

The background of the slide is a blue-tinted photograph of two people in an office setting. In the foreground, a woman with her hair in a bun is leaning over a desk, looking at a laptop. In the background, a man with glasses is smiling at the camera.

ACIE

PROMOTING EXCELLENCE IN CHARITY
INDEPENDENT EXAMINATIONS SINCE 1999

The Independent Examiner is Coming!

Susan Robinson
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Do you need an Independent Examination

Charity Law income > £25000 less than £1m

Income > £250,000 IE must be a member of listed bodies

Asset override - £3.26m assets and income > £250,000 need an audit

Appointing an Independent Examiner

- Right Skills
- Eligible
- Understand charity regulations

Appointment

- Anti Money launders identification checks
- Letter of engagement
- Ample time

Preparation

1. Check eligibility
2. Trust Deed / Articles
3. Review Income Levels
4. Conflicts of Interest

1. Accounts
2. Accounting Records – cashbook /accounts program backup
3. Bank statements
4. Receipts
5. Minutes
6. Major Grants Details
7. Accounting systems/Financial controls
8. Funds
9. Trustee Report

Accounting records kept by the charity should:

- Be up to date
- Readily available
- Provide basic information from which charity's financial position can be understood

Account record must contain

- Detail of income and payments date, nature and records of stock and fixed assets held
- Assets and liability at end of reports period
- Branch Details

Additional Matters to Consider:

- Check accounts are consistent with accounting records
- Separate funds correctly accounted for and reported correctly (restricted v unrestricted)
- Trustees Annual Report
- Check accounts contents
- Going Concern

- Letter of Representation
- Post balance sheet events
- Report - unqualified
 - Qualified
- Statutory Duty to report matters of material significance to charity commission
- Report relevant matters to the charity commission

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Thank you

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Governance Pitfalls – Lessons from an Interim Manager

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YOUR SPEAKER TODAY



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So what is an interim manager?

Section 76(3)(g) Charities Act 2011:

An IM acts as a receiver and manager in respect of the property and affairs of the charity.

Section 78(4) Charities Act 2011:

The order appointing an IM may provide:

- for the IM to have such powers and duties of the charity trustees as are specified in the order;
- for any powers or duties of the IM to be exercisable or performed to the exclusion of the trustees.

When can an interim manager be appointed?

Section 76 Charities Act 2011

After the Charity Commission has instituted a statutory inquiry it can appoint an IM if it is satisfied:

- that there is or has been a failure to comply with an order or direction of the Commission, a failure to remedy any breach specified in a warning under section 75A, or any other misconduct or mismanagement in the administration of the charity, or
- that it is necessary or desirable to act for the purpose of:
 - protecting the property of the charity, or
 - securing a proper application for the purposes of the charity of that property or of property coming to the charity.

Things you should never say to an interim manager:

- “I am only a caretaker trustee”
- “I was not involved in the day-to-day operations of the organisation, and I entrusted the legal and operational management to others”
- “Thank you for your questions/request for documents. These are extensive and will be time consuming to supply”
- “Frankly there seems to be some misunderstanding”

“The lady doth protest too much, methinks.” Hamlet



Lesson One: one size **DOES** fit all

- There's no such thing as small



Lesson Two: prevention is better than cure

- File your accounts on time
- Lines of accountability – do they exist; do they work?
- Trustee recruitment & skills gaps

“Truth from an enemy is better than lies from a friend”



Lesson Three: **FAT** minutes

- **F**ull
- **A**ccurate
- **T**imely



“Good recordkeeping can be your proof that you have made considered decisions and taken appropriate actions. Records become your protection if you are questioned or challenged. Without them, you are at risk.”



Lesson Four: Collective responsibility

“We’re all in this together” High School Musical

- Founder syndrome
- Figure head trustees
- Rubber stamping



“The board, as a whole, and trustees individually, accept collective responsibility for ensuring that the charity has a clear and relevant set of aims and an appropriate strategy for achieving them” Charity Governance Code



QUESTION TIME

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