



OIFIG AN ARD-RÚNAÍ, AN ROINN DLÍ AGUS CIRT, COMHIONANNAIS AGUS ATHCHOILTEAR
OFFICE OF THE SECRETARY GENERAL, DEPARTMENT OF JUSTICE, EQUALITY AND LAW REFORM



Ms Eimear Lavelle
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

Dear Ms Lavelle,

I am directed by the Secretary General of the Department of Justice and Equality to refer to your letter dated 15 February, 2012 and to enclose, as requested, a briefing note for the Committee of Public Accounts.

Yours sincerely,

D. Griffin
Private Secretary to the Secretary General

2 March, 2012

Financial Information on Charities

In taking on the charities regulation function, in the context of the reorganisation of Government Departments in May last year, the Department of Justice and Equality recognised that full implementation of the Charities Act 2009, which would necessitate the establishment of a new regulatory body for charities, presented a challenge, particularly given the moratorium on public service recruitment.

Any further implementation of the Charities Act 2009 had to be considered within the context of the comprehensive review of expenditure. As a result, it was decided in 2011 that it was not practicable to proceed with the full implementation of the Act at this time, given the financial and staffing resources that would have been required. Following the deferral of the further implementation of the Act, section 48 of the Act will not come into force in the short term. It is envisaged that there will be a public consultation process in due course prior to the introduction of any of the activity and financial reporting provisions of the Act.

It is agreed that there is a need to improve the transparency of Irish charities to enable potential funders to make more informed decisions about their charitable donations. Pending the implementation of the Act when circumstances permit, information on charities is available from a variety of sources. For example, in the case of developmental organisations funded by the Department of Foreign Affairs through Irish Aid, as referred to by Mr. Duffy, there is a considerable body of information available on www.dochas.ie, including links to websites of charities, most of which contain financial data and annual reports etc. Other information resources include www.mycharity.ie, a resource established to support the development of Irish philanthropy, and The Wheel's website, www.wheel.ie, which has a directory of over 10,000 Irish Community and Voluntary organisations, with contact details and links to the websites of the relevant bodies in question. Many charities, approximately 4,000 in total, are companies limited by guarantee and, as such, are also subject to the provisions of company law and are generally required to provide information, such as audited accounts, to the

Companies Registration Office under the Companies Acts. These can be accessed by the public for a small fee.

Department of Finance Circular 17/2010 includes new requirements under which, as a condition of funding, those in receipt of grants from the Exchequer will be required to fully report in their financial statements on grants received. The objective is to ensure that all Exchequer funded grants-in-aid are identified in the financial statements of the grantee, which will enable the State to develop a broader picture as to who is in receipt of funding, and from which agency or Department.

Finally, pending the implementation of the Charities Act 2009 when circumstances permit, the Department of Justice and Equality is looking at other possible approaches to enhancing the accountability and transparency of the charities sector, within available resources. For example, the Department is supporting the development of Codes of Practice to regulate charitable fundraising in partnership with the charities sector through Irish Charities Tax Reform Ltd (ICTRL), an umbrella body for the sector. The new Guidelines and Code of Practice for fundraising were developed after extensive consultation with industry experts and stakeholders including charities, non-profit organisations, legal and financial advisers, donors and academics. These Codes are intended to complement the statutory regulation of collections that is administered by An Garda Síochána under the Street and House to House Collections Act 1962.

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