

CHARITY MATTERS

So where to now for the charity sector?



These past two weeks have probably been the most difficult for the charity sector in recent memory. The spotlight has been firmly placed on the sector 24hrs per day through all forms of media, reporting and debate....and it's not over yet. The actions of a few have had a massive effect on the thousands of people that work and volunteer in the charity sector and is similar to the banking crisis in many respects.

So where do we go from here? What can charities do to improve the image of the sector and restore public confidence that has been shaken and battered over the last eighteen months? It has to start with an acceptance by all charitable groups, large and small, that governance and regulation are part of the landscape and necessary to ensure that the sector operates to the highest ethical standards. A charity must conform to the laws of the land. You cannot operate as a charity and complain about the regulation required. It's similar to going to an expensive restaurant and complaining about the prices...you shouldn't be there if you can't afford it.

There is however a significant reality on the ground that needs to be addressed which dictates that a charity with an annual revenue of €2m is compared to and subject to the same governance, compliance and regulatory demands as a charity with an annual revenue of €20k. Yes, they are both charitable organisations and yes they must both comply with legislative requirements but in terms of the finance and resources available to each, they are very very different and that is where I believe there is a major issue. I am not advocating or promoting "mitigating circumstances" but I am asking the question as to how charitable organisations can compete on a level playing field.

During the last General Election campaign, the theme from government was "let's keep the recovery going" but they ignored the elephant in the room which was the devastating social impact of the austerity measures they implemented resulting in the ensuing electoral chaos. The elephant in the room within the charities sector is the lack of finance and resources in small and mid-size charities in meeting all of their regulatory requirements...which are numerous. I see this first hand in my work with them. They want to fully comply but at times they have to make a choice between delivering their services or allocating time to regulation....and delivering services will always win out. However, there is no escaping the fact that they must comply if they want to retain their charitable status.

Charitable organisations must begin to help themselves by allocating an annual budget, no matter how small, in support of compliance and regulation. This must be driven by the board of directors. In addition, I believe there is an urgent need for government to create a training & education fund that small and mid-size charitable organisations in particular can access. This should be complemented by a sector-wide education program to enable boards of directors, managers and CEO's to fully understand their operational responsibilities and their responsibility to society as a whole.



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