

Press release: Too many serious incidents in charities go unreported, regulator says

The charity regulator has improved its guidance on reporting serious incidents, to help charities report appropriate matters as soon as possible after they occur.

The Commission says there is significant under-reporting of problems by charities, which is putting charities at potential risk of further harm, including reputational damage.

[How to report a serious incident in your charity](#) replaces previous guidance and follows a consultation with charities.

The new guidance:

- includes new tools, such as examples and checklists to make it clearer to trustees what they should, and should not, report to the regulator
- provides greater clarity on incidents resulting in “significant financial loss”, making clear that losing significant funding or contracts that the charity can’t replace should be reported to the regulator
- no longer requires trustees to report if their charity doesn’t have a safeguarding policy in place, as that information is now captured through the annual return.

The Commission says that reporting a serious incident to the regulator helps trustees demonstrate that they are taking appropriate action to deal with it. It reminds trustees that by reporting a serious incident, they can limit reputational and actual harm to the charity, and allows the Commission, if asked, to state that the trustees handled the situation responsibly.

Serious incident reporting also helps the Commission to gauge the volume and impact of incidents within charities and to understand the risks facing the sector as a whole, and to respond, for example with guidance or alerts to the wider sector.

Sarah Atkinson, Director of Policy and Communication at the Charity Commission, said:

Trustees cannot always foresee or prevent a serious event arising in their charity. What they should do, however, is to act responsibly and quickly when something does go seriously wrong, taking steps to limit risk and protect their charity from further harm. Making an incident report to the Commission is one of the most important ways trustees can demonstrate that they are doing

just that. Our updated guidance helps charity trustees understand when and how to submit a report.

I would like to thank those who took part in the consultation. We have listened to your contributions and I am confident that we have improved the guidance as a result.

She added:

We remain concerned about significant under-reporting of serious incidents to the Commission. Too often, our casework shows that an incident could and should have been reported to us at a much earlier stage. I urge trustees to act quickly and responsibly in reporting serious incidents as soon as they occur, using the dedicated reporting facility at rsi@charitycommission.gsi.gov.uk.

A serious incident in a charity is described as an “adverse event, actual or alleged, which results in harm to a charity’s work, beneficiaries or reputation; the loss of a charity’s money or assets, or damage to a charity’s property”. Last year, charities reported 2,181 incidents to the Commission, over half of which (55%) related to safeguarding; around one in seven (14%) related to fraud or money laundering, with a third of reported frauds being internal (‘insider’) fraud.

Serious incident reporting has been increasing steadily year-on-year since 2011-12, when 1,027 incidents were reported, but the Commission continues to find events and problems in its case work that should have been reported to the regulator at an earlier date.

In future, trustees will be able to report serious incidents via the Commission’s online services, making it easier for trustees to submit timely and accurate reports.

An [analysis of the Commission’s consultation](#) on the revised guidance is also published today.

Ends