



Reporting serious incidents – updates to guidance and reporting regime

ICAEW welcomes the opportunity to comment on the *Reporting serious incidents – updates to guidance and reporting regime* published by Charity Commission on 20 October 2016, a copy of which is available from this [link](#).

This ICAEW response of 11 January 2017 reflects consultation with the ICAEW's Charity Technical Sub-Committee of its Business Law Committee. This Sub-Committee includes representatives from public practice and the charity sector and is responsible for ICAEW policy on charity issues and related submissions to legislators, regulators and other external bodies.

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COMMENTS

1. In general, we believe that the guidance is helpful and clear and the changes made are useful.
2. We would, however, like to highlight that the general approach taken in this guidance is markedly different from the approach taken by the charity regulators in their guidance to auditors and independent examiners ('reviewers') on reporting matters of material significance, which includes a definitive list of matters deemed to be of material significance. We appreciate that the context is somewhat different and the legal framework may lead to some differences in terminology or scope of duties, but there is such a huge area of overlap that it is difficult to see why a more holistic approach has not been adopted.
3. For instance, would it not be possible for the guidance for reviewers largely to be replaced by a statement to the effect that any matter which trustees are required to report to the Commission could be expected to be a matter of material significance for the purposes of the exercise by the Commission of its functions listed in section 156(3) of the Charities Act 2011? The Commission's guidance to reviewers could then focus on areas of material difference, for instance relevant control failures that might not in themselves be reportable incidents for trustees or any incidents that would be reportable for trustees but would not be of material significance for reviewers.
4. The current requirement for reviewers to report a relevant matter even if the reviewer is satisfied that it has been reported by the trustees in a satisfactory manner results in duplication of effort for little obvious benefit. If the requirements for reviewers and trustees were to be made more consistent with each other, it might be easier for the Commission to address this concern.
5. With regard to Q4, we agree with the removal of the items covered on the grounds that they are risks rather than incidents. Also, they are only a couple of the risks that charities need to consider and if they are to be treated differently from others in this context, more explanation on the rationale for this might usefully be provided.
6. As regards promoting the new guidance on reporting serious incidents, ICAEW will be happy to draw attention to the guidance to members of its charity and voluntary sector group. It is important that Commission resource continues to be applied to publicising guidance on how to prevent serious incidents, as well as on the new guidance on reporting requirements.