Aim

To meet the Charity Commission’s requirement that charities report serious incidents that take place within the charity. The Charity Commission requires that the report be prompt, full and frank and set out what happened and how the College is dealing with the incident.

The Charity Commission defines a serious incident as ‘an adverse event, whether actual or alleged, which results in or risks significant:

- harm to your charity’s beneficiaries, staff, volunteers or others who come into contact with your charity through its work (who are collectively referred to throughout this guidance as people who come into contact with your charity through its work)
- loss of your charity’s money or assets
- damage to your charity’s property
- harm to your charity’s work or reputation

For this purpose “significant” means significant in the context of the College, taking account of its staff, operations, finances and/or reputation.’

Further information is available on the Government Website – ‘how to report a serious incident in your charity’ and a precis of what to report, taken directly from the website, is at Annex A.

Policy

The charity (ie the College) must inform the Charity Commission of a serious incident to ensure that trustees comply with their legal duties and that the College manages the incident responsibly. The Commission will seek reassurance that the College has taken steps to limit the immediate impact of the incident and, where possible, prevent a similar incident from happening again.

Responsibility for reporting a serious incident lies with the College’s trustees but may be delegated to a specific person. Governing Body agreed\(^1\) on 31 January 2024 that the President should be the person responsible for submitting a report to the Charity Commission; however, all trustees bear responsibility for ensuring that a report is submitted in a timely manner. If a report is not submitted and the Commission becomes involved the trustees will be required to explain why a report was not submitted.

A report should normally be submitted via the ‘Report a serious incident’ online form if an incident has breached the threshold (as set out above) and should be communicated to the Governing Body at its next meeting or within fourteen days if it takes place in the Long Vacation. The report should explain what has happened and how the matter is being dealt with as well as the ‘reporter’ confirming that they have the authority to report on behalf of the Governing Body (trustees).

Any material changes to the facts and other significant developments after the original submission should be reported to the Commission.

\(^1\) ‘It was agreed that the President should be responsible for reporting to the Charity Commission but that a small group comprising the President, Vice-President and the senior fellow should consult where necessary and if the President is unavailable to complete a report the Vice-President or senior fellow is authorized to do so on the President’s behalf.’
As part of the College’s annual return to the Commission (which is a statutory requirement under section 169 of the Charities Act 2011) a declaration must be signed confirming that there were no serious incidents during the previous financial year that should have been reported.

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The following are extracts taken from the ‘how to report a serious incident in your charity’ webpage.

**The main categories of reportable incident are:**

- protecting people and safeguarding incidents – incidents that have resulted in or risk significant harm to beneficiaries and other people who come into contact with the charity through its work
- financial crimes – fraud, theft, cyber-crime and money laundering
- large donations from an unknown or unverifiable source, or suspicious financial activity using the charity’s funds
- other significant financial loss
- links to terrorism or extremism, including ‘proscribed’ (or banned) organisations, individuals subject to an asset freeze, or kidnapping of staff
- other significant incidents, such as – insolvency, forced withdrawal of banking services without an alternative, significant data breaches/losses or incidents involving partners that materially affect the charity

It is the responsibility of the charity trustees to decide whether an incident is significant and should be reported.

The trustees may delegate responsibility for deciding which incidents should be reported to others within the charity, such as employees. However, decisions made by others in the charity should be reported back to trustees (particularly where incidents were ‘borderline’ and making a report was considered but it was decided not to make one).

**Reporting criminal activity to relevant agencies**

If a reportable incident involves actual or alleged criminal activity then you must also report it to the relevant agencies:

- **safeguarding incidents**: you should report allegations or incidents of abuse or mistreatment of people who come into contact with your charity through its work to:
  - the police and obtain a crime reference number and
  - the local authority and other relevant agencies
- **fraud and cyber-crime**: you should report allegations or incidents of fraud and cyber-crime to Action Fraud via its online reporting tool, ensuring you obtain a crime reference number and making clear that you’re representing a charity.
- **theft**: you should report allegations or incidents of theft to the police (call 101 or make a report at a local police station) and obtain a crime reference number
- **links to terrorism and extremism**: you should report links or alleged links to terrorism and extremism to the police and obtain a crime reference number.
- **criminal activity overseas**: you should usually report any actual or alleged criminal activity that takes place overseas to local law enforcement authorities and/or safeguarding organisations in the location where this occurred.

**Safeguarding**
Protecting people and safeguarding responsibilities should be a key governance priority for all charities. For the purposes of charity law and reporting obligations to the Commission as regulator, the Commission uses the term safeguarding as the range of measures in place to protect the people who come into contact with charities through their work from abuse and mistreatment of any kind (including neglect). Failure by trustees to sufficiently manage safeguarding risks is of serious regulatory concern to the Commission and may be considered to be misconduct and/or mismanagement.

### Types of safeguarding incident to report

If a serious safeguarding risk materialises a report should be submitted to the Commission. This will usually be if any of the following occur:

- incidents of abuse or mistreatment (alleged or actual) of beneficiaries of the charity (adults or children) which have resulted in or risk significant harm to them and:
  - this happened while they were under the care of the charity
  - someone connected with the charity, for example a trustee, staff member or volunteer, was responsible for the abuse or mistreatment (alleged or actual)

- other incidents of abuse or mistreatment (alleged or actual) of people who come into contact with the charity through its work, which have resulted in or risk significant harm to them and are connected to the charity’s activities

- breaches of procedures or policies at the charity which have put people who come into contact with it through its work at significant risk of harm, including failure to carry out relevant vetting checks which would have identified that a person is disqualified in law from holding their position within the charity. This might be, for example, because they are disqualified under safeguarding legislation from working with children and/or adults at risk

### Financial crime: fraud, theft, cyber-crime and money laundering

The main categories of reportable financial crimes are defined below:

- Fraud is dishonesty, involving either false representation, for example ‘identity fraud’, failing to disclose information, or abuse of position, undertaken in order to make a gain or cause loss to another

- Theft is dishonestly taking property belonging to another with the intention of permanently depriving the other of it

- Cyber-crime is any criminal act involving computers and networks. These crimes can be quite complex and difficult to detect, often involving data breaches or identity fraud. It’s important to consider how best to protect your charity from harm online.

- ‘Money Laundering’ is the term used where criminals turn the proceeds of crime (‘dirty’ money) into property or money (‘clean’ funds) so that they seem lawful and legitimate - this avoids suspicion or detection.

There is no minimum loss figure that should be reported – the College should decide whether incidents are serious enough to report, in the context of its income, taking account of the actual harm and potential risks posed.

### Links to terrorism and extremism

These types of incidents include discovering that someone within or connected to the College does business with, or has links to, terrorist groups, or is subject to an asset freeze; also, where property has been stolen by terrorist groups, or charity money, personnel or other assets used to support terrorist activities.

The College should report to the Commission if it becomes aware of allegations being made, or have evidence to suspect that:

- The College (including trustees, members of staff, volunteers or anyone connected with the College) has known or alleged links to a proscribed (banned) organisation or other terrorist/ unlawful activity
- someone within or closely connected to the College, or one of its delivery partners, is placed on a UK or international terrorist list or is subject to an asset freeze
• College funds or assets have been used to pay bribes, protection money or ransoms
• College funds or assets have been used/ diverted (perhaps via a delivery partner) to support a terrorist group or for other terrorist purposes
• the College has been used to circumvent asset freezing measures
• College personnel have been kidnapped or harmed by terrorist groups, including overseas, when representing the charity or carrying out charity work

Other significant incidents that should be reported

• you discover that a trustee or a senior manager of the charity is disqualified in law from holding that position; for example, because they have an unspent conviction for fraud or theft, they are an undischarged bankrupt, they are on the sex offenders register or are disqualified as a director under company law.
• your charity is subject to a police investigation or a significant investigation by another agency/regulator. You do not need to report routine inspections by, for example, Ofsted, Care Quality Commission or Care Inspectorate Wales, unless they have resulted in significant adverse findings that:
  • place the future of the charity in doubt, or
  • are likely to damage the charity’s reputation or public confidence in the charity, or
  • relate to any of the other categories of serious incidents set out in this guidance
• your charity has experienced major governance problems, such as mass resignation of staff or trustees, or other events, leaving it unable to operate
• your charity’s trustees or employees are the subject of criminal proceedings, in connection with the charity or their role in it
• you discover that there has been a significant data breach or loss within your charity