



## Effective Governance Bulletin

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**Issue:** 4

Make sure that you are up to date with legislation and good practice

Are your policies fit for purpose? Are you aware of changes in Charity Law?

If you need any help you can contact us by completing a Advice  
Questionnaire - <https://www.linkscvs.org.uk/node/99>

Included in this effective governance bulletin are:

[NCVO - UK Civil Society Almanac 2019](#)

[VAT](#)

[Display of Trustee Legal Names](#)

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**This is the first edition of our Effective Governance Bulletin. We will cover a range of topics which will keep you informed and up to date with legislation and good practice.**

**This edition includes:**

- **Governance**
- **HR**
- **Finance**
- **Insurance**



### **NCVO – UK Civil Society Almanac 2019**

The 2019 edition of NCVO's Civil Society Almanac contains a wealth of useful data about the voluntary sector and volunteering. The full data is presented on the [newly re-designed Almanac website](#).

### **VAT**

Charities could lose millions of pounds in previously recoverable VAT after a decision by the Court of Justice of the European Community (CJEU) to back [HM Revenue & Customs](#) in a case against the [University of Cambridge](#).

The case centred on an application by the university in 2009 to reclaim VAT incurred between 1973 and 1997 and from 2006 to 2009 on the fees for managing an investment fund made up of donations to the university and endowments.

The case, which concluded this week, in effect decided that charities would no longer be able to recover a proportion of VAT incurred on investment costs, such as those on endowments or legacies.

HMRC allows charities to treat costs incurred on fundraising activities as overheads of their whole activities. This meant that the VAT on costs was recoverable.

But HMRC decided costs relating to the investment of funds should not be treated the same way and challenged the University of Cambridge over the issue in the UK courts before the case was referred to the CJEU in April last year.

The CJEU decided to back HMRC's interpretation of the rule.

The court's decision to back HMRC is unable to be appealed because the court is the highest in UK law."

*You may not be effected significantly depending on your previous actions in this regard but at the very least you should try and quantify the risk and how to mitigate it.*

*Thanks to Elliot Harris for this information.*

## Display of trustee legal names on the charity register

From 1 April 2020, the names of all charity trustees will be displayed to the public on the charity register. The Charity Commission maintains the register of charities and makes the register available to the public. Trusteeship is a serious responsibility and displaying a trustee's name to the public allows for accountability.

In special circumstances however the commission can prevent a trustee's name from being made public on the charity register. In particular, where there are personal circumstances or collective reasons which might place trustees in personal danger. This is known as granting a dispensation.

The commission has [extended the date for changes to public display](#) names from September to April.



## Key challenges affecting charity safeguarding

A new whitepaper published by Zurich has been released about the challenged affecting charity safeguarding. At a glance:

- Any charity that has contact with children and adults at risk has a duty to put in place appropriate safeguarding procedures to protect them from harm
- A combination of factors is making it harder for many charities to keep on top of their safeguarding responsibilities
- We discuss how charities can support their staff, volunteers and trustees to deliver effective safeguarding

For charities, there are also a range of internal and external pressures that can make safeguarding a more complex challenge:

- Impact of austerity
- Increased public scrutiny
- High rates of staff turnover

To download 'The Evolving Safeguarding Risk Landscape' please go the following link

- <https://newsandviews.zurich.co.uk/understanding-safeguarding-legislation-policy-and-procedures-in-2019/>

### **No-Deal Brexit Guidance**

There is a great deal of uncertainty around Brexit and the UK's relationship with the EU. With much left to be decided, it is essential that charities are putting in place plans that allow you to adapt to any Brexit scenario.

To help with this, NCVO have published new guidance with practical steps your team can take to prepare for a possible no-deal outcome. It covers:

- financial preparedness
- staffing and volunteers
- data protection
- EU funding and banking and other financial services

<https://publications.ncvo.org.uk/no-deal-brexit-and-voluntary-sector/>

### **Independent examination of accounts**

The Charity Commission has updated its guidance on key things that trustees need to know about independent examination. This is particularly relevant for small organisations that do not meet the statutory audit threshold of £1 million.

This guidance gives trustees the information they need to:

- check whether their charity can have its accounts independently examined instead of audited
- appoint a suitable person to carry out the independent examination, and
- prepare for the independent examination

<https://www.gov.uk/government/publications/independent-examination-of-charity-accounts-trustees-cc31>

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