

Viewfinder 9



Key Findings

- 94% of respondents are aware that the new regulator of charities has been established and 86.9% are aware that all charitable organisations operating in Northern Ireland will have to register with the new Commission.
- 52.6% have used the Code of Good Governance to help improve the governance in their organisation.
- 210 respondents (84.7%) are currently collaborating with other organisations on projects, whilst 32 organisations (12.7%) are working towards merging with another organisation.
- In the next 12 months 19 organisations (8.3%) anticipate a merger with another organisation and 183 (78.2%) have indicated that they will work collaboratively.
- 58.7% of organisations are confident of meeting demand for their services, at a time when 52.9% have seen an increase in demand for services.
- 60% of respondents reported that they had been negatively impacted by the current recession.
- 121 organisations (48.8%) reported that they had witnessed an increase in demand for volunteering opportunities.

Viewfinder 9 provides an examination of a number of issues which are currently affecting the voluntary and community sector in Northern Ireland. Issues covered include awareness of the role and functions of the new Charity Commission for Northern Ireland and organisational preparedness for the new regulations in terms of governance and financial systems; the impact of the Code of Good Governance in organisations; views on collaborative working and mergers; the impact of the economic recession now and in the next 12 months and opportunities for volunteering.

Charity Regulation

The Charity Commission for Northern Ireland (CCNI) is the new regulator of charities in Northern Ireland. It was established on 27 March 2009 and the Commissioners were appointed in June 2009 by the then Minister for Social Development, Margaret Ritchie.

The Charities Act (NI) 2008 introduced a new regulatory framework for the charitable sector in Northern Ireland. According to the Commission's first Annual Report the key objective of the 2008 Act was 'to introduce an integrated system of registration and regulation (including control of charitable, philanthropic or benevolent fund-raising), as well as supervision and support of registered charities'.

Levels of awareness of the new Charity Commission for NI were very high with 94% of respondents aware that the new regulator of charities has been established and 86.9% aware

that all charitable organisations operating in Northern Ireland will have to register with the new Commission.

When organisations were asked to indicate what actions they had undertaken to prepare for the new regulations 48.8% had reviewed their governance arrangements and 46.8% had reviewed their governing documents. For those organisations that had reviewed their governing documents, just over six in ten organisations (60.7%) had done so in the last two years. Only 13 organisations (5.2%) had not undertaken a review.

Further preparatory work in the form of reviewing organisation mission, vision and values had been undertaken by 38.1% of organisations and just under a third (32.5%) of boards / committees had participated in governance training. Interestingly just under a third of organisations (30.6%) had not undertaken any preparations for charity regulations.

Meeting Financial Requirements

In terms of the format employed by organisations to draw up their accounts over two thirds of organisations (68.7%) use receipt and payment (income and expenditure), just over a quarter of organisations (25.7%) use accrual and 5.6% use other methods.

The new charity regulations will require that an external

(65.7%) or funder requirements (22.1%). The main reasons cited by those organisations not using SORP were lack of awareness of SORP (55.9%) and the fact that it is not compulsory (20.6%).

Code of Good Governance

Both government and the voluntary and community sector in Northern Ireland have long recognised the need for a

community organisations in Northern Ireland.

Just over half of Viewfinder respondents (52.6%) have used the Code of Good Governance to help improve the governance in their organisation. Figure 2 outlines the main ways in which organisations have used the Code to date.

The main reasons cited by those organisations not using the Code were lack of awareness of the Code (43.1%) and the fact that organisations 'haven't got round to it' (30.3%).

The survey also asked respondents to report on their awareness of the diycommitteeguide¹ website which offers practical resources mapped to the principles of the Code. Whilst 31.6% of respondents were aware that the resources of the website had been mapped to the principles of the Code, only 2.8% of respondents had used the resource.

The survey identified opportunities for developing the use of the Developing Governance Group health check, which is a self assessment tool devised by the Developing Governance Group as a practical resource to assist committees / boards to work towards adhering to the principles of the Code of

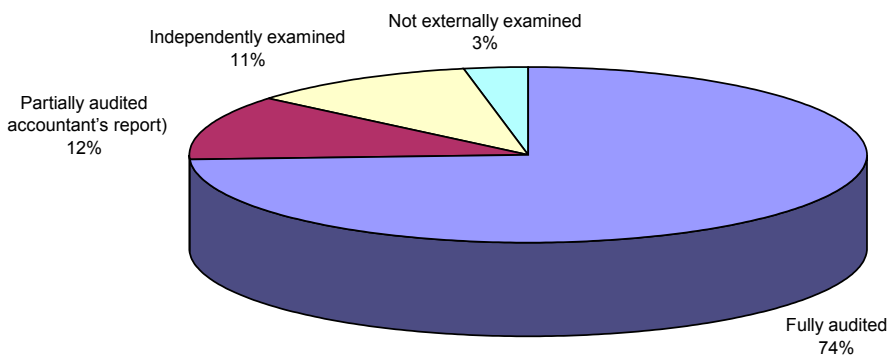


Figure 1 How are your accounts audited?

examination is carried out on annual accounts so organisations were asked to indicate how their accounts were audited (see Figure 1).

The survey also asked organisations about the employment of SORP (SORP is a Statement of Recommended Practice). According to the Charity Commission guidance, SORP provides a comprehensive framework of recommended practice for charity accounting and reporting and enables charities to meet the legal requirement for their accounts to give a true and fair view and provides consistency in the sector's interpretation of accounting standards.

147 Viewfinder respondents (59.5%) use SORP, prompted in the main by good practice

proactive approach in promoting good governance in the sector. The Code was adapted from the Good Governance Code adopted by the voluntary and community sector in England and Wales. The Northern Ireland version has been produced by the Developing Governance Group, a group of voluntary and community sector associations, working to improve the quality of governance in voluntary and

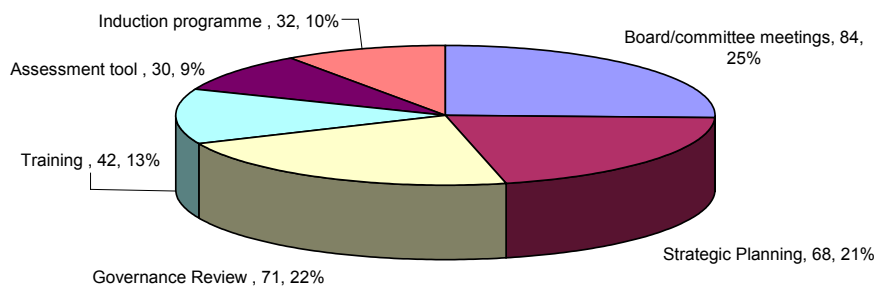


Figure 2: When have you used the Code of Good Governance?

¹ www.diycommitteeguide.org

Good Governance. Two hundred organisations (83%) reported that they would use the health check to help them identify areas of improvement.

Formal collaborative working and mergers

Research has indicated that, as a result of the current economic recession, attention is increasingly being paid to the opportunities offered by collaborative working and mergers.

'Collaborative working occurs when two or more organisations work jointly to enable a greater overall output than if they pursued the activity alone.' (BASAAC, 2005). NICVA, in its collaboration and Mergers Newsletter (2009), noted that organisations can work together in a range of ways, from the informal, as contract partners, through to joint delivery of a service with a formal service level agreement to, finally, merger.

essential that the voluntary and community sector works more collaboratively and this theme is confirmed in this survey. Over three quarters of Viewfinder 9 respondents (76.2%) think that the sector should work more collaboratively and 77.6% think that staff benefit from working collaboratively.

In terms of translating this view into practice, 210 Viewfinder respondents (84.7%) are currently collaborating with other organisations on projects, up from 80.2%, whilst 32 organisations (12.7%) are working towards merging with another organisation.

In Viewfinder 8 only 22.4% of respondents thought that there was sufficient support available to assist organisations working collaboratively and this is confirmed again in Viewfinder 9 with 27.2% agreeing that there is sufficient support whilst 33.6% felt there was insufficient support, down from 43.8%.

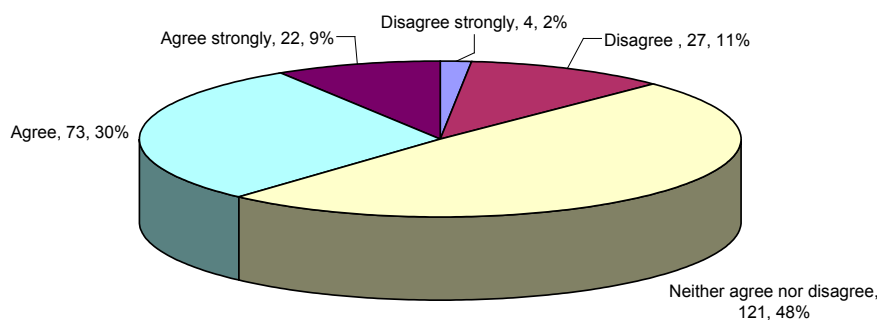


Figure 3: Mergers are a way of ensuring long term sustainability

To gauge current levels of interest in collaborative working and mergers Viewfinder posed a series of questions to respondents to develop some of the issues raised in Viewfinder 8 in 2009.

In Viewfinder 8 (April 2008) NICVA reported that 91% of respondents believed that it is

Although in Viewfinder 8 we reported that 62.9% of respondents believed that mergers would ensure the long term sustainability of the sector this figure is reduced to 38.5% of respondents in Viewfinder 9, whilst almost half of all respondents (49%) neither agreed nor disagreed with this view.

Recession

In consideration of the difficult economic times faced both by the voluntary and community sector and society more generally, Viewfinder 9 sought views on a range of issues related to both the current impact of the recession and views on the impact over the next 12 months.

From Figure 4 there are clear signs that the recession is starting to have a demonstrable impact on the sector with only 58.7% of organisations confident of meeting demand for their services, at a time when 52.9% of Viewfinder 9 respondents have seen an increase in demand for services.

The relatively low confidence levels may well be explained by the fact that in terms of funding from government, and from funders generally, over 6 in 10 respondents have experienced a decline.

Overall, 60% of Viewfinder 9 respondents reported that they had been negatively impacted by the current recession, which, interestingly, is lower than the figure of 70.2% reported in Viewfinder 8 (December 2008).

Impact of the recession in the next 12 months

Viewfinder 9 also asked respondents to anticipate the impact of the recession on a range of issues over the forthcoming 12 months.

In terms of the impact on staffing levels within organisations the evidence from respondents was mixed with 24.9% indicating that additional staff would be recruited with a further 25.4% reporting that they anticipated making staff redundant. With

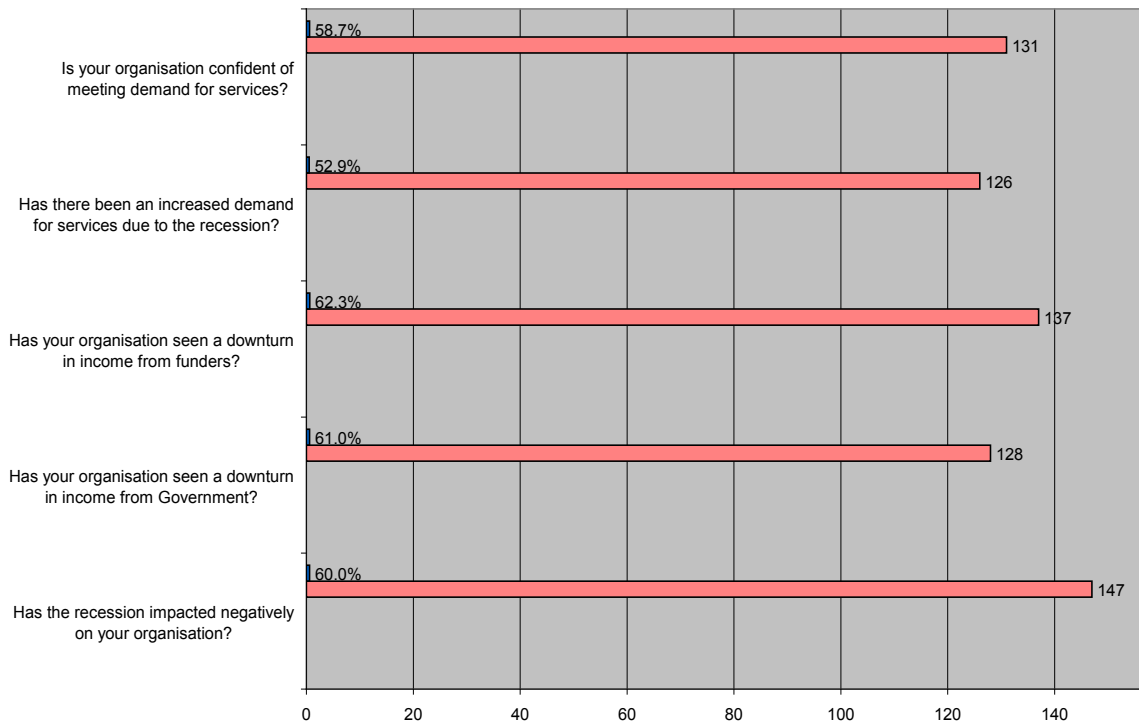


Figure 4: Current impact of the recession

regard to service provision the evidence is more positive; whilst 27.6% of respondents thought that they would have to close services they provide, 40.5% indicated that they would be increasing the services they deliver. More positive evidence emerges from the survey in terms of anticipated changes to the numbers and types of beneficiaries in the next 12 months with 36.1% of organisations anticipating increases, whereas 19.7% anticipate reductions.

For nine organisations (3.8%) the next 12 months looked very bleak as they anticipated having to close the organisation.

Evidence of the sector working collaboratively over the next 12 months is also evidenced with 19 organisations (8.3%)

anticipating a merger with another organisation and 183 (78.2%) indicating that they will work collaboratively with other organisations.

Volunteering

There is a growing body of evidence which suggests that there is an increased demand for volunteering, in the main as a result of rising unemployment in the recession.

Additionally, the coalition government is developing a series of plans to use volunteering to address a number of social issues. With this in mind the survey asked a question relating to demand for volunteering opportunities. 121 organisations (48.8%) reported that they had witnessed an increase in demand for volunteering opportunities.

About this Viewfinder

The Viewfinder 9 questionnaire was circulated to 896 NICVA member organisations in September 2010 and had a response rate of 28% (252 returns).

If you would like further information on any of these themes discussed in Viewfinder 9 please contact Stephen Bloomer at: stephen.bloomer@nicva.org or call 028 9087 7777.

NICVA would like to thank everyone who took part in this survey. Your contribution is greatly appreciated.