



Parliamentary Briefing

How the Charity Commission gets involved

The Charity Commission has adopted a new risk framework to protect the public's interest in charity, whether as taxpayer, donor, beneficiary and volunteer. This briefing sets out our new approach and provides information for you to share with your constituents when they contact you with concerns about charities.

Key facts about charities

The charity sector in England and Wales is very diverse. Charities play a substantial and vital role in our society and enjoy a high level of trust from the public.

- There are approximately 180,000 registered charities ranging from small local community groups though to the largest household names. About 13,000 of these charities work internationally. There are approximately a further 80,000 small charities that do not have to register.
- Registered charities have a combined income of approximately £56bn.
- They employ over 820,000 paid staff.
- There are around 950,000 trustee positions– most of which are filled by unpaid volunteers. Many more people volunteer for charities in other ways or support them through donations.
- Charities receive significant fiscal benefits. Tax repayments for charities including Gift Aid, rate relief, VAT, and stamp duty relief was worth £2.56bn in 2010/11.

The basis of our new approach

The Commission's starting point is that charities are publicly accountable for the funds they receive and the privileges they enjoy on account of their charitable status. Most trustees do a good job of managing and administering charities. However, there will be situations where the Charity Commission will need to engage with charities and which may involve us exercising our legal powers.

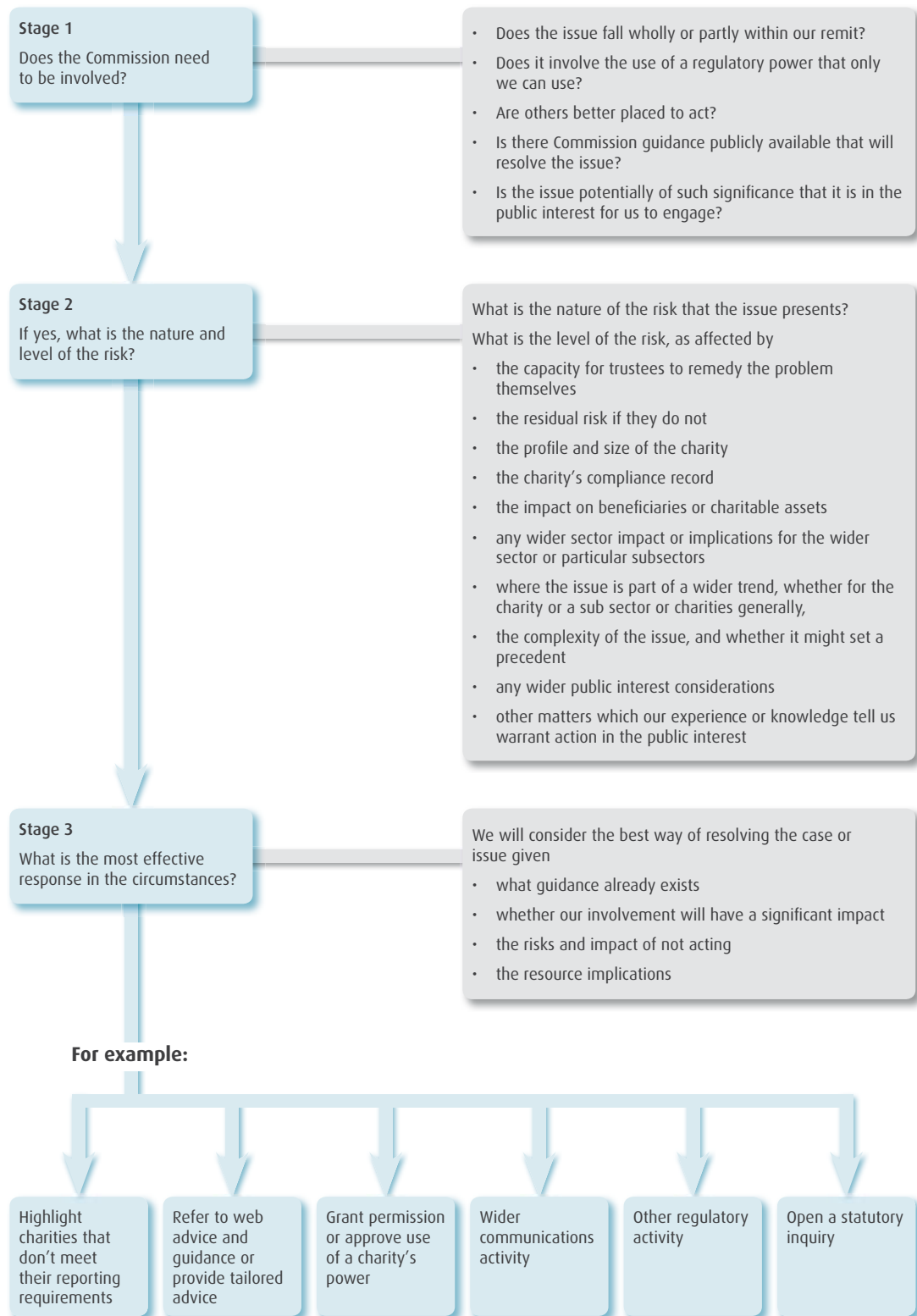
The Commission is required by law to consider the need to use our resources in the most efficient, effective and economic way. Therefore we pro-actively assess risks affecting individual charities, the sector and particular sub-sectors and place an emphasis on preventing problems from occurring in the first place.

How we decide when and how to get involved

We have established a common framework for determining when and how the Commission will embark on pro-active programmes of work, as well as when and how we respond to individual cases. All our assessments are based on our analysis of the information that we gather, hold or receive, and not according to the source of that information.

Our risk framework is shown in full on the diagram overleaf and we would be grateful if you could share this with your constituents. Our internal guidance for staff on how to apply the framework to individual charities is publicly available on our website: <http://www.charity-commission.gov.uk/Library/arf.pdf>.

Our regulatory approach to protecting the public's interest in charity – how we assess risks and manage resources



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