Press release: Charities must better communicate to the public through their annual reports and accounts, urges regulator

The Charity Commission has today published the <u>results</u> of its latest monitoring reviews of charity trustees' annual reports and accounts. The findings reveal a modest improvement in the quality of public reporting, but the regulator says that too many charities are still falling short in this area.

Public benefit reporting plays a key role in providing transparency so that the public can understand exactly what a charity does and how their donations are being used.

As part of its proactive monitoring work, the Commission scrutinised a random sample of 106 charity trustees' annual reports and accounts filed with it to assess:

- how charities are meeting the public benefit reporting standards
- whether the accounts meet readers' needs, including a separate sample of "small charities"

Telling your story well: Public benefit reporting by charities

Trustees have a legal responsibility to comply with the Commission's <u>guidance</u> <u>on public benefit reporting</u>. All registered charities must publish a trustees' annual report, setting out the charity's activities for the public benefit.

The Commission's review found that 51% of the charities reviewed demonstrated a clear understanding of the public benefit reporting requirement — a 5% improvement from last year's result.

The majority of annual reports also included key aspects of public benefit reporting, with 71% explaining who benefitted from the charity's activities, and 62% including a public benefit statement.

Some trustees had expanded their statement to explain why they believed their charity's activities provided public benefit, whilst others discussed the difference that they had made, particularly to beneficiaries.

Do charity and small charity annual reports and

accounts meet the reader's needs?

The Commission examined whether the charities' trustees' annual reports and accounts as a whole met readers' needs, based on a range of <u>criteria</u>.

For the sample of charities with incomes over £25,000, the Commission found that 74% of the trustees' annual reports and accounts reviewed were of acceptable quality, meeting the basic benchmark set by the Commission.

The most common reason for inadequate reporting was that the trustees' annual report did not explain the charitable activities the charity had carried out.

For the sample of small charities, the Commission found that 64% of the charities provided trustees' annual reports and accounts of acceptable quality, meeting the regulator's basic benchmark. The main reason for inadequate reporting was that the charity failed to provide one or both of the trustees' annual report and the accounts.

The Commission has provided regulatory guidance to 89 charities included in the reviews in order to help the trustees improve the quality of future trustees' annual reports and accounts.

Nigel Davies, Head of Accountancy Services at the Charity Commission for England and Wales said:

"Our research into trust and confidence in charities shows that the public no longer give charities the benefit of the doubt; they want evidence that charities make a difference when using their money. Public reporting is an opportunity for charities to tell their story and explain to the public what they do and how they use charitable funds.

"Producing a trustees' annual report and accounts is not an administrative box-ticking exercise. It is a chance to show how your charity is making an impact and how you are delivering on your core purpose.

"Today's results show that too many charities are still not meeting very basic standards when it comes to making key information available to the public. I am encouraged to see that an increasing number of trustees recognise the value of public benefit reporting, but there is clearly more work to be done across the sector."

The full reports are available on GOV.UK.

Ends

Notes to editors

- 1. The Commission's research into public trust and confidence in charities was published on 11 July 2018 and is available on GOV.UK.
- 2. The Charity Commission is the regulator of charities in England and Wales. To find out more about our work see the <u>about us</u> page on GOV.UK.

- 3. Search for charities on our check charity tool.
- 4. To assess whether small charities accounts met readers' needs, the Commission included a separate sample of 110 small charities, those with incomes less than £25,000, who are not required to routinely file their trustees' annual report and accounts with the regulator (except for Charitable Incorporated Organisations)
- 5. In addition to producing an annual report, all registered charities must prepare accounts and, where the charity's income is over £25,000, arrange for them to be scrutinised through an audit or independent examination. They must also file their set of accounts with the regulator.

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News story: Appointments to the Competition and Markets Authority (CMA) Board and Panel

Business and Energy Secretary Greg Clark has appointed Kirstin Baker as a non-executive director and panel member, and Robin Cohen as a panel member, to the Competition and Markets Authority (CMA). Kirstin Baker began her role on 1 September and Robin Cohen will begin on 3 October.

Kirstin Baker was most recently HM Treasury's Finance and Commercial Director. Earlier in her career Kirstin was part of the senior team leading the Treasury's response to the banking crisis and was awarded a CBE for this work.

Robin Cohen is an economist with over 30 years of experience in economic consulting, providing advice to governments, regulators and businesses across multiple sectors.

Board members play a key role in providing leadership and direction to the organisation, working with the chair and chief executive.

Panel members take part in merger and market inquiries and make decisions on regulatory appeals.

The CMA, a non-ministerial department, is the UK's primary competition and consumer authority. It has responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.

The new members appointed by the Secretary of State are:

Robin Cohen

Robin is an economist with over 30 years of experience in economic consulting, providing advice to governments, regulators and corporates across multiple sectors including energy, water and financial services. In June 2018 he retired as a Vice President of Charles River Associates.

Robin was previously a Partner at Deloitte from 2002 to 2013, where he led the Economic Consulting practice. He was also a Partner at Arthur Andersen (Business Consulting, Strategy Finance and Economics) from 1999 to 2002.

Kirstin Baker

Kirstin had a long career in the civil service and was most recently HM Treasury's Finance and Commercial Director. Earlier in her career Kirstin was part of the senior team leading the Treasury's response to the banking crisis and was awarded a CBE for this work.

Kirstin has also worked as a competition official in the European Commission, as an EU policy adviser in the Cabinet Office and as a senior civil servant in the Scottish Government, leading work on infrastructure investment banks.

Press release: New incentives framework to help prisoners turn their lives around

- Governors have greater freedom to offer the incentives which work best for their particular cohort of prisoners
- Those who don't follow the rules will have privileges removed and face swifter punishment through our new adjudications process
- The move is intended to help break the cycle of reoffending and put prisoners on the right path

Prison governors will today be able to have their say on a new approach to incentives which encourages prisoners to take responsibility for their own

rehabilitation.

A consultation is being launched on the new Incentives and Earned Privileges policy, which would empower governors to design their own programme of incentives tailored to the specific challenges in their prison.

Those who behave well and engage in meaningful activities such as education and employment programmes could receive privileges such as more time in the gym or additional visits.

Crucially, governors will be able to tackle poor behaviour by taking away privileges — returning people to a more basic regime and living conditions — and will have greater freedom to decide how prisoners move up or down privilege levels.

Prisons Minister Rory Stewart said:

Prisons must be places of safety, decency and purposeful activity to turn around the lives of those in custody.

This new framework will give governors the tools to set clear behavioural standards for offenders under their watch, and the consequences should these not be met.

Research on behaviour change shows positive reinforcement is much more effective at shaping behaviour than punishment and, while sometimes necessary, punishment alone does not effectively change behaviour.

Many consider that the incentives system is not currently as effective as it could be, with governors having too little flexibility to establish incentives that their particular cohort of prisoners value.

We are therefore providing governors with more freedom to design their incentive scheme to take account of the local needs of their prison population and the facilities available in their prison. This means a prison with a good gym, or a wing with a kitchen area, could better use these in its IEP system in future.

Governors could also choose to increase the amount of time out of cell an individual prisoner receives to engage in recreational activities or exercise alongside education and work programmes.

And to better assist them in preparing for life back in the community, governors could choose to incentivise prisoners by offering additional visits from family and friends, with more flexible timings.

We will retain sensible limitations on governors' freedoms, so that, for example, no paid for TV channels or other inappropriate incentives are permitted.

And for those who don't follow the rules, a strict system of adjudications

and punishments will ensure that governors are able to deal swiftly with those who refuse to engage. Punishments range from the removal of privileges to harsher measures such as prosecution and additional prison time.

Notes to editors

- The consultation will launch today (3 September) and will run for a period of 28 days.
- The new system will retain 3 privilege levels: basic, standard and enhanced, but remove 'entry level' which Governors tell us is bureaucratic and penalises prisoners who are new, setting up an adversarial relationship with staff from the outset.

<u>Press release: Vehicle recyclers urged</u> to put fire prevention plans in place

With above average temperatures and slightly lower than average rainfall likely over the next three months, the Environment Agency (EA) is warning of an increased risk of fire at waste sites, particularly end of life vehicle facilities, and urging operators to have Fire Prevention Plans (FPPs) in place.

The warning follows a number of severe waste fires recently including an incident which forced Coventry Airport to close temporarily and another fire in Witney resulted in the public being warned of the potential for asbestos debris being deposited.

Reports of fires at car breakers (end of life vehicle sites) has increased steadily in recent years. In 2017 the EA received reports of 24 fires at end of life vehicle sites and 21 reports in 2016.

The regulator is urging the operators to ensure they have FPP in place to minimise the risk to the environment, local communities and workers on site.

Malcolm Lythgo, Head of Waste Regulation at the Environment Agency said:

Fires on waste sites, particularly sites handling hazardous components, unfortunately happen all year round. However, dry, warm weather conditions bring an increased risk.

It's really important that those handling end of life vehicles have Fire Prevention Plans in place and engage with the Environment Agency for advice and support on keeping their sites safe. This is not just good for businesses, but also helps to safeguard the environment and surrounding communities.

The EA's Fire Prevention Plan guidance seeks to minimise the likelihood of a fire happening and advise on ways to minimise the spread of fire within the site and to neighbouring sites.

There are simple steps that can be taken to prevent the causes of fires. These include:

- Disconnecting and removing batteries as soon as reasonably practical after vehicles arrive on site, to reduce the risk of electrical short circuits.
- Using safe depollution equipment and storing fuel in containers designed to store it.
- Ensuring vehicles are fully depolluted before crushing and shredding.
- Enforcing a no smoking policy for both staff and customers,
- Following the Environment Agency guidance and putting a Fire Prevention Plan in place.

More information on FFPs is available on gov.uk

Press release: Report 14/2018: Passenger trapped and dragged at Notting Hill Gate station

PDF, 5.36MB, 41 pages

If you use assistive technology (such as a screen reader) and need a version of this document in a more accessible format, please email enquiries@raib.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.

Summary

At about 16:00 hrs on Wednesday 31 January 2018, a passenger became trapped in the doors of a London Underground train as she attempted to board a westbound Central line service at Notting Hill Gate station while the doors were closing. The train departed and reached a maximum speed of 35 km/h before the emergency brakes were applied and the train stopped. The passenger was dragged for approximately 75 metres along the platform, and about 15 metres further into the tunnel. She suffered serious injuries and was taken to hospital, where she was treated for about a month. She has since been steadily recovering.

The accident occurred because the passenger's bag became trapped in the doors as she attempted to board the train, the train's door control system did not detect the presence of the bag trapped in the doors, and the train operator was not aware of the trapped passenger before initiating the train's departure. It is likely that the train operator did not perceive the passenger because of a number of interacting factors associated with the nature of his task which caused him to not consciously process the available information. The view on the in-cab CCTV monitor did not adequately assist him to detect that a passenger was trapped in the doors and he relied on other cues to depart rather than making a thorough check of the in-cab CCTV monitor.

The investigation identified a probable underlying factor associated with training programmes for train operators, concerning scanning techniques for in-cab CCTV monitors and awareness of the limitations of door-traction interlocks.

Recommendations

The RAIB has made five recommendations and one learning point, all addressed to London Underground. The recommendations concern the detection of objects by the train's door systems, how the design of the task, equipment and training can influence train operators' attention and awareness, and the use of emergency stop facilities on platforms. While there is no evidence that the train operator was impaired by drugs or alcohol, the learning point concerns the importance of following procedures for drug and alcohol testing where relevant.

Notes to editors

- 1. The sole purpose of RAIB investigations is to prevent future accidents and incidents and improve railway safety. RAIB does not establish blame, liability or carry out prosecutions.
- 2. RAIB operates, as far as possible, in an open and transparent manner. While our investigations are completely independent of the railway industry, we do maintain close liaison with railway companies and if we discover matters that may affect the safety of the railway, we make sure that information about them is circulated to the right people as soon as possible, and certainly long before publication of our final report.
- 3. For media enquiries, please call 01932 440015.

Newsdate: 3 September 2018