

## **Protocol for Co-operation between the NIAO and the CCNI**

### **Parties**

The Northern Ireland Audit Office (NIAO) provides assurance on the use of public funds and encourages both good governance and propriety in the conduct of public business and the highest standards in financial management and reporting.

The vision of the Charity Commission for Northern Ireland (CCNI) is to deliver a dynamic and well governed charities sector in which the public has confidence, underpinned by the Commission's effective delivery of its regulatory and advisory role.

### **Aims of this protocol**

Given their respective aims and responsibilities, the NIAO and the CCNI both recognise the mutual benefits of co-operation through sharing information in relation to frauds involving public money within the charity sector. This document sets out the expectations of each body in this regard.

### **Relevant Existing Guidance**

Managing Public Money Northern Ireland (MPMNI) sets out the fraud reporting responsibilities of departments, including their agencies, NDPBs and sponsored bodies. This includes notification to the Department of Finance (DoF) and the Comptroller and Auditor General (C&AG).

DAO (DFP) 07/11 encourages departments, agencies, NDPBs and their sponsored bodies to notify the CCNI when a case of fraud or irregularity being investigated by the public sector involves a charitable body.

### **NIAO Responsibilities - general**

While the guidance referred to above clearly sets out that it is the responsibility of departments to put in place proper arrangements in relation to fraud and fraud reporting, the NIAO will undertake the following:

1. promote the requirements of MPMNI, and DAO (DFP) 07/11 in contact with Departments and their related bodies;
2. request departments and their related bodies to liaise directly with the CCNI in cases of actual, suspected or attempted fraud involving charities in receipt of public funding, in addition to notifying DoF and the C&AG; and
3. where the NIAO becomes aware that departments or their related bodies are not following the above mentioned guidelines, the NIAO will report its findings to those charged with governance and make recommendations for system improvements.

## **NIAO Responsibilities – where the NIAO is the statutory auditor of the Charity**

Section 67 of the Charities Act (Northern Ireland) 2008 requires all auditors, including the NIAO where it is the auditor of a charity, to report matters that they consider likely to be of material significance (as outlined in the attached Annex) to the CCNI. Any such communication should be made through the liaison contacts below.

## **CCNI Responsibilities**

While the CCNI will continue to liaise directly with departments in the first instance, the CCNI will also inform the NIAO directly of actual, suspected or attempted frauds occurring in charities where they are aware public money is involved.

Additionally, the CCNI will inform the NIAO of identified failures of good governance by departments in relation to grants paid to charities.

## **Liaison Contacts**

Liaison between the CCNI and the NIAO will be conducted through the following key contacts:

Valerie Evans, Counter Fraud Unit, NIAO

Myles McKeown, Head of Compliance and Enquiries, CCNI

**Signed:**



**Kieran Donnelly**  
**Comptroller and Auditor General**  
**7<sup>th</sup> August 2019**



**Frances McCandless**  
**Chief Executive, CCNI**  
**7<sup>th</sup> August 2019**

## Annex

Both the Charity Commission for Northern Ireland and the Northern Ireland Audit Office will always consider the following to be of material significance and hence reportable:

- matters suggesting dishonesty or fraud involving a significant loss of, or a major risk to, charitable funds or assets;
- failure(s) of internal controls, including failure(s) in charity governance, that result in a significant loss or misappropriation of charitable funds, or which lead to significant charitable funds being put at major risk;
- matters leading to the knowledge or suspicion that the charity or charitable funds have been used for money laundering or such funds are the proceeds of serious organised crime or that the charity is a conduit for criminal activity;
- matters leading to the belief or suspicion that the charity, its Trustees, employees or assets have been involved in, or used to support, terrorism or proscribed organisations in the UK or outside the UK;
- evidence suggesting that, in the way the charity carries out its work relating to the care and welfare of beneficiaries, the charity's beneficiaries have been or were put at significant risk of abuse or mistreatment;
- significant or recurring breach(es) of either a legislative requirement or of the charity's trusts; and
- a deliberate or significant breach of an order or direction made by a charity regulator under statutory powers including suspending a charity trustee, prohibiting a particular transaction or activity or granting consent on particular terms involving significant charitable assets or liabilities.

In April 2017 in conjunction with the UK's other charity regulators the Commission produced relevant guidance on matters of material significance covering items which auditors must report to the Charity Commission for Northern Ireland should they encounter them while handling the accounts of a charity. The guidance is available is at:

<https://www.charitycommissionni.org.uk/media/1467/20190701-ccni-eg058-matters-of-material-significance-reportable-to-uk-v30.pdf>