

# Association of Accounting Technicians response to the Charity Commission of England and Wales consultation “Annual return for 2017 - information collected from charities”

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## 1. Introduction

- 1.1. The Association of Accounting Technicians (AAT) is pleased to have the opportunity to respond to the Charity Commission of England and Wales (the “Commission”) consultation “Annual return for 2017 - information collected from charities”, published on 20 December 2016.
- 1.2. AAT is submitting this response on behalf of our membership and for the wider public benefit of having an effective and efficient third sector.
- 1.3. Furthermore, the comments reflect the potential impact that the proposed changes would have on charities, many of which employ AAT members or would be represented by AAT’s 4,250 licensed accountants.

## 2. Executive summary

- 2.1. **AAT is supportive of all three proposals.** AAT recommends that the Charity Commission design this project to make the best use of Information Technology for the benefit of the Commission in its regulatory activity and in meeting its strategic priorities as outlined in 3.1 below. This would be beneficial for charities in terms of reducing their administration costs and would deliver the benefit of providing relevant information to potential donors and users.

## 3. AAT response to the Charity Commission of England and Wales consultation “Annual return for 2017 - information collected from charities”

### **Question 1: Do you agree that the fundamental information about charities should be kept Up-to-date by charities throughout the year so that the Charity Register is accurate?**

- 3.1. Yes, it is important that fundamental information is kept up to date not least to protect charities from fraudsters. This would support the Commission’s responsibility of registering and regulating charities in England and Wales and in particular meets the Commission’s strategic priorities<sup>1</sup> of:
  - protecting charities from abuse or mismanagement enabling trustees to run their charities effectively
  - encouraging greater transparency and accountability by charities
  - operating as an efficient, expert regulator with sustainable funding.
- 3.2. This will further facilitate the Commission’s priority of ensuring that the public can support charities with confidence.

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<sup>1</sup> [Charity Commission Strategic Plan 2015-18](#)

**Question 2: Do you agree that the questions in the Annual Return should be structured so that they match the Commission's regulatory risk priorities?**

- 3.3. Yes, the Commission should take a direct approach to indicating its regulatory risk priorities<sup>2</sup> of:
- concentrating on promoting compliance by charity trustees with their legal obligations
  - enhancing the rigour with which we (the Commission) hold charities accountable
  - upholding the definition of charity under charity law and providing charity trustees with clear guidance about their legal obligations.
- 3.4. This in turn will assist in meeting the public's expectation of the standard that is expected of charities.

**Question 3: Do you agree that more detailed questions within any theme should be targeted only at charities for which the information is relevant?**

- 3.5. Yes, if a charity provides a response to one question that means it can skip a number of subsequent questions that are not relevant then this skip logic should be applied to the questions in the annual return. Cumulatively, it could potentially save a considerable amount of time and cost for the thousands of charities for whom such questions are not relevant.

**4. About AAT**

- 4.1. AAT is a professional accountancy body with approximately 50,000 full and fellow members and 90,000 student and affiliate members worldwide. Of the full and fellow members, there are over 4,250 licensed accountants who provide accountancy and taxation services to individuals, not-for-profit organisations and the full range of business types.
- 4.2. AAT is a registered charity whose objectives are to advance public education and promote the study of the practice, theory and techniques of accountancy and the prevention of crime and promotion of the sound administration of the law.

**5. Further information**

If you have any questions or would like to discuss any of the points in more detail then please contact Aleem Islan, AAT Technical Consultation Manager, at:

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<sup>2</sup> Page 2 of [Charity Commission Strategic Plan 2015-18](#)