



Effective Governance Bulletin

Date: 15/11/2018

Issue: 1

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>

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**



Governance

Automatic disqualification of trustees and senior managers: guidance for charities

From 1st August this year, the list of circumstances in which an individual is automatically disqualified from being a trustee or senior manager of a charity has changed. Charities will need to update their trustee and senior manager recruitment process and current trustee and senior manager procedures to reflect these changes. The Charity Commission has provided the steps you need to take on the following link:

<https://www.gov.uk/guidance/automatic-disqualification-rule-changes-guidance-for-charities>

Charity Governance Code

NCVO have developed a Charity Governance Code for use by all charities to reflect on and improve their governance. Good governance in charities is fundamental to their success.

<https://www.charitygovernancecode.org/en>

Charity Code of Ethics

NCVO are in the process of developing a code of ethics for the charity sector. You can find the draft code here - <https://www.ncvo.org.uk/code-of-ethics-draft>. You can email your views or comments to policy@ncvo.org.uk

HR (This information only covers paid workers – If you want advice about managing volunteers please contact the Chesterfield & North East Derbyshire Volunteer Centre)

Minimum wage

The National Living Wage (NLW) and National Minimum Wage (NMW) rates have increased as of 1st April 2018 and will increase again on 1st April 2019. More than two million people were entitled to an above-inflation pay rise when the new rates came into force. If you are not paying the correct rate you may receive a Notice of Underpayment from HMRC, setting out the arrears to be paid to your workers together with a penalty. Employers may also be publicly named.

The new rates must be applied from the first day of the first pay period on or after 1 April 2018 and are as follows:

- 25 and over are entitled to at least £7.83 per hour
- 21 to 24 are entitled to at least £7.38 per hour
- 18 to 20 are entitled to at least £5.90 per hour
- Under 18 are entitled to at least £4.20 per hour

We would encourage you to sign up to ACAS's mailing list to get the latest updates on minimum wage and other information for employers here

- <http://www.acas.org.uk/index.aspx?articleid=1461>

Finance

Financial procedures

There is free guidance available on knowhownonprofit.org that will help you manage your organisations finances. Having good financial procedures and systems in place enables you to manage your charity's resources responsibly.

<https://knowhownonprofit.org/tools-resources/financial-procedures-manual>



Links have free copies of "**The Adventures of Mr Claw in the World of Charity Accounting**" which will help you keep accurate accounting records, produce budgets and reports and explain the roles of independent examiners. If you are a community group or voluntary organisation covering Chesterfield & North East Derbyshire and would like a free copy please contact the office.

Insurance

Public Liability - all groups must have this. This will include legal liability for damages, legal costs and expenses as a result of injury to the public or damages to their property. The minimum indemnity limit must be at least £2million – this may seem high but many would recommend a minimum amount of £5million. However the annual premium for most groups is likely not to be too frightening but the peace of mind is worth a lot more. Check that the policy includes costs and expenses in defending proceedings under Health and Safety regulations and Act; damage to hired or rented property and/or equipment; member to member liability; the activities that are included – if it is 'usual and regular events' is the annual trip to the seaside or a sponsored walk covered?

Employers Liability - for any groups that have paid staff or designated volunteers (rather than committee members or members that help out).

Buildings Insurance - all groups that own their own premises must have this. If you rent accommodation check the owner's building policy. What are your responsibilities if equipment, particularly electrical, is taken into a building?

Equipment (or Buildings Contents) Insurance - check if it is a 'new for old' policy; are items covered away from normal place of use, or if loaned out, or stored in a private residence.

Personal Accident Insurance - to provide financial payments to individuals injured when undertaking activities or attending events organised by the group. Check the exclusions, are you likely to include any in your programme of events and activities?

Professional Indemnity Insurance - to cover any financial claims that loss, injury or damage was sustained as a result of wrongful advice being given.

Cover for loss or theft of **MONEY** including cheques, at normal meeting place, on a trip, at a special event, in transit, or in a private residence. Specialist insurance might be needed for particular activities or one off events or even for loss of income through inclement weather.

REMEMBER INSURANCE DOES NOT REMOVE THE NEED TO ACT RESPONSIBLY.

If you need clarification or further information please check our [information sheets](#) or complete an [Advice Questionnaire](#).

The Effective Governance Bulletin is compiled by the staff of Links from a wide range of information. While every effort is made to check the accuracy of the material, no liability can be accepted for any error or omission. Inclusion of an item in the bulletin does not mean approval or recommendation by Links.

We are happy for you to send this information to other groups, but please acknowledge the source.

Privacy Notice

Part of our work is to provide groups with up to date information. You can view Links CVS Privacy Policy - https://linkscvs.org.uk/sites/default/files/Privacy%20Policy-2_0.pdf to see how we store your data.




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Opening Hours:
Mon - 12pm - 4pm
Tues - 10am - 4pm
Wed - 10am - 4pm
Thurs - 10am - 4pm
Fri - 10am - 2pm