)	(£'000)	(£'000)
Main Estimate	31,304	3,000	31,987
Supplementary Estimate	950	(750)	650
Final Limit	**32,254**	**2,250**	**32,637**
Expenditure and/or cash used	32,180	2,179	32,209
Surplus for year	**74**	**91**	**428**
Performance within funding limit?	✓	✓	✓

The above expenditure was used to deliver the strategic objectives of the Commission.

Dame Helen Stephenson CBE
Chief Executive and Accounting Officer
12 July 2024

Part 2 Sustainability Report

Overall performance (2023-24)

The Charity Commission is committed to sustainable development (meeting the needs of the present without compromising the ability of future generations to meet their own needs). Concern for the environment is an integral and fundamental part of this commitment. Our aim is to reduce the impact on the environment from our operations.

As the Charity Commission is on minor tenancy lease agreements within all four Government buildings, there is a limit in what we can implement to contribute towards environmental changes to the management of the buildings we occupy. However, we work closely with our landlords to promote the environmental and sustainability initiatives in place and to encourage further developments.

CO2 emissions

As we are minor tenants at each of our four sites, we are only able to provide meaningful data on CO2 emissions arising from our business travel.

Monitoring business travel to reduce CO2 emissions

The increased use of technology and the impact of the pandemic led to a significant reduction in travel between 2020-21 and 2021-22, and consequently a significant reduction in costs and emissions. Post pandemic whilst there was an increase in travel to meet business need, the volume was still below pre-pandemic levels.

The majority of our business travel is by rail, with some car usage and minimal air travel. Due to rail industrial action during 2023-24, we saw an increase in the use of car travel. However, in comparison to pre-pandemic travel we can see an overall reduction in usage and CO2 emissions.

CCEW Business travel year on year comparison:

All staff	Mileage	CO2 Emissions (ton)	Charge	Air mileage	Air charge	Air CO2 Emission (ton)	Air mileage	Air charge	Air CO2 Emission (ton)
				Domestic			International		
2021-22	75,838	4.663	£28,134	-	-	-	-	-	-
2022-23	420,278	24.666	£199,330	1,682	£370	0.352	2,974	£213	0.382
2023-24	471,865	28.209	£232,622	314	£74	0.081	1,586	£298	0.271

Waste reduction

The gross figures for waste relate to our largest site – Redgrave Court, Bootle based on our occupancy level of 5.22%. As our Redgrave Court office is the only site in which we occupy over 500SqM, it is the only site we are required to report on under the Greening Government initiative.

All waste on site at Redgrave Court is recycled, with nil to landfill.

We have worked with our landlords across all sites to promote waste reduction, and efficient use of recycling schemes, for example by reducing under desk waste bins, staff are encouraged to use site recycling facilities.

Redgrave Court year on year waste consumption

Based on RGC occupancy of 5.22%	Waste to energy (ton)	Recycling (ton)	WEEE (ton)	Landfill (ton)	Food bio energy recovery (ton)
2018-19	1.56	4.03	0.15	0.00	0.47
2019-20	1.50	3.59	0.15	0.00	0.29
2020-21	0.62	7.32	0.51	0.00	0.07
2021-22	0.26	0.58	0.05	0.00	0.06
2022-23	2.14	1.03	0.02	0.00	0.18
2023-24	2.70	4.16	0.16	0.00	0.20

The total cost of waste for the whole Redgrave Court site is £59,114, so based on our site occupancy of 5.22% that would suggest that the Commission's share is £3,087, although that is clearly an approximation.

We have been able to influence our paper waste reduction across all sites. The actual volume of paper we purchase has reduced. We have removed cupboard storage in two of our offices, encouraging staff to move away from creating paper documents, instead storing data electronically.

	Cost £	Total Reams	Paper type
2022-23	1,054	52	A4
2023-24	635	58	A4
	26	1	A3

Although total paper usage increased marginally year on year, in 2023-24 there was an increased emphasis on using recycled paper. It is expected that the full-year impact of the 0reduction in the number of printers and further communications about minimising hard copy printing will see overall paper usage reduce in 2024-25.

Our accommodation footprint

In line with the principles set out in the Government Estate Strategy we continue to review our office accommodation requirements.

In respect of our Taunton site, we reduced our footprint by 300sqm, making annual savings of £27k.

We have redesigned our three of our offices to provide more collaborative spaces in line with the Government Estates Strategy and work to the Smart Code of Practice PAS3000.

We continue to work with the Government Property Agency to consider our London footprint, as part of the Whitehall Campus Review and the Levelling Up Agenda.

Our office efficiency ratio is now at 3.76m²/FTE, which is already significantly below the Government target for office utilisation of 6m²/FTE by 2030.

CCEW Sustainability Plan 2024-25

During 2024-25 we will produce a revised Sustainability Plan which will reflect the requirements of the Climate Change Adaptation Strategy and the following specific following actions:

- we will encourage our landlords to develop carbon reduction plans to map out the journey towards net zero for each of our sites
- we will set targets to support business travel carbon emission reductions
- we will monitor, review, and identify further actions to reduce our carbon footprint

Information and Technology (IT)

All our IT purchases are made through Government frameworks. All our IT equipment is either recycled for use internally, recycled through a certified recycling company who wipe all data and repurpose where possible, or disposed of in accordance with the Waste Electrical and Electronic Equipment regulations.

Our managed print services, which are our main source of IT energy consumption across our sites, were reduced by 25% in number with the remainder replaced with more energy efficient devices during 2023.

All of our PC's have been programmed to automatically shut down overnight to reduce energy consumption.

Furniture

CCEW spends very little on furniture (and therefore timber) and all procurements are made through CCS frameworks. We have reduced desking and cupboards across our offices during 2022-23 and 2023-24 to create more collaborative spaces, with some furniture being re-used by landlords, and the remaining furniture recycled.

Procurement processes

The Commission's annual procurement spend on goods and services is £5m and we use Crown Commercial Frameworks wherever feasible. Each of our procurements include sustainability and social value criteria.

All prospective suppliers are evaluated when submitting their tender response and must demonstrate how they achieve social value, with one of the themes (theme 3) being 'Fighting Climate Change'.

Additionally, a mandatory schedule is included in all CCS contracts stating suppliers must comply with the standards set within the framework schedule. This forms part of the contractual documents that both the Charity Commission and our suppliers enter into.

Part 3 Accountability Report

Introduction

The accountability report (pages 31 to 75) sets out our key accountability requirements to Parliament. It includes:

- a statement of the Accounting Officer's responsibilities
- a governance statement on how the Commission is organised and how it manages risk
- a remuneration and staff report setting out the pay and benefits received by the executive directors and non-executive Board members
- disclosures on pay and pensions policies, and details of staff numbers and costs
- Parliamentary and accounting disclosures, setting out how we have spent money provided to us by Parliament
- a copy of the audit certificate and report made to Parliament by the Comptroller and Auditor General, setting out their opinion on the financial statements

Statement of Accounting Officer's responsibilities

I have been appointed as Accounting Officer of the Charity Commission by HM Treasury. The responsibilities of an Accounting Officer, which include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Commission's assets, are set out in Managing Public Money published by HM Treasury.

As Accounting Officer, I am required to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its net resource Outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, I am required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- ensure that I am not aware of any relevant audit information of which the entity's auditors are unaware, that I have taken all steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information
- confirm that the annual report and accounts as a whole is fair, balanced and understandable

The annual governance statement below sets out the Commission's governance, risk management and internal control arrangements for the financial year 2023-24 and up to the date of approval of our annual report. I have not prepared a separate Directors' Report as the contents of this are included within the Financial Report.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Charity Commission's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that the annual report and accounts as a whole is fair, balanced and understandable, and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Part 3a Corporate Governance Report

The Commission’s governance structures

The Commission’s Board is responsible for the strategic oversight of the Commission. It is responsible for developing strategy, monitoring progress, overseeing legal matters, providing corporate governance and assurance, and managing corporate risks.

The Board comprises the Chair, Chief Executive, one member with knowledge of conditions in Wales and up to five additional members with relevant skills and expertise in operations, accountancy, charity law and the charity sector, strategy implementation and risk management. They use their range of backgrounds, skills and expertise to provide the necessary strategic direction and oversight.

All Charity Commission Board members, bar the Chief Executive, are appointed by the Secretary of State for the Department for Culture, Media and Sport (DCMS) through open and competitive selection and serve for an initial term of three years. The Secretary of State may renew a board appointment for up to a maximum of ten years.

Changes to the Board

In October 2023, Ian Karet resigned from the Board so that he could take up the role of co-Chair to the British Museum Independent Collection Security Review. His term had been due to come to an end in February 2024.

In January 2024, Will Lifford was reappointed for a second three-year term of appointment.

The Board’s work

This year, the work of the Board has been focussed on the development of the Commission’s new five-year strategy. In June 2023, the Board attended a special session where it discussed the strategic context facing the sector and for us as a regulator, to feed into the initial shaping of the Strategy. It approved the final strategy at its meeting in November 2023.

Another key focus for the Board has been the appointment of a new Chief Executive, following the announcement by Helen Stephenson that she would be stepping down from the role in the summer. A Board sub-Committee was created to run the recruitment process, which reported back to the Board on a regular basis. The process was overseen by the Civil Service Commission. In February 2024, it was announced that David Holdsworth will take up the role from 1 July.

The Board has monitored performance against the 2023-24 business plan, reviewing progress in delivering the activities identified to support the achievement of the key priorities. This includes monitoring delivery of our project portfolio, including the implementation of My Charity Commission Account (MCCA), and the second and third phases of changes in respect of the Charities Act 2022. It has reviewed the strategic risks and performance against the operational performance standards.

The Board has overseen work to update our guidance to trustees, including the development of three specific new pieces of guidance relating to social media, investments, and donations. It has reviewed progress in implementing our Welsh workplan, which seeks to improve the Commission’s visibility and strengthen its identity in Wales. In September 2023, the Board approved a programme of work to promote philanthropy in England and Wales.

In March 2024, the Board approved the Business Plan for 2024-25, which will deliver the first year of our new strategy. We have shaped the plan around the five strategic priorities that form our Strategy for 2024-29.

Board Effectiveness

In June 2023, the Board approved an action plan to address the findings of an external review of Board effectiveness. The review found that the Charity Commission's governance is in a good place, with a skilled and committed Board of integrity and diversity, and an appropriate division of roles between the Board and Executive. Actions identified to improve effectiveness going forwards included holding a facilitated Away Day to further develop team engagement, and this took place in September 2023. Progress against the action plan is monitored by the Remuneration and People Committee. The next review of Board effectiveness will take place in autumn 2024.

Committees of the Board

Our Committee structure is as follows:

Board

Overall strategy and direction of the Commission

Audit and Risk Assurance Committee	**Casework Risk Committee**	**Remuneration and People Committee***
Reviews and advises the Board and Accounting Officer on assurance arrangements, effective risk management and controls, financial reporting including the annual audit and governance statement	Reviews risks and issues arising from casework, and considers how the Commission is responding	Oversees Board-level appointments, senior executive performance and remuneration policy and key policies and plans relating to the Commission's people

*The Remuneration and People Committee was previously known as the Remuneration and Appointments Committee. In April 2024 the Board agreed to change the name of the Committee, to better reflect its wider role in providing oversight to key policies and plans relating to the Commission's people.

Committee membership

The Board's committee membership at the start of 2023-24 was as follows:

- Audit and Risk Assurance Committee: Will Lifford (Chair), Pippa Britton, and Joanne Prowse.
- Casework Risk Committee: Orlando Fraser KC (Chair), Ian Karet (to October 2023) and Ann Phillips.
- Remuneration and People Committee: Joanne Prowse (Chair), Orlando Fraser KC and Jonathan Russell (independent member).

In March 2023, the Board agreed that Shrenik Davda would join the Audit and Risk Assurance Committee and Mark Simms would join the Casework Risk Committee.

In November 2023, the Board further agreed that Shrenik Davda would join the Casework Risk Committee and Rory Brooks would join the Remuneration and People Committee.

The work of the Committees

Set out below is an overview of the work the committees have undertaken during 2023-24. As part of their terms of reference, all committees are required to provide oral reports to the Board following each of their meetings.

The Audit and Risk Assurance Committee met four times during the year to support the Accounting Officer and the Board in their responsibilities for ensuring the adequacy of risk management, internal control and governance arrangements, and that public funds are used efficiently and effectively. Across the year, the Committee has reviewed the Commission's approach to risk management, in line with the requirements of the HM Treasury Orange Book, overseeing the maintenance of our strategic risk register, including tracking key risk indicators and monitoring the position of each risk against agreed tolerances and targets. The Committee has also continued its rolling programme of deep dives scrutinising controls in place for each strategic risk, supported by the relevant assurance maps.

In addition, the Audit and Risk Assurance Committee has received and reviewed the planned activity and results of the annual assurance programme undertaken by our internal auditors, the Government Internal Audit Agency (GIAA), and management progress against actions resulting from this programme. It has also considered the results of the annual audit undertaken by our external auditors, the National Audit Office (NAO), which provides assurance on the integrity and accuracy of our financial accounts. All meetings of the Committee were attended by the NAO and GIAA.

The Committee has provided oversight and scrutiny of any reportable incidents such as data breaches, health and safety incidents, whistleblowing or allegations of fraud. No significant trends have been identified in the health and safety incidents reported this year, and all incidents have been resolved as and when they occur. There were no instances of staff whistleblowing (raising a concern) to report for the period and no allegations of fraud.

The Casework Risk Committee met four times during the year to review emerging themes and trends in casework risk; how the Commission is responding, or planning to respond, to this risk; and to provide advice and guidance, where appropriate, on the handling of high-risk casework. It also reviews the results of Executive-led quality assurance of casework.

The Remuneration and People Committee met four times during the year to evaluate the performance of our most senior officials and to determine fair remuneration levels. It reviewed key people activity, covering succession planning arrangements, outcomes of the People Survey, performance against the People Performance Standards, and the delivery of the Commission's People and Culture Programme. It also reviewed progress against implementation of the actions identified as part of the external Board governance review, and the results of a Board skills audit.

Quality of information provided to the Board and Committees

The Executive has continued to work closely with the Board to ensure it has the information it needs to support informed decision making, enable effective monitoring of the Commission's work and performance, and to drive continuous improvement in the quality of our Board and Committee papers.

The quality of information provided to the Board and its Committee was considered as part of the external review of Board effectiveness, which found that Board papers are well-written and have a clear 'ask' of the Board.

Corporate governance code

The HM Treasury corporate governance code (the 'code') remains in force. Whilst it is primarily applicable to government departments, as a non-ministerial department we adopt and adhere to the code where it is constructive and practical to do so, and not incompatible with our statutory duties.

Attendance at meetings

Attendance of Board members and independent members during 2023-24 is listed in the below table.

	Board meetings		Audit and Risk Assurance Committee		Remuneration and People Committee		Casework Risk Committee	
	Attendance	Attendance %	Attendance	Attendance %	Attendance	Attendance %	Attendance	Attendance %
Board members								
Orlando Fraser KC (Chair)	5/5	100%			4/4	100%	4/5	80%
Dame Helen Stephenson CBE (CEO)[3]	4/5	80%						
Pippa Britton OBE	4/5	80%	4/4	100%				
Rory Brooks CBE	4/5	80%			1/1	100%		
Shrenik Davda	5/5	100%	3/4	75%			1/1	100%
Ian Karet	3/3	100%			2/2	100%	3/3	100%
Will Lifford	5/5	100%	4/4	100%				
Ann Phillips	5/5	100%					5/5	100%
Joanne Prowse	4/5	80%	4/4	100%	4/4	100%		
Mark Simms OBE	4/5	80%					5/5	100%
Independent members								
Jonathan Russell					4/4	100%		

3. The Chief Executive also attends, but is not a member of, all the Committees.

Members' interests

All Board members declare all relevant personal or business interests and these are recorded in our register of interests, published on GOV.UK.

Any potential conflicts of interest are declared and recorded at the outset of each board or committee meeting and, if needed, the individual(s) take no further part in decision making or withdraws as required.

Executive leadership

Our Chief Executive and our Directors make up the Executive Leadership Team (ELT). The ELT works together as the decision-making body on all operational matters, ensuring that we deliver our strategy. The ELT develops and delivers the business plan, assesses resource against priorities and risks, making appropriate resource allocations; plans and oversees the recruitment of staff, all with the aim of achieving the Commission's statutory duties and strategic objectives. The ELT meets formally on a monthly basis.

In 2023-24, the Executive Leadership Team was as follows:

- Dame Helen Stephenson CBE, Chief Executive
- Nick Baker, Chief Operating Officer
- Roberto Confessore, Director of Data, Digital and Technology
- Helen Earner, Director of Regulatory Services
- Paul Latham, Director of Communications and Policy
- Aarti Thakor, Director of Legal and Accountancy Services

Executive interests

All our staff should avoid doing anything that might reasonably be seen as compromising their judgement or integrity. Our policy and process for managing conflicts of interest continues to be in place to ensure that we have robust arrangements in place for identifying and managing conflicts appropriately. The policy is reviewed on an annual basis with regular communications to the wider organisation to promote good awareness and understanding. Our policy and process reflects the provisions set out in the Civil Service Management Code (section 4.3).

Executive governance structures

The Executive Casework Committee met seven times throughout 2023-24. The Committee, which is chaired by the Chief Executive, oversees the management of casework, monitors performance against operational targets, and considers emerging sector risks, ensuring the Commission responds as required. The Committee also enables the Chief Executive to provide assurance to the Board about the effectiveness of casework and that cases are appropriately escalated to the Board in line with the agreed guidelines.

The Portfolio Delivery Board (PDB) has provided oversight of, and direction to, the Commission's portfolio of programmes, projects and associated business change activity. It is chaired by the Chief Operating Officer and meets monthly.

The Data Protection Oversight Group (DPOG) met quarterly in 2023-24. The group is chaired by the Chief Operating Officer in his role as SIRO (Senior Information Risk Owner) and provides oversight and direction on data protection matters within the Commission, including monitoring compliance with legislation; assessing data protection risks; overseeing improvement plans; and reviewing relevant policies and procedures. This year the group focused particularly on risks around data retention, compliance with the retention schedule, and incident trends.

Our Diversity and Inclusion Forum (DIF) is a cross-Commission forum aimed at helping the Commission improve the working environment for all by championing equality, diversity and inclusion. The DIF has continued to raise organisational awareness of cultural events through internal communications and engagement, and has promoted its work through all staff communications and dedicated induction sessions for new starters. The DIF is chaired by the Director for Digital, Data and Technology.

The Chief Executive has continued to chair the bi-monthly Engagement Champions Network. Engagement Champions represent all Directorates across a range of sites and grades. The Network is the means by which staff can share examples of good employee engagement, celebrate what is going well, and learn from good practice in other areas of the organisation.

The Health and Safety Committee meets quarterly to review compliance with Health and Safety legislation and guidance; assess risks to staff while working at home and in the office; analyse information on health and safety incidents reported, including identifying any preventative actions that may be taken; and review relevant policies and procedures. It is chaired by the Head of Estates and comprises representatives from cross-business functions, office locations and the trade union.

The Security Steering Group (SSG) has met quarterly to provide direction in terms of security issues, including managing the response to security incidents; ensuring compliance with central policies, guidance and legislation; as well as adequate protection of government assets for which the Commission has responsibility. It is chaired by the Commission's Security Advisor, with representation from Digital, Data and Technology, Estates and HR.

Risk management

In 2023-24, there has been a focus on developing our approach to assurance mapping, and on building assurance maps against our principal risks and key business functions in line with the Orange Book. In February 2024, the GIAA published an advisory report on our work in this area, which stated that we have created solid foundations, with a well-developed understanding of the controls in place.

The Board has continued its oversight of risk management, supported by the Audit and Risk Assurance Committee. In June 2023, the Board agreed to refresh the principal risks in our strategic risk register, to ensure that they accurately reflected the centrality of delivering our portfolio of projects and programmes to achieving our objectives. In September, it conducted a full review of the targets and tolerances in place for each of these risks.

At an executive level, oversight of risk management is provided by the ELT through quarterly reviews of the strategic risk register, with oral updates on risk provided in the intervening months where required. Risk champions are responsible for promoting risk identification and discussions with all staff members, including at Senior Management and Senior Leadership Team meetings. All new starters are expected to attend an induction session on corporate risk management.

A summary of our updated principal risks as set out in the strategic risk register and how we mitigated against them is set out below.

Political and financial uncertainty

This relates to the risk that political or financial uncertainty impacts our ability to operate effectively as a regulator.

As for many other organisations, this has been a challenging year financially. As well as needing to absorb inflationary pressures, we have invested in our people to achieve our ambition of being the "expert" Commission, which we have done within our existing budget settlement. This has meant that careful oversight and monitoring of progress in delivering this year's budget has been required. We have also maintained a close working relationship with our HM Treasury spending team, to ensure there is mutual understanding of our budget situation.

With regard to political risk, we have continued to manage this through horizon scanning and regular, strategic engagement with key stakeholders, seeking to maintain positive, two-way relationships. We continue to carefully monitor the risks presented, and in January 2024 we stood up an Election Planning Group to start preparing the organisation for a likely General Election in 2024.

Delivery of people-related priorities

Our People and Culture Programme was set up in 2022-23 with the aim of creating an expert Commission that is a great place to work, where people are empowered and enabled to deliver excellence in regulation; and where there is an employee experience that attracts, retains, engages, and develops talented people who believe in what the Commission does.

This year, the Board agreed to create a new principal risk, which articulates the risk that the programme will fail to deliver on these key, people-related priorities.

To mitigate against this, robust governance arrangements have been put in place, with regular reports on progress in delivering the Programme brought to our Remuneration and Appointments Committee. The Programme Board is chaired by the Chief Executive, providing senior level ownership and oversight of the Programme's work.

See the Staff Report below for more information on the activity of the People and Culture Programme.

Delivery of the programme portfolio

In 2023-24, we had a number of programmes that were key to the successful delivery of our business plan and to our wider effectiveness as a regulator. These included the launch of the MCCA, delivering the

Annual Return for 2023 and continued implementation of the Charities Act 2022. This is therefore a new principal risk for 2023-24, reflecting the criticality of these programmes to our core work.

An important consideration has been the interdependencies between these different projects. As well as the oversight provided by the Portfolio Delivery Board, the Chief Operating Officer has held weekly meetings with project leads to give regular, senior visibility of these interdependencies. In particular, these meetings provide an overarching view of our resources, to which there is a finite amount, so that they can be deployed as effectively as is possible.

We continue to maintain a suite of dedicated guidance, tools and templates for those involved in delivering project work at the Commission, and there is detailed business process planning prior to the commencement of new projects.

Securing our infrastructure and protecting our information

This is a combination of two risks that were previously on our Strategic Risk Register, one relating to the Commission’s ability to secure our infrastructure and the other to the measures in place to ensure our information is protected.

The risk of confidential information, including personal data controlled or processed by the Commission, being misused, lost, stolen or corrupted remains a risk. We are particularly alert to the risk of ransomware attacks, following the attack on the British Library this year, which had significant implications for that organisation. Our Security Operations Centre identifies, detects and responds to threats on a 24/7 basis and, in April 2024, we successfully achieved the Cyber Essentials Plus accreditation for the fourth year in a row.

In data protection, our focus continues to be improving education and raising awareness. We have this year, in addition to our training for all staff, rolled out bespoke data protection to Commission teams to make data protection relevant to their work.

More information about the ways in which we are monitoring and controlling data protection can be found in the section below.

Casework and customer services

The risk of failure in executing casework or providing the appropriate levels of service to charities and other external customers continues to be a critical focus for the organisation. The services we provide must be efficient and delivered effectively, while identifying and tackling wrongdoing in charities.

See the Performance Report for more information on how we have worked this year to support charities signing up to our new My Charity Commission Account system, including the measures put in place to respond to an associated increase in call volumes.

With regard to our casework, we continue to use the findings of our Quality Assurance Framework to identify any improvements that can be made. We have also continued to monitor compliance with our Technical Competence for caseworkers training, and this year embedded our new Customer Service Knowledge Base, an online library of materials to support case officers.

Governance

It is essential that we fulfil our statutory duties and act within our remit, recognising that public and stakeholder trust could be harmed if the Commission were to materially misuse the powers entrusted to it in law, or the public funds under its control.

Effective board and committee oversight of the Executive has continued throughout the year. As well as the external governance review that issued its final report in April 2023, we have this year conducted effectiveness reviews into each of our committees. The outcomes of these reviews were positive, finding that the committees are operating in line with their terms of reference, and that there is robust reporting to the Board of any issues of which it needs to be aware.

We have also this year conducted a Board skills audit to ascertain the breadth of skills and experience on the Charity Commission Board. The findings will feed into our recommendations to DCMS for upcoming Board appointments, to ensure we continue to have a Board that has the skills required to fulfil its duties.

Identifying and responding to sector risk

This risk recognises that a failure to respond appropriately to a sector risk could lead to negative impacts for the sector and the Commission. Fundamental to the management of this risk has been deepening our understanding of the pressures charities are under, including through regular dialogue with sector representative bodies. Our dedicated Commission Tasking and Co-ordination Group continues to play a key role in helping us make informed decisions about how we can mitigate risk to the sector, directing resources to where they are needed most.

We have also used external communications to alert the sector to emerging risks. In November 2023, we published a blog setting out the risks associated with the lease-based model of providing social housing, signposting charities to the relevant guidance available. In April 2024, we published a blog that set out some of the risks that charities should be mindful of in using Artificial Intelligence.

Data protection

The Commission is responsible for a large volume of personal data that is key to the delivery of its services, including, for example the public Register of Charities. Treating this data in line with data protection legislation and ensuring it is safe, secure and necessary remains an ongoing priority for the Commission.

We operate a corporate data protection framework with associated policies and procedures. The Data Protection Officer reports quarterly to the ELT and six-monthly to the Audit and Risk Assurance Committee on performance, trends and compliance with legislation. Key activity this year has included working with teams to identify priorities and design bespoke data protection training in line with these; analysing and managing risk and utilising privacy by design via the data protection impact analysis (DPIA) process (for example during implementation of the Charities Act 2022 and Annual Return 2024); and analysing information on data incidents to improve storage, processes and security of personal data.

Our priority is to prevent data incidents via an education and awareness programme. However, data incidents will still happen sometimes, and our data incident management policy ensures that prompt action is taken to contain and resolve them where possible. There has this year been a very small reduction in the number of reported data incidents and confirmed breaches, but overall it is fairly consistent with the previous year. The figures continue to show the increased awareness of the importance of data protection and when to report a potential incident or breach. The majority of incidents were low risk and were caused by human error. No incidents met the threshold to report to the Information Commissioner's Office (ICO).

There has been an improvement in transparency with a review of Privacy Information supplied, and information given to data subjects whose personal data we receive both directly and indirectly. The My Charity Commission Account (MCCA) improves data protection for charities by the provision of 'one person, one account' access to digital services. The Data Protection Team will continue to ensure that developments across MCCA and digital services are compliant with legislation as well as beneficial to customers.

	Category/Nature of personal data breach	2023-24	2023-24 Notified to ICO
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	0	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	3	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	6	0
IV	Unauthorised disclosure	29	0
V	Other	5	0
	Total	**43**	**0**

Independent assurance and scrutiny

As in previous years, the Government Internal Audit Agency (GIAA) has delivered our annual assurance programme. Of the five audits completed as part of the 2023-24 assurance programme, all five received an overall 'moderate' assurance rating. These audits covered HR induction training, cyber incident management, key financial controls relating to payroll, press sign-off processes and sector risk assessments.

The GIAA's annual internal audit opinion provided moderate assurance on the overall adequacy and effectiveness of the framework of governance, risk management and internal controls for the financial year 2023-24. There were no matters arising from the work of internal audit during the period that require separate comment. Internal audit found no fundamental or systemic control weaknesses by design or operation, fraud or improbity. It did find areas where controls have not yet been fully implemented or require improvement, for which appropriate actions to address the risks have been agreed.

Corporate Complaints

The Charity Commission takes complaints against it seriously. We have a two-stage complaints process, as set out in our complaints procedure on our website. Where applicable, we feed findings from complaints into our future casework to ensure we are learning from them.

If members of the public remain dissatisfied with the outcome of their complaint, they may pursue their case with the Parliamentary and Health Services Ombudsman.

The below table sets out the latest published figures from the PHSO regarding complaints made to the Ombudsman about the Charity Commission. It covers the period 1 April 2022 to 31 March 2023.

Number of complaints accepted for investigation by the Parliamentary Ombudsman in 2022-23	2
Number of investigations reported on in 2022-23[4]	0
a) Investigations fully upheld	0
b) Investigations partly upheld	0
c) Investigations not upheld	0
Number of Ombudsman recommendations in 2022-23	0
Complied with	0
Not complied with	0

The PHSO report that this data is taken from can be found here: UK Government Departments and Agencies Table 2022-23.pdf (ombudsman.org.uk).

4. May include complaints accepted for investigation from a previous year.

Whistleblowing (raising a concern)

Our whistleblowing policy (also known as "Raising a Concern") is available on our staff intranet site. We have a number of routes available for our people to raise concerns, including Nominated Officers, who are staff volunteers that act as confidential and independent source of support, and an independent helpline. We post regular reminders of the Raising a Concern policy to staff, and this year participated in the Civil Service-wide "Speak up" campaign.

The Chair of the Audit and Risk Assurance Committee holds overall Board responsibility for whistleblowing, and this Committee receives reports on any whistleblowing as a standard agenda item.

Taskforce for Climate Related Financial Disclosures (TCFD)

Pages 39-40 above set out more information on our risk management framework, through which risks, including any climate-related risks, are identified, managed and escalated to the Board for oversight as required. Due to the nature of the Commission's operations, climate-related issues are not currently considered to be a principal risk for the Commission under our risk assessment processes, which consider the impact, proximity and likelihood of each risk. This position will continue to be reviewed as part of our usual risk management process.

The Charity Commission is reporting on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance which interprets and adapts the framework for the UK public sector. The Charity Commission has complied with the TCFD recommendations and recommendations disclosures around:

- Governance (all recommended disclosures)
- Metrics and Targets (b)

Disclosures are included within the Sustainability Reporting section of this Annual Report and this TCFD section (Governance). This is in line with the central government's TCFD-aligned disclosure implementation timetable.

The Charity Commission plans to make disclosures for Risk Management, Strategy and Metrics and Targets disclosures and in future reporting periods in line with the central government implementation timetable (2024-25 Risk Management and Metrics and Targets, 2025-26 Strategy).

Accounting officer's statement of effectiveness

I have reviewed the effectiveness of the Commission's governance structures, risk management and internal controls. Taking into account: the results from our internal audit programme and other external assurances; assurance letters from each of my directors summarising the effectiveness of their systems of governance, risk management and control; and the ongoing review of our governance arrangements, I have concluded that the Commission has satisfactory governance and risk management systems in place, with effective plans to ensure continuous improvement.

Dame Helen Stephenson CBE
Chief Executive and Accounting Officer
12 July 2024

Part 3b Remuneration and Staff Report

Remuneration Report

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise. All appointments are overseen by the Office of the Commissioner for Public Appointments.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

All Board members are on fixed-term contracts from the Department for Culture, Media and Sport. Dame Helen Stephenson CBE is also on a fixed-term contract. The Chief Executive and the directors are all directly employed by the Commission.

Further information about the work of the Civil Service Commission can be found at: www.civilservicecommission.org.uk

Remuneration Policy

The Chair and non-executive Board members

In accordance with Schedule 1, paragraph 4(1) of the Charities Act 2011, remuneration, and such other allowances, for Non-Executive Board Members, including the Chair, is determined by the Secretary of State for Culture, Media and Sport. Remuneration for Non-Executive Board Members is paid by the Commission.

SCS executive

Our senior staff pay policy is in line with the work and recommendations of the Senior Salaries Review Body. The Non-Executive Board Members agree the annual bonus arrangements for the Chief Executive, on the recommendation of the Remuneration and People Committee. The Chief Executive is the final decision-maker for the performance rating and bonus for the 6 members of the SCS executive, but the RAP moderates and provides vital challenge based on their knowledge and experience.

Charity Commission staff

The Charity Commission is responsible for employing staff and keeps the terms broadly in line with those that apply to the Civil Service through compliance with the annual Civil Service pay remit guidance. Our staff normally hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Levels of remuneration are set at an appropriate level to recruit, retain and motivate able, qualified and high-calibre people within the budget available to the Commission.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of Board members and the most senior executive officials of the Commission.

Remuneration (audited)

All non-executive Board members (excluding the Chair) serving in 2023-24 received a fee of £350 per day (unchanged from last year), so their overall fee/salary reflects days worked.

No pension contributions are paid for non-executives (2023-24: £nil).

Board, Chair and Chief Executive	Fee/salary		Bonus payment		Pension benefits[1]		Single total figure of remuneration	
	£'000		£'000		£'000		£'000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23[2]	2023-24	2022-23
Orlando Fraser KC (Chair)	60-65	55-60 (60-65 full year equivalent)	0	0	0	0	60-65	55-60 (60-65 full year equivalent)
Dame Helen Stephenson CBE (Chief Executive)	145-150	135-140	5-10	5-10	43	(32)	195-200	110-115
Pippa Britton OBE (Board Member) from 26/09/2022	5-10	0-5 (5-10 full year equivalent)	0	0	0	0	5-10	0-5 (5-10 full year equivalent)
Rory Brooks CBE (Board Member from 27/03/2023)*	0	0	0	0	0	0	0	0
Shrenik Davda (Board Member from 27/03/2023)	0-5	N/A	0	0	0	0	0-5	0
Ian Karet (Board Member to 03/10/2023)	0-5 (0-5 full year equivalent)	0-5 (0-5 full year equivalent)	0	0	0	0	0-5 (0-5 full year equivalent)	0-5 (0-5 full year equivalent)
Will Lifford (Board Member)**	5-10	10-15	0	0	0	0	5-10	10-15
Ann Phillips (Board Member) from 01/09/2022	5-10	0-5 (5-10 full year equivalent)	0	0	0	0	5-10	0-5 (5-10 full year equivalent)
Joanne Prowse (Board Member)	5-10	5-10	0	0	0	0	5-10	5-10
Mark Simms OBE (Board Member from 27/03/2023)	5-10	0	0	0	0	0	5-10	0

* Rory Brookes did not claim any remuneration in 2023-24.

** Will Lifford's 2022-23 remuneration included an amount in respect of his role during that year as the Commission's representative on the SORP (Statement of Recommended Practice) -Making Body.

Directors and Chief Operating Officer	Fee/salary £'000		Bonus payment £'000		Pension benefits[1] £'000		Single total figure of remuneration £'000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23[2]	2023-24	2022-23
Nick Baker (Chief Operating Officer)	125-130	115-120	5-10	0-5	47	47	175-180	170-175
Roberto Confessore (Director of Digital, Data and Technology)	95-100	90-95	0-5	0-5	55	36	155-160	130-135
Helen Earner (Director of Regulatory Services)	95-100	90-95	0	5-10	31	8	125-130	105-110
Paul Latham (Director of Communications and Policy)	105-110	95-100	0-5	0	61	14	165-170	110-115
Aarti Thakor (Director of Legal and Accountancy Services)	100-105	95-100	0-5	5-10	38	35	140-145	135-140

[1] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

[2] Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

The pension benefits for each Director are calculated as the real increase in actuarial assessed capitalised valuation of the pension scheme – see later section on Civil Service Pensions for additional explanation of the scheme.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

Benefits In kind

No benefits in kind were paid in 2023-24.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2023-24 relate to performance in 2022-23 and the comparative bonuses reported for 2022-23 relate to the performance in 2021-2022.

Fair Pay Disclosure (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

In 2023-24, Nil (2021-22: Nil) employees received remuneration in excess of the highest-paid Director. Remuneration ranged from £22,757 to £150,000-£155,000 (2022-23: £18,278 to £140,000-£145,000).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Fair Pay Disclosures

Percentile ratio to highest earner

	2023-24	2022-23
75th percentile ratio	3.3:1	3.4:1
Median pay ratio	4.3:1	4.5:1
25th percentile ratio	5.0:1	5.2:1

	2023-24		2022-23	
	Total pay and benefits	Salary component of pay and benefits	Total pay and benefits	Salary component of pay and benefits
75th percentile	46,131	43,457	42,266	42,055
Median pay	35,240	32,220	32,010	30,599
25th percentile	30,774	28,499	27,744	27,290

2022-23 has been restated to reflect staff in post as at 31-03-2023, and not staff employed throughout the year.

Increase/(decrease) in Salary and Allowances and Performance Pay and Bonus

	Highest Earner		Mean Earner	
Year	Salary and Allowances	Performance Pay and Bonuses	Salary and Allowances	Performance Pay and Bonuses
2023-24	5%	17%	9%	-11%

The highest earner salary has increased as expected in line with the 2023-24 pay award. The 'Performance Pay and Bonus' has increased by 17% due to lower bonus being paid in 2022-23. The bonus received in 2023-24 was the same as that received in 2021-22.

The mean salary has increased due to recruitment at higher pay bands throughout 2023-24. This can also be seen via our 'Workforce Shape' disclosure within the Staff Report.

The 75th percentile has remained the same as last year, and the Median and 25th percentile have decreased slightly. All pay values have increased in line with the pay award in 2023-24.

Remuneration includes £1,500 non-consolidated lump sum in recognition of living pressures as directed by the Cabinet Office (applied and prorated where required in line with Cabinet Office guidance).

Reimbursement of expenses

Expenses claimed by Board Members are in respect of actual receipted expenditure for travel, subsistence and accommodation in 2023-24. For the Chair, Chief Executive, Directors and other Commission staff, expenses claimed are in respect of costs expended for business travel and accommodation and subsistence allowance, in accordance with Civil Service guidelines. The Commission publishes on its website details of expenses claimed by the Chair, Board Members and the Chief Executive.

Pension Benefits (audited)

	Accrued pension at pension age at 31 March 2024 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2024	CETV at 31 March 2023	Real increase in CETV
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Dame Helen Stephenson CBE (Chief Executive)	55-60 plus a lump sum of 140-145	2.5-5 plus a lump sum of 0	1,258	1,163	34
Nick Baker (Chief Operating Officer)	10-15	2.5-5	170	114	34
Roberto Confessore	10-15	2.5-5	186	129	36
Helen Earner	25-30 plus a lump sum of 70-75	0-2.5 plus a lump sum of 0	594	524	18
Paul Latham	35-40	2.5-5	692	588	46
Aarti Thakor	0-5	0-2.5	56	26	20

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website: www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

Building an expert Commission

Our ability to deliver our regulatory approach is reliant on our greatest resource – our people. Our new strategy sets out our ambition to be an expert Commission, where our people are empowered and enabled to deliver excellence in regulation. In order to achieve this ambition, it is crucial that we are seen as an attractive employer, able to recruit and retain the highest calibre of staff.

With historically high attrition rates and staff reporting low satisfaction with pay, it was necessary to take action. We have therefore this year placed a major focus on rewarding our people fairly through the People and Culture programme. In June 2024, we took advantage of the flexibility in this year's pay remit to make a non-consolidated payment of £1,500 to full-time employees in delegated grades (subject to eligibility), and we have also this year implemented a pay band realignment. As a result, we saw a significant increase in staff reporting satisfaction with their pay in the People Survey (from 17% in 2022 to 43% in 2023).

Another area of focus has been investing in building the skills of our people. All those new to the Commission are required to complete our Commission Academy training programme, to ensure that our staff are confident in, and capable of, delivering casework outcomes swiftly yet with rigour. We have further built our expertise in communicating effectively with charities and the public through the launch our new Communications Commitments. These set out how we will make our writing clear and accessible, ensuring that our decision-making is explained transparently, and that our asks of trustees and those who raise issues with us are easily understood. Training on the Commitments has been rolled out across the organisation.

Other achievements in 2023-24

Other achievements this year have included the following:

- We have continued to strengthen our organisational identity. In the summer 2023, we undertook extensive engagement with colleagues to seek their views on the development of our new 2024-2029 Strategy, with around 200 staff taking part in strategy engagement workshops.
- In 2022-23 we launched our new values for the organisation:

  We are an expert Charity Commission that is ***fair***, ***balanced***, and ***independent***. We work together in a way that is ***supportive***, ***collaborative***, and ***innovative*** to achieve our ambitions.

  We have continued to embed these values through staff workshops and incorporating them in our relevant HR policies. We have also this year issued a series of internal blogs from each of our directors, articulating what our values mean to them.
- The continued roll-out of our leadership programme (Future, Engage, Deliver) through the line management levels has contributed to improvements in leadership decisions and a more collaborative culture.
- To enable our staff to be compliant with their mandatory learning, we have designed and delivered individual and line manager dashboards. The dashboards collate training from different platforms into one accessible view, improving monitoring and understanding of training requirements.
- We have this year maintained 100% compliance in our Line Manager Essentials training, which focussed on essential line management skills and processes. We have also maintained high completion rates for our other all-staff training, which includes modules on well-being, inclusion, health and safety, and data protection, achieving above our target of 95% completion in all areas.
- Our annual Employee Awards proved ever popular with staff, with 235 nominations spread over criteria in 6 categories. This year, the categories had been updated to reflect our values and were:
  - Delivering for our customers
  - Supportive
  - Innovation
  - Collaboration
  - Engagement Champions: Unsung Hero
  - Chair’s Award: Expert Commission

Staff Changes over the year

		31 March 2022	31 March 2023	31 March 2024
Staff on payroll	Number in post	470	511	488
Contingent Labour (Agency & Contractors)	Number in post	25	1	1
Workforce shape*	Headcount at pay band 3 and below	31% (144)	28% (145)	28% (131)
	Headcount at pay band 4 and above, excluding SCS	68% (314)	71% (358)	71% (336)
	Senior civil servants	1% (6)	1% (6)	1% (7)
Workforce diversity**	BME in full	5%	9.2%	5%
	Women	62%	60%	61%
	Women (SCS only)	50%	50%	42%
	Disabled	6%	14%	6%
Attendance	Average working days lost	5.8 days	6 days	8.5
Civil Service People Survey	Engagement Index %	66	65	65

* Our staff on payroll also includes 8 public appointments as at 31 March 2024.

** The figures portray a decrease in the proportion of staff with disabilities and from ethnic minority backgrounds. These figures are based on self-declarations on our HR database – in both instances there remains a significant number of "undeclared" or "prefer not to say" responses. The reported decrease is primarily due to the departure of staff with these protected characteristics. See page 57 for more information.

The Commission employed 7 Senior Civil Servants as at 31 March 2024 (6 at SCS pay grade 1 and 1 at SCS pay grade 2).

The size of the workforce has decreased in headcount by 23 this year. Turnover in the rolling 12 months has increased to 15.2% from 13.8% at the end of last year.

While we have not seen a return to the high levels of attrition in 2021-22, this remains a concern for us, and we continue to monitor this metric carefully. In particular, attrition is higher in professional services and the IT Directorates, and filling those vacancies remains a challenge.

Of our 71 leavers, 7 were dismissed and 17 came to the end of their Fixed Term Contracts.

Leavers are offered exit interviews with a HR Business Partner or a Recruitment Manager. 43 interviews took place over the year and feedback was passed through the relevant line management chain and anonymised feedback to the broader relevant areas of the organisation.

Exit interviews are individual and contain varied points. In terms of the limited general feedback, a few focussed on the positive working culture in terms of friendliness and flexibility. A proportion of the reasons for leaving were due to career progression and leaving for a higher salary.

In line with Civil Service and national trends, we have seen an increase in absence associated with mental health in the last 12 months. We continue to look at ways to bring people back to work and support them to work productively.

Type of appointment	31 March 2022 (% of headcount)	31 March 2023 (% of headcount)	31 March 2024 (% of headcount)
Permanent Employee	86% (427 headcount)	94% (479 headcount)	94% (458 headcount)
Fixed Term	9% (43 headcount)	6% (30 headcount)	6% (30 headcount)
Secondment In	0% (0 headcount)	0% (0 headcount)	0% (0 headcount)
Contingent Labour	5% (25 headcount)	0% (1 headcount)	0% (1 headcount)

Staff policies applied throughout the year

The Charity Commission adheres to a suite of HR policies which are designed to support and engage all staff in contributing to a healthy working environment. Policies are compliant with employment legislation and provide advice and guidance to staff and line managers on issues arising in the lifecycle of an employee.

We have consulted on and relaunched our Code of Conduct this year – the new version reflects our new values and clearly defines our expectations of all staff; ranging from expected behaviours in the workplace through to compliance with legislation. We have also updated our guidance on how staff can combine and balance their private involvement with charities with their role working for the regulator, and how any conflicts of interest should be managed.

Diversity and inclusion

We aim to provide a working environment that is free from discrimination, harassment or victimisation, where everyone receives fair and equal treatment related to effective performance in their job. In April 2024 we published our approach to Diversity and Inclusion 2024-2027, which sets out our ongoing commitment to mainstreaming inclusion at the Commission. We will achieve this by building a supportive culture that empowers and enables our people to reach their full potential, gives our people the confidence to challenge and be challenged, and ensures that no individual or team feels isolated.

Reporting gender pay gap outcomes is a legal requirement for organisations with more than 250 employees under the Equality Act 2010 Gender Pay Gap Information Regulations 2017. In 2023, our median gender pay gap was 0.4%. This means that on average men working for the Commission were paid 0.4% more than women, a figure which has decreased from 2.8% in 2022. This is one of the lowest gaps across the whole Civil Service.

Our median bonus gender gap is 8.4%, which has increased from 2.6% in 2022. This is largely owing to the fact that, whilst more females than males received a bonus, males received a 4% higher bonus amount on average. A Rewards Committee has been formed to help ensure consistency in the application of awards.

We are committed to the Disability Confident Scheme, ensuring that all candidates with disabilities who meet the minimum criteria for the role are guaranteed an interview, together with any required reasonable adjustments in the selection process. We have a supportive approach to implementing workplace adjustments for those who join the Charity Commission, as well as for those who first need adjustments during their employment with us. We seek specialist advice through our occupational health service advisers to enable those with disabilities or living with chronic conditions to continue in their current post.

As set out at page 56, there has this year been a decrease in the proportion of staff declaring that they are from an ethnic minority background or have a disability. We are keen to reverse this and will be reviewing our recruitment and selection processes to support this work. We are also seeking to increase the number of self-declarations by promoting to staff the importance of these declarations to improving our overall understanding of diversity at the Commission.

Employee engagement

Our engagement score for the People Survey 2023 was 65%, which is maintained from the previous year’s score and 1 percentage point above the broader Civil Service average. Our response rate was 84%.

We were particularly pleased with some of our inclusion-related scores, which demonstrated that our people had the highest rate of confidence across the Civil Service in reporting any bullying or harassment.

In addition, a high percentage of staff felt supported by their managers to balance their work and caring responsibilities (80%) and that they had access to workplace adjustments needed to remove barriers to effective working owing to illness or disability (77%).

Teams have been asked to review and discuss their results and create locally owned action plans. These will form part of an ongoing employee engagement cycle throughout the year to progress improvements.

Health and safety at work

The Commission recognises the requirements imposed by Health and Safety regulations and the duties imposed upon the employer. We are committed to providing a safe place of work and a safe means of access within all parts of the workplace. This also applies to our hybrid working arrangements, with staff working part of their week from home, and to staff whose roles involve offsite visits.

Our Health and Safety Committee (see page 39) is responsible for oversight of health and safety matters at the Commission. We are compliant with our legal duty to hold regular meetings with Departmental Trade Union safety representatives through this Committee.

Business Appointment Rules

In compliance with Business Appointment Rules (BARs), we are transparent in the advice given to individual applications for senior staff. We publish guidance on our staff intranet site, which provides links to the wider Civil Service guidance on GOV.UK. We inform all leavers to whom the BARs apply of the requirements.

Employee relations

The Commission recognises two Civil Service Trade Unions, and the relationship operates under the Civil Service Employment Relations framework. Emerging issues or critical business decisions are discussed at monthly meetings between management and Trade Unions.

We have this year updated our framework for how we engage with recognised Trade Unions, seeking to ensure that staff views on key changes are discussed and taken into account, and that relations are positive and constructive.

Not all staff are members of the Trade Unions, and the role of our Internal Communications Team is to inform and engage all staff on such issues as well as news and updates about our work and business.

Trade Union Facility Time

Type of appointment	2023-24	2022-23
Organisation name	Charity Commission for England and Wales	Charity Commission for England and Wales
Headcount	50 to 1,500	50 to 1,500
Number of TU representatives	9	10
FTE Number of TU representatives	9	10
Number of TU representatives that spend 0% of working hours on facility time	0	0
Number of TU representatives that spend 1-50% of working hours on facility time	9	10
Number of TU representatives that spend 51-99% of working hours on facility time	0	0
Number of TU representatives that spend 100% of working hours on facility time	0	0
Organisation's total pay bill	£26,261,033	£24,005,756
Total cost of facility time	£14,186	£15,800
Percentage of pay spent on facility time	0.05%	0.07%

Staff costs (audited)

	2023-24			2022-23		
	Permanently employed staff	Temporarily employed staff	Total	Permanently employed staff	Temporarily employed staff	Total
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Wages and salaries	19,311	0	19,311	17,559	0	17,559
Social security costs	2,043	0	2,043	1,896	0	1,896
Other pension costs	4,785	0	4,785	4,550	0	4,550
Agency staff	0	573	573	0	593	593
Severance costs	124	0	124	0	0	0
(Decrease)/Increase in IAS 19: employee benefits accrual	(3)	0	(3)	88	0	88
Total	**26,260**	**573**	**26,833**	**24,093**	**593**	**24,686**
Charged to Capital	(1,062)	(211)	(1,273)	(664)	(197)	(861)
Total Net Costs	**25,198**	**362**	**25,560**	**23,429**	**396**	**23,825**

As a non-Ministerial Government Department, the Commission's pay costs relate to staff. There are no Ministers or Advisors.

The Principal Civil Service Pensions Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha' – are unfunded multi-employer defined benefit schemes in which the Charity Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2023-24, employers' contributions of £4.744 million were payable to the PCSPS (2022-23 £4.515 million) at one of four rates in the range 26.6% to 30.3% (2022-23 26.6% to 30.3%) of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, which is a stakeholder pension with an employer contribution. Employers' contributions of £41k (2022-23 £35k) were paid to one or more of a panel of three appointed stakeholder pension providers. Employers' contributions are age-related and range from 8% to 14.75% (2022-23 8% to 14.75%). Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £nil was payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

No staff members retired early on ill health grounds, so the total additional accrued pension liabilities amounted to nil.

Contributions due to the partnership pension providers at 31 March 2024 were £7k. Contributions prepaid at that date were £nil.

Average number of persons employed (audited)

The average numbers of full-time equivalent persons (FTE), including senior management, employed during the year was as follows:

	Permanently employed staff	Temporarily employed staff	2023-24 Number	2022-23 Number
Charity Commission staff	467	0	467	464
Agency staff	0	4	4	7
Total	**467**	**4**	**471**	**471**

Reporting of Civil Service and other compensation schemes – exit packages (audited)

Unless otherwise stated, redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. Where the Commission has agreed early retirements, the additional costs are met by the Commission and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

The table below shows the total cost of exit packages agreed and accounted for in 2023-24:

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Less than £10,000	0	0	0	0	0	0
£10,000 - £24,999	0	0	0	0	0	0
£25,000 - £49,999	0	0	0	0	0	0
£50,000 - £99,999	0	0	2	0	2	0
£100,000 - £150,000	0	0	0	0	0	0
Total number of exit packages	**0**	**0**	**2**	**0**	**2**	**0**
Total resource cost (£'000)	**0**	**0**	**124**	**0**	**124**	**0**

Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater	
No. of existing engagements as of 31 March 2024	**3**
Of which...	
No. that have existed for less than one year at time of reporting	3
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater	
No. of temporary off-payroll workers engaged during the year ended 31 March 2024	**5**
Of which...	
Not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	5
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: no. of engagements that saw a change to IR35 status following review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024	
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year. (1)	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements. (2)	15

Expenditure on consultancy

The Commission spent £154,240 (2022-23 £91,767) on consultancy during the year to obtain objective advice relating to strategy, structure, management or operations. Use of consultancy includes activity relating to pay and grading, corporate strategy review and IT strategy and planning. None of this expenditure was capitalised.

Part 3c Parliamentary Accountability and Audit Report

Statement of Outturn against Parliamentary Supply (audited)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Commission to prepare a Statement of Outturn against Parliamentary Supply (SoPS) and supporting notes.

The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SoPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SoPS mirrors the Supply Estimates, published on GOV.UK, to enable comparability between what Parliament approves and the final Outturn.

The SoPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so Outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of Outturn to net operating expenditure in the SOCNE, to tie the SoPS to the financial statements (note 2); a reconciliation of Outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4). In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Commission to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes to show resource Outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit. The SoPs and related notes are subject to audit.

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Summary of Resource and Capital Outturn 2023-24

								2023-24 Voted	2022-23 Outturn
		Estimate			Outturn				
	SoPS note	Voted	Non-voted	Total	Voted	Non-voted	Total	Outturn compared with Estimate: saving/ (excess)	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental Expenditure Limit									
– Resource	1.1	32,254	0	32,254	32,180	0	32,180	74	32,089
– Capital	1.2	2,250	0	2,250	2,179	0	2,179	71	2,676
Annually Managed Expenditure									
– Resource	1.1	200	0	200	0	0	0	200	0
– Capital		0	0	0	0	0	0	0	0
Total Budget		**34,704**	**0**	**34,704**	**34,359**	**0**	**34,359**	**345**	**34,765**
Non-Budget									
– Resource	1.1	0	0	0	0	0	0	0	0
Total		**34,704**	**0**	**34,704**	**34,359**	**0**	**34,359**	**345**	**34,765**
Total Resource		32,454	0	32,454	32,180	0	32,180	274	32,089
Total Capital		2,250	0	2,250	2,179	0	2,179	71	2,676
Total		**34,704**	**0**	**34,704**	**34,359**	**0**	**34,359**	**345**	**34,765**

Net cash requirement 2023-24

				2023-24	2022-23
	SoPS Note	Estimate	Outturn	Net Outturn compared with Estimate: saving/(excess)	Total Outturn
		£'000	£'000	£'000	£'000
Net cash requirement	3	32,637	32,209	428	31,498

Administration costs 2023-24

		2023-24		2022-23
	Estimate	Outturn		Total Outturn
	£'000	£'000		£'000
	32,254	32,180		32,089

Figures in the areas outlined in bold are control limits voted by Parliament. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

All Estimate and Outturn balances disclosed under the Departmental Expenditure Limit relate to administration costs. Administration expenditure reflects the costs of running the Commission. The classification of expenditure as administration follows the definition of administration costs set by HM Treasury. All Estimate and Outturn balances disclosed under Annually Managed Expenditure are classified as programme costs and relate to transactions in respect of Provisions.

Statement of Outturn against Parliamentary Supply

SoPS 1. Net Outturn

SoPS 1.1 Analysis of net Resource Outturn by section

	2023-24									2022-23
	Outturn							Estimate		Outturn
	Administration			Programme						
	Gross	income	Net	Gross	income	Net	Total	Net total	Net total compared to Estimate	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Spending in department expenditure limit										
Voted: Giving the public confidence in the integrity of charities										
	33,667	(1,487)	32,180	0	0	0	32,180	32,254	74	**32,089**
	33,667	**(1,487)**	**32,180**	**0**	**0**	**0**	**32,180**	**32,254**	**74**	**32,089**
Annually managed expenditure										
Voted: Giving the public confidence in the integrity of charities										
	0	0	0	0	0	0	0	200	200	**0**
Total	**33,667**	**(1,487)**	**32,180**	**0**	**0**	**0**	**32,180**	**32,454**	**274**	**32,089**

SoPS 1.2 Analysis of net Capital Outturn by section

	2023-24					2022-23
	Outturn			Estimate		Outturn
	Gross	income	Net	Net	Net total compared to Estimate	Net
Spending in department expenditure limit	-	-	-	-	-	-
Voted: Giving the public confidence in the integrity of charities	2,179	0	2,179	2,250	71	2,676
Total	**2,179**	**0**	**2,179**	**2,250**	**71**	**2,676**

SoPS 2 Reconciliation of net Resource Outturn to net operating expenditure

		2023-24	2022-23
	SoPS Note	£'000	£'000
Total Resource Outturn in Statement of Parliamentary supply	1.1	32,180	32,089
Net operating expenditure in Statement of Comprehensive Net Expenditure		**32,180**	**32,089**

As noted in the introduction to the SoPS above, Outturn and Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the Resource Outturn to net operating expenditure, linking the SoPS to the financial statements.

SoPS 3 Reconciliation of net Resource Outturn to net cash requirement

		Estimate	Outturn	Net total Outturn compared with Estimate: Saving/ (Excess)
	SoPS Note	£'000	£'000	£'000
Resource Outturn	**1.1**	**32,454**	**32,180**	**274**
Capital Outturn	**1.2**	**2,250**	**2,179**	**71**
Accruals to cash adjustments: Accruals to remove non-cash items:				
Depreciation/Amortisations		(3,776)	(1,846)	(1,930)
Interest Right of Use assets		0	(21)	21
Leased asset additions		0	0	0
Loss on disposal of fixed asset		0	0	0
New provisions		(200)	0	(200)
Auditors remuneration		(67)	(73)	6
Adjustments to reflect movements in working balances:				
Increase/(decrease) in trade and other receivables		0	(976)	976
(Increase)/decrease in trade and other payables		1,976	766	1210
Net cash requirement		32,637	32,209	428

As noted in the introduction to the SoPS above, Outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the Resource and Capital Outturn to the net cash requirement.

SoPS 4 Amounts of income to the Consolidated Fund

	Outturn Total		Prior Year 2022-23	
	Accruals	Cash basis	Accruals	Cash basis
	£'000	£'000	£'000	£'000
Income outside the ambit Estimate	0	0	0	0
(Excess) cash surrenderable to the Consolidated fund	0	0	0	0
Total payable to the Consolidated fund	**0**	**0**	**0**	**0**

Regularity of expenditure (audited)

There are no material losses and special payments for the year. There are no material remote contingent liabilities for the year.

Fees and charges disclosure requirements under Managing Public Money are met in Note 3 to the Accounts. The column headed 'Other Government Funded projects' relates wholly to services for which costs are fully recovered.

No gifts were made in 2023-24.

Government functional standards

As of March 2022, all central government departments and their Arms Length Bodies (ALBs) were required to have a plan in place to comply with each functional standard in a way that meets its business needs and priorities.

We continue to assess our position in relation to the standards and are satisfied that we are complying in a way that is proportionate and appropriate for an organisation of our size and scope. This assessment is subject to monitoring and review, including to identify actions that can be taken to improve any gaps in compliance.

Dame Helen Stephenson CBE
Chief Executive and Accounting Officer
12 July 2024

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on financial statements

I certify that I have audited the financial statements of the Charity Commission for England and Wales for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Charity Commission for England and Wales':

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Charity Commission for England and Wales' affairs as at 31 March 2024 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2024 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Charity Commission for England and Wales in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Charity Commission for England and Wales' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity Commission for England and Wales' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Charity Commission for England and Wales is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Charity Commission for England and Wales and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Charity Commission for England and Wales or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Charity Commission for England and Wales from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Charity Commission for England and Wales' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Charity Commission for England and Wales will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Charity Commission for England and Wales' accounting policies.
- inquired of management, Charity Commission for England and Wales' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Charity Commission for England and Wales' policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Charity Commission for England and Wales' controls relating to the Charity Commission for England and Wales' compliance with the Government Resources and Accounts Act 2000, Managing Public Money and Charity Act 2011;
- inquired of management, Charity Commission for England and Wales' head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Charity Commission for England and Wales for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Charity Commission for England and Wales' framework of authority and other legal and regulatory frameworks in which the Charity Commission for England and Wales operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Charity Commission for England and Wales. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2023, employment law, pensions legislation, tax legislation and the Charities Act 2011.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
15 July 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Part 4 Resource Accounts

Contents

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2024

This account summarises the expenditure and income generated and consumed on an accruals basis.

The notes form part of the financial statements.

	Note	2023-24	2022-23
		£'000	£'000
Operating income	5	(1,487)	(1,490)
Total operating income		**(1,487)**	**(1,490)**

Staff costs	4	25,560	23,825
Other administration costs	4	8,107	9,754

Total operating expenditure		**33,667**	**33,579**
Net operating expenditure		**32,180**	**32,089**

Statement of Financial Position

As at 31 March 2024

The Statement of Financial Position is a summary of all the Commission's assets and liabilities as at 31 March 2024.

The notes form part of the financial statements.

	Note	31 March 2024	31 March 2023
		£'000	£'000
Non-current assets:			
Property, plant and equipment	6	399	789
Intangible assets	7	5,647	4,924
Right of use assets	8	1,763	3,228
Total non-current assets		**7,809**	**8,941**
Current assets:			
Trade, other receivables and prepayments	10	551	1,527
Cash and cash equivalents	9	428	75
Total current assets		**979**	**1,602**
Total assets		**8,788**	**10,543**
Current liabilities:			
Trade and other payables	11	(4,021)	(4,940)
Total current liabilities		**(4,021)**	**(4,940)**
Total assets less liabilities		**4,767**	**5,603**
Non-current liabilities:			
Trade and other payables	11	(909)	(1,847)
Total non-current liabilities		**(909)**	**(1,847)**
Total assets less total liabilities		**3,858**	**3,756**
Taxpayers' equity:			
General fund		3,858	3,756
Total taxpayers' equity		**3,858**	**3,756**

Dame Helen Stephenson CBE
Chief Executive and Accounting Officer
12 July 2024

Statement of Cash Flows

For the year ended 31 March 2024

The Statement of Cash Flows records the actual transfer of cash into and out of the Commission during the financial year.

The notes form part of the financial statements.

	Note	2023-24	2022-23
		£'000	£'000
Cash flows from operating activities:			
Total net operating expenditure		**(32,180)**	**(32,089)**
Non-cash transactions	4	3,385	3,965
Decrease/(increase) in trade and other receivables	10	976	96
(Decrease)/increase in trade and other payables*	11	(766)	163
Net cash outflow from operating activities		**(28,585)**	**(27,865)**
Cash flows from investing activities			
Purchase of plant, property and equipment	6	(72)	(392)
Purchase of intangible assets	7	(2,106)	(1,937)
Net cash outflow from investing activities		**(2,178)**	**(2,329)**
Cash flows from financing activities			
From Consolidated Fund (Supply) – current year		32,562	31,147
Lease payments not posted through SoCNE		(1,446)	(1,305)
Net financing		**31,116**	**29,842**
Net (decrease)/increase in cash in the period		**353**	**(352)**
Cash and cash equivalents at the beginning of the period		**75**	**427**
Cash and cash equivalents at the end of the period		**428**	**75**

* The cash payments of our lease charges are shown within the net operating expenditure figure. The increase in trade and other payables excludes the increase in lease liabilities shown in note 11 as this is an IFRS 16 movement.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2024

The Statement of Changes in Taxpayers' Equity summarises the movement in the net worth of the Commission.

The notes form part of the financial statements.

	Note	£'000
Balance as at 1 April 2023		**3,756**
Non-cash charges – auditors' remuneration	4	73
Net operating cost for the year		(32,180)
Total recognised income and expense for 2023-24		**(32,107)**
Net Parliamentary Funding – drawn down		32,562
Net Parliamentary Funding – deemed		75
Supply payable		(428)
Balance as at 31 March 2024		**3,858**

Changes in taxpayers' equity for 2022-23

	Note	£'000
Balance as at 1 April 2022		**4,276**
Non-cash charges – auditors' remuneration	4	70
Net operating cost for the year		(32,089)
Total recognised income and expense for 2022-23		**(32,019)**
Net Parliamentary Funding – drawn down		31,147
Net Parliamentary Funding – deemed		427
Supply payable		(75)
Balance as at 31 March 2023		**3,756**

Notes to the Departmental Resource Accounts

1. General information

The Charity Commission is an independent, non-ministerial government department, accountable to Parliament with our registered head office at: 102 Petty France, London, SW1H 9AJ.

Our responsibilities are to:

1. Increase public trust and confidence in charities.
2. Promote awareness and understanding of the operation of the public benefit requirement.
3. Promote compliance by charity trustees with their legal obligations in exercising control and management of the administration of their charities.
4. Promote the effective use of charitable resources.
5. Enhance the accountability of charities to donors, beneficiaries and the general public.

2. Statement of accounting policies

These financial statements, which cover the accounting period 1 April 2023 to 31 March 2024, have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission are described below. Other than the adoption of IFRS 16 with effect from 1 April 2022 (see 2.10) they have been applied consistently in dealing with items that are considered material to the financial statements.

In addition to the primary statements prepared under IFRS, the FReM also requires the Commission to prepare one additional primary statement. The Statement of Parliamentary Supply and supporting notes show Outturn against Estimate in terms of the net resource requirement and the net cash requirement.

In common with other government departments, the Commission's liabilities are expected to be met by future grants of supply and the application of future income, both to be approved annually by Parliament. There is no reason to believe that future Parliamentary approval will not be forthcoming, and therefore, in accordance with FReM 8.2.2, it has been concluded as appropriate to adopt the going concern basis of preparation for these accounts. There is reasonable expectation that the Accounting Officer has reasonable expectation that the department will continue in operational existence for at least 12 months from the date the Financial Statements are authorised for issue.

2.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

2.2 Property, plant and equipment

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis where that expenditure exceeds £1,000 and the benefit it yields has a life of more than one year. Expenditure on routine repairs and maintenance that does not add to the value of the asset is not capitalised. Grouped assets with a total value exceeding £1,000 and individual item value exceeding £500 are also capitalised.

Property, plant and equipment held for their service potential are stated at depreciated historical cost which is regarded as a suitable proxy for current value in use given their short lives and low value. Such expenditure includes any costs such as installation directly attributable to bringing them into working condition.

2.3 Intangible assets

Intangible assets are assets that do not have physical substance but are identified and controlled by the Commission and have a life of more than one year, such as software licences. Expenditure on intangible assets is initially recorded at cost. This includes directly attributable costs for bringing the intangible asset into use. Intangible assets will only be recognised where these costs exceed £1,000. Once the assets have been brought into use, they are amortised at a rate calculated to write them down to an estimated residual value on a straight-line basis over their estimated useful life. They are therefore stated at depreciated historical cost which is regarded as a suitable proxy for depreciated replacement cost as any indexation would not be material.

The Commission capitalises intangible assets in line with IAS 38. Projects are separated into two clearly identifiable stages (the discovery phase and the delivery phase). Costs are capitalised when the development phase is entered and there is a commitment and funding to see the project through to completion, bringing future benefit to the Commission.

2.4 Depreciation and Amortisation

Property, plant and equipment and intangible assets are depreciated/amortised at a rate calculated to write down their value to their estimated residual value on a straight-line basis over their estimated useful life. Depreciation on property, plant and equipment, and amortisation of intangible assets, is applied in the year of acquisition for purchased assets or, in the case of assets under construction, in the year which the asset is brought into use. Asset lives are estimated drawing on experience of similar assets in the past and our expectations of new asset usage. Asset lives are normally in the following ranges:

- Information technology (equipment): 2-7 years
- Information technology (laptops): 2 years
- Furniture and fittings: 5-7 years
- Leasehold improvements: Term of lease or initial break point
- IT databases (inc. management systems): 2-5 years

2.5 Right-of use assets

Where a lease has been identified, the Commission recognises the right-of-use asset and a corresponding lease liability. Right-of-use assets are depreciated on a straight-line basis over the associated lease term, or estimated useful life where this is shorter. Impairment losses are charged in the same way as those arising on property, plant and equipment.

As permitted by the FReM, right-of-use assets are subsequently measured using the cost model as a proxy for the measurement of the cost value in use. This is because lease terms require lease payments to be updated for the market conditions, for example, rent reviews for leased properties, which will be captured in the IFRS 16 provisions. Right-of-use assets also have shorter useful lives and values than their respective underlying assets and, as such, cost can be used as a proxy for assets with shorter economic lives or lower values in accordance with the FReM.

2.6 Impairments

The value of databases and assets under construction are reviewed at the end of each financial year for evidence of reduction in value. Where an impairment is identified that is attributable to the clear consumption of future economic benefit, the loss is charged to the Statement of Comprehensive Net Expenditure.

2.7 Operating income

Operating income is income which relates directly to the operating activities of the Commission. Operating income is stated net of VAT. Income is recognised as it is earned. This income has been recognised as follows in line with IFRS 15 principles:

- contracts have been agreed and approved by both parties
- performance obligations have identified and agreed
- transaction prices have been agreed and revenue recognised on the following basis:

  fees for services which are charged as a fixed annual fee for the service provided in that year have been recognised in full for that financial year on the basis that when the year comes to an end the service has been fully provided

Fees charged to recover costs incurred where it has been agreed that these costs will be charged to other Government departments have been recognised in line with when those costs have been recognised by the Commission. Our main source of operating income relates to our work for which we receive funding from the Home Office. Income under this arrangement is claimed quarterly in arrears based on actual costs incurred.

2.8 Administration expenditure

Administration expenditure reflects the costs of running the Commission. The classification of expenditure as administration follows the definition of administration costs set by HM Treasury.

2.9 Foreign currency

As part of the Commission's limited international work, work is undertaken in foreign countries and expenditure will be incurred in the local currency. These transactions are converted into £ sterling using the exchange rate at, or close to, the official exchange rate on the date of the transaction.

2.10 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme and alpha scheme, which are described in the Remuneration Report. The Commission recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the schemes of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and alpha, and is not, therefore, reflected in the Commission's Statement of Financial Position. In respect of the defined contribution schemes, the Commission recognises the contributions payable for the year.

2.11 Leases

The Commission adopted IFRS 16 in 2022-23, as interpreted and adapted in the FReM, with effect from 1 April 2022. In accordance with the FReM, intra-UK government agreements, including Memorandum of Terms of Occupation MOTO) with the Government Property Agency, are treated as contracts and therefore within the scope of IFRS 16 where they convey the right to use an asset.

Where a lease has been identified, the Commission recognises a right-of-use asset and a corresponding lease liability, except for short term leases and leases for which the underlying asset is of low value. For such leases, the lease payments are recognised as an expense on a straight line basis over the lease term.

The Commission has not set a specific threshold for identifying assets that are of low value, and applies the guidance in IFRS 16 on a case by case basis.

Where the interest rate implicit in a lease cannot be readily determined, the Commission calculates the lease liability using the HM Treasury discount rates promulgated in the Public Expenditure System paper as the incremental borrowing rate. For leases that commence or are remeasured in the 2024 calendar year, this rate is 4.72% (2023: 3.51%).

The Commission does not apply IFRS 16 to leases of intangible assets and recognises these in accordance with IAS 38 where appropriate.

2.12 Value Added Tax

Most of the activities of the Commission are outside the scope of VAT. In general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT on revenue expenditure is charged to the Statement of Comprehensive Net Expenditure. VAT incurred on capital expenditure is included within the cost of property, plant and equipment and intangible assets. Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT.

2.13 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Commission discloses for Parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money. Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament noted separately. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

2.14 Significant estimates and judgements

The Commission is required, when applying its accounting policies, to make certain judgements, estimates and associated assumptions relating to assets, liabilities, income and expenditure. These judgements, estimates and associated assumptions are based on knowledge of current facts and circumstances, assumptions concerning past events and forecasts of future events and actions. Actual results may differ from the estimates stated for the provisions and the useful economic lives of the tangible and intangible assets.

3. Statement of Operating Costs by Operating Segment

For internal reporting purposes, the Charity Commission operates two segments: Charity Commission core business and other Government funded projects. The other Government funded projects are reported separately as they have their own funding streams and are operated as distinct units within the Commission. The primary financial statements record the total income, expenditure, assets and liabilities of the Charity Commission and the other Government funded projects. The note below shows the amounts attributable to the two segments.

	2023-24			2022-23		
	£’000			£’000		
	Charity Commission: core business	Other government funded projects	Total	Charity Commission: core business	Other government funded projects	Total
Gross Expenditure	32,180	1,488	**33,668**	32,089	1,490	**33,579**
Income	0	(1,488)	**(1,488)**	0	(1,490)	**(1,490)**
Net Expenditure	32,180	0	**32,180**	32,089	0	**32,089**
Total Assets	**8,788**	**0**	**8,788**	**10,161**	**382**	**10,543**
Total Liabilities	**4,930**	**0**	**4,930**	**(6,787)**	**0**	**(6,787)**
Net Assets	3,858	0	**3,858**	3,374	382	**3,756**

4. Expenditure

	Note	2023-24 £'000	2022-23 £'000
Staff Costs:			
Wages and salaries		19,311	17,559
Social security costs		2,043	1,896
Other pension costs		4,785	4,550
Agency staff		573	593
Severance costs		124	0
(Decrease)/Increase in IAS 19: employee benefits accrual		(3)	88
Total staff costs		**26,833**	**24,686**
Charged to Capital		(1,273)	(861)
Total net staff costs		**25,560**	**23,825**
Goods and services:			
Property costs		(20)	88
Interest Right of Use assets		93	28
Travel, subsistence and staff related costs		1,017	1,203
Accommodation		21	16
Office services		62	89
Contracted services/consultancy		738	1,058
Information systems and telephony		2,722	3,114
Specialist services		89	193
Total Goods and services		**4,722**	**5,789**
Non-cash items:			
Depreciation	6 & 8	1,908	1,865
Amortisation	7	1,383	1,965
Interest Right of Use assets		21	16
Loss on disposal of fixed asset	6 & 7	0	49
Auditors' remuneration		73	70
Total non-cash items		**3,385**	**3,965**
Total expenditure		**33,667**	**33,579**

Further analysis on staff numbers, compensation scheme packages and pension disclosure can be found within the accountability report.

Auditors

This year's resource accounts have been audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. No further services were provided by the NAO. The cost of audit work was £72,700 (2022-23: £70,728). This includes fees charged to the Commission for the audit of the Official Custodian of Charities' Financial Statements.

5. Income

	2023-24	2022-23
	£'000	£'000
Income received from other UK government departments:		
Income received for Commission work funded by the Home Office	1,448	1,422
Income in respect of services rendered	39	26
Income received for Commission work funded by DCMS	0	42
Total income	**1,487**	**1,490**

6. Property, plant and equipment

	Information technology	Furniture and fittings	Leasehold improvements	Total
	£'000	£'000	£'000	£'000
2023-24				
Cost or valuation				
At 1 April 2023	2,038	4	835	**2,877**
Additions	72	0	0	**72**
Disposals	(328)	(2)	0	**(330)**
Impairments	0	0	0	**0**
At 31 March 2024	**1,782**	**2**	**835**	**2,619**
Depreciation				
At 1 April 2023	1,495	4	589	**2,088**
Charged in year	327	0	136	**463**
Disposals	(328)	(2)	0	**(330)**
At 31 March 2024	**1,494**	**2**	**725**	**2,221**
Net Book Value at 31 March 2023	**543**	**0**	**246**	**789**
Net Book Value at 31 March 2024	**288**	**0**	**110**	**398**
2022-23				
Cost or valuation				
At 1 April 2022	2,107	6	835	**2,948**
Additions	392	0	0	**392**
Disposals	(461)	(2)	0	**(463)**
Impairments	0	0	0	**0**
At 31 March 2023	**2,038**	**4**	**835**	**2,877**
Depreciation				
At 1 April 2022	1,534	6	444	**1,984**
Charged in year	416	0	145	**561**
Disposals	(455)	(2)	0	**(457)**
At 31 March 2023	**1,495**	**4**	**589**	**2,088**
Net Book Value at 31 March 2022	**573**	**0**	**391**	**964**
Net Book Value at 31 March 2023	**543**	**0**	**246**	**789**

All assets are owned by the Commission.

7. Intangible assets

	Databases and management systems	Assets under construction	Total
	£'000	£'000	£'000
2023-24			
Cost or valuation			
At 1 April 2023	15,093	1,773	**16,866**
Additions	0	2,106	**2,106**
Transfers	3,879	(3,879)	**0**
Disposals	(27)	0	**(27)**
At 31 March 2024	**18,945**	**0**	**18,945**
Depreciation			
At 1 April 2023	11,942	0	**11,942**
Charged in year	1,383	0	**1,383**
Disposals	(27)	0	**(27)**
At 31 March 2024	**13,298**	**0**	**13,298**
Net Book Value at 31 March 2023	**3,151**	**1,773**	**4,924**
Net Book Value at 31 March 2024	**5,647**	**0**	**5,647**
2022-23			
Cost or valuation			
At 1 April 2022	15,762	233	**15,995**
Additions	0	1,937	**1,937**
Transfers	379	(379)	**0**
Disposals	(1,048)	(18)	**(1,066)**
At 31 March 2023	**15,093**	**1,773**	**16,866**
Depreciation			
At 1 April 2022	11,000	0	**11,000**
Charged in year	1,965	0	**1,965**
Disposals	(1,023)	0	**(1,023)**
At 31 March 2023	**11,942**	**0**	**11,942**
Net Book Value at 31 March 2022	**4,762**	**233**	**4,995**
Net Book Value at 31 March 2023	**3,151**	**1,773**	**4,924**

All intangible assets are owned by the Commission. There are no intangible assets held under finance leases (nil in 2022-23). Assets under construction represent expenditure on IT developments.

8. Right-of-use assets

2023-24	Buildings £'000
Cost or Valuation	
At 1 April 2023	4,532
Additions/Revaluations	(20)
At 31 March 2024	**4,512**
Depreciation	
At 1 April 2023	1,304
Charged in year	1,445
At 31 March 2024	**2,749**
Carrying amount at 31 March 2023	**3,228**
Carrying amount at 31 March 2024	**1,763**

2022-23	Buildings £'000
At 31 March 2022	0
Initial adoption of IFRS 16 on 1 April 2022	4,185
Cost or Valuation	
At 1 April 2022	4,185
Additions	347
At 31 March 2023	**4,532**
Depreciation	
At 1 April 2022	0
Charged in year	1,304
At 31 March 2022	**1,304**
Carrying amount at 31 March 2022	**0**
Carrying amount at 31 March 2023	**3,228**

9. Cash and cash equivalents

	2023-24	2022-23
	£'000	£'000
Balance at 1 April	**75**	**427**
Net change in cash and cash equivalent balances	353	(352)
Balance at 31 March	**428**	**75**
The following balances at 31 March were held at:		
Government Banking Services	428	75
Balance at 31 March	**428**	**75**

The Commission holds no cash equivalents.

10. Trade, other receivables and prepayments

	2023-24	2022-23
	£'000	£'000
Amounts falling due within one year:		
VAT	53	314
Other receivables	14	120
Prepayments and accrued income	484	1,093
	551	**1,527**

11. Trade and other payables

	2023-24	2022-23
	£’000	£’000
Amounts falling due within one year:		
Taxation and social security	482	453
Trade payables	974	923
Staff exit costs	0	0
Lease Liabilities*	890	1,396
Accruals	1,247	2,093
Amounts issued from the Consolidated Fund for Supply but not spent at year end*	428	75
Total current payables	**4,021**	**4,940**
Amounts falling due after more than one year:		
Lease Liabilities*	909	1,847
Total non-current payables	**909**	**1,847**
	4,930	**6,787**

* For the purposes of the Cash Flow Statement, movements in these figures are excluded.

11.1 Legal

The Commission had no material legal commitments or liabilities as at 31 March 2024 (nil as at 31 March 2023).

12. Contingent Liabilities

The Commission has no contingent liabilities judged to be probable or material as at 31 March 2024 (nil as at 31 March 2023).

13. Financial Instruments

The Commission’s resource requirements are met from Parliament through the Estimates process and minimal income from other Government Departments. The Commission has no powers to borrow money or to invest surplus funds. The only financial instruments held by the Commission are those that arise from the Commission’s day-to-day operational activities and include trade and other receivables (Note 10) and trade and other payables (Note 11). The carrying value of the financial instruments approximates to their fair value and the Commission is exposed to limited credit, liquidity or market risks.

Liquidity risk

The Commission's net revenue resource requirements and capital expenditure are financed by resources voted annually by Parliament or through the reimbursement of costs charged to bodies funded by Parliament. The Commission is therefore not exposed to material liquidity risks.

Credit risk

The Commission recharges other Government Departments for the re-imbursement of costs relating to joint Departmental projects. These parties receive funding from Parliament and there has been no history of default on any amounts due to the Commission and management assesses its counter parties to not present a significant credit risk.

Market Risk

From time-to-time the Commission has some exposure to foreign currency markets because some purchases are denominated in US Dollars or Euro's. Due to the minimal value of these transactions management assesses that there are no significant market risks.

14. Related party transactions

During the year 2023-24, no Board Member, key manager or other related parties undertook any material transactions with the Commission except remuneration (Board and senior staff salaries are disclosed within the accountability report). As an entity, the Commission had a small number of transactions with other government departments and other central government bodies. These transactions were with the Ministry of Justice, the Home Office, the Department for Work and Pensions, the Office of National Statistics, the Government Internal Audit Agency, the Government Property Agency (an executive agency of the Cabinet Office) and the Charity Commission for Northern Ireland. All transactions were undertaken on arm's length terms.

15. Events after the reporting period date

There have been no events after the Statement of Financial Position date requiring an adjustment to the financial statements.

The Annual Report and Accounts were authorised for issue on the same date that the Comptroller and Auditor General signed his Certificate.

Glossary (not audited)

Accruals

Income or expenditure relating to the financial year which had not been received or paid by the financial year end but is reflected in the financial statements.

Amortisation

The writing off of the value of an intangible asset over the useful life of that asset.

Annually managed expenditure (AME)

Expenditure incurred by the Commission that falls outside the scope of DEL control totals. In general, this relates to the creation of, and increase to, provisions.

Capital expenditure

Expenditure greater than £1,000 on the acquisition or construction of plant, property and equipment and intangible assets, or on enhancing the value of such assets. Grouped assets with a total value exceeding £1,000 and individual item value exceeding £500 are also capitalised. All laptops are capitalised.

Consolidated fund

The Government's 'current account' operated by HM Treasury and used to finance central government spending. The main source of income to the Fund is taxation receipts.

Contingent liability

A possible liability to make a future payment that is dependent on the outcome of certain events, for example, legal action.

Corporate governance

The systems and processes by which organisations are directed and controlled to ensure they meet their aims and fulfil statutory requirements.

Delegated Expenditure Limit (DEL)

A control total specified for the Commission. Separate DELs are set for Resource and Capital. The Commission's expenditure cannot exceed its DEL.

Depreciation

The measure of wearing out, consumption or other reduction in the useful economic life of property, plant and machinery.

Estimate/Supply Estimate

A summary of the resources and cash voted by Parliament to the Commission for the financial year, against which we monitor our expenditure.

Excess vote

Additional funding that is approved by Parliament where expenditure by a government department exceeds the Estimate for the financial year.

Finance lease

A lease that transfers substantially the risks and rewards of ownership of the asset to the lessee.

Financial instrument

A contract that gives rise to a financial asset for one party and a financial liability to another party.

Financial Reporting Manual (FreM)

The technical accounting guide to preparing the financial statements of Government Departments, written by HM Treasury.

General fund

This represents the historic costs of the total assets less the liabilities of the Commission. It is included in Taxpayers' Equity in the Statement of Financial Position.

Impairment

The reduction in value of plant, property and equipment and intangible assets reflecting either the consumption of economic benefits, such as obsolescence, or physical damage, or a general fall in prices.

International Financial Reporting Standards (IFRS)

The financial reporting standards under which the Commission's financial statements are prepared. IFRSs are set by the International Accounting Standards Board.

Managing public money

HM Treasury publication setting out the principles Government Departments should follow when dealing with resources.

Materiality

The extent to which a misstatement or omission in the financial statements might reasonably be expected to impact on the understanding of the reader.

National Audit Office (NAO)

The external auditors of the Commission.

Net book value

The amount at which non-current assets are included in the Statement of Financial Position after providing for amortisation, depreciation and revaluations.

Net cash requirement

The amount of cash to be released from the Consolidated Fund to fund the Commission's expenditure for the financial year. The Net Cash Requirement will be different from the DEL as DEL takes into account 'non-cash' expenditure such as depreciation and notional charges for which there is no physical transfer of cash.

Net current replacement cost

The current cost of replacing or recreating an asset in its existing use.

Net resource out-turn

The net total of income and expenditure of the Commission during the financial year.

Non-cash transactions

Items of expenditure that are recognised in the Commission's financial statements but do not give rise to the physical transfer of cash, for example, depreciation.

Operating lease

A lease where the risks and rewards of ownership of the asset rest substantially with the lessor.

Outturn

The actual level of expenditure and income for the financial year.

Prepayment

Payment in the current financial year for goods or services to be received or provided in the next financial year.

Provisions

Amounts set aside to fund known liabilities relating to the current or previous financial years, the exact timing and amount of which is uncertain.

Resource Expenditure

Expenditure on non-capital related activity, which is either subject to the Delegated Expenditure Limit (DEL) or Annually Managed Expenditure (AME).

Supply

The resources voted to the Commission by Parliament.

Trade payables and receivables

Payables are amounts the Commission owes for goods and services received in the financial year for which payment has not been made by the year end. Receivables are amounts owing to the Commission for goods or services provided in the financial year for which payment has not been received by the year end.

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