

NFP eNews 9 DECEMBER 2022

Welcome to haysmacintyre's regular 'e-news alert' for charities and not for profit organisations.



A message from our Managing Partner, Natasha Frangos

2022 has been another extraordinary year with many significant events occurring around the globe. In such changing times, we are incredibly grateful for the continued support and loyalty of our clients and we look ahead to 2023 with hope and positivity. We look forward to continuing to collaborate with you in the New Year.

Our partners and team have once again shown excellent perseverance and commitment in all that they do, and it is a privilege to work with such talented colleagues. Our people and our clients are what matter the most to us, and we have used this year to continue advancing our firm to benefit our clients' and people's experience of working with haysmacintyre.

On behalf of all the partners and our team at haysmacintyre, I would like to wish you and your families an enjoyable and peaceful festive season and good health for 2023.

Christmas 2022 Safer Giving Campaign

Action Fraud, the Charity Commission and the Fundraising Regulator have joined forces to launch the 2022 Safer Giving Campaign, which urges donors to make simple checks to ensure their donations reach the intended cause.

The advice includes:

- Checking the charity name and registration number on the Charity Commission website
- Looking for the charity's Fundraising Regulator Fundraising badge
- Asking questions about the cause

The campaign in particular draws attention to personal cause fundraising on crowdfunding websites. While often genuine, this is an avenue that fraudsters and scammers can use to take advantage of people's generosity.



Charity Commission issues update on investment guidance following Butler-Sloss case

In light of the recent High Court judgement in the Butler-Sloss and others v Charity Commission case, the Charity Commission (the Commission) has issued a government response providing an update on investment guidance. Recognising that the judgement has left some charities feeling uncertain as to whether it has changed trustees' legal duties, the Commission has confirmed that:

- In their view, the judgment does not fundamentally alter existing legal principles regarding investments; and charities can continue to rely on the legal position in the Commission's published investment guidance (CC14)
- Trustees have wide discretion, where appropriate, to exclude certain investments based on non-financial considerations when making financial investment decisions
- There is no obligation on trustees to make 'ethical' investments – they can continue to make financial investments designed only to secure the best financial return

A redesign of CC14 is currently underway, which will incorporate an updated explanation of social investment. Read the full response [here](#).

Charity Commission transparency data research report

On 2 December 2022, the Commission published research into public trust in charities and public views about charity transparency data. The data surrounding public trust suggests that trust in charities has increased overall, but with varying levels of trust in different types of charities. It's seen that higher trust is given to charities the public feel 'connected' to, with smaller grassroots charities receiving higher levels of trust than larger corporate and international charities.

In terms of transparency data, some of the key takeaways from the research are:

- Financial information and evidence of impact are most valuable to the public when making decisions about supporting charities
- The public want to see data in a simple and visual way, rather than complex statistics and numerical figures
- Beneficiary and volunteer testimonials were the preferred format for demonstrating charity impact

Read the full report [here](#).



Official warning issued to Christ Church, Oxford

An official warning has been issued to Christ Church, Oxford, after finding that the trustees failed to manage the charity's resources responsibly in relation to a long and costly dispute involving the former Dean, who departed after a mediation process. The Commission had previously advised the charity to have "close oversight of costs" in relation to the dispute – however, £0.6m was spent on legal and PR costs in under four years.

The Commission is critical of the trustees' failure to ensure that Christ Church was accountable for this expenditure over this period, stating that the published accounts categorised the costs as "other direct costs - teaching, research and residential", which could have the potential to mislead the readers of the accounts.

HR Revenue & Customs move the goalposts

We are aware that HM Revenue & Customs (HMRC) is contacting some companies about their 2017 and later Corporation Tax returns, claiming that the losses being reported on the CT600 form are different to the accompanying tax computations. These inconsistencies were caused by changes made by HMRC to the Company Tax Return guide, to remove ambiguities regarding the reporting of losses carried forward.

Whilst tax software providers subsequently updated their systems for the new guide, HMRC has taken the position that these updates should have applied from 2017. HMRC has indicated that they will be using the loss amounts in the tax computations, and our software provider has confirmed that the tax liability should be unaffected and no action will be required.



Autumn Statement 2022

On 17 November 2022, the government undertook the third fiscal statement against a backdrop of rising inflation challenges and economic recession. The Chancellor laid out three core priorities:

1. Stability
2. Growth
3. Public services

The government sought a balanced path to support the economy and return to growth, partially through public spending restraint and partially through tax rises. Read our full report on the statement [here](#).

Elements of a sceptical audit

The Financial Reporting Council (FRC) has issued a [report](#) which sets out examples of good practice to improve auditor scepticism and challenge. The FRC regards the right behaviour and mindset of an audit team to be vital in performing a good audit. The report considers four elements important in promoting a good environment for scepticism and challenge:

1. The learning environment of the audit firm
2. Firm culture
3. Their operating model
4. The wider ecosystem

The report explains the key issue in each element and provides examples of good practice which the FRC has found to support improvements in the audit quality.



And finally....more for your membership

Effective 1 January 2023, readers who are [members of the ICAEW](#) will be given access to the content of the audit and assurance, financial reporting and tax faculties, plus all ICAEW communities as part of their membership. At present, members need to pay extra for access to this specialist content. Please note that access to the corporate finance and financial services faculties will continue to be offered under an additional subscription.

UPCOMING EVENTS

[Trustee training: charity law update](#)

15 February 2023
13:30 - 17:00
Online

[Trustee training: introduction to charity finance and reporting](#)

7 March 2023
09:30 - 13:00
Online

[Trustee training: what every trustee should know](#)

30 March 2023
09:30 - 13:30
Online

We welcome your feedback on this update and would be pleased to hear about any areas you would like to see covered in future editions. Please email [Jane Askew](#), Director and Head of Arts and Culture charities, with any comments.

haysmacintyre

haysmacintyre
10 Queen Street Place
London
EC4R 1AG

T 020 7969 5500
F 020 7969 5600
E marketing@haysmacintyre.com

www.haysmacintyre.com

[@haysmacintyre](https://twitter.com/haysmacintyre)



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A list of members' names is available for inspection at 10 Queen Street Place, London EC4R 1AG

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



Winner: Audit Team of the Year



Winner of the Bronze Award for 2018 and 2017



Top adviser to the top 5,000 charities, Charity Financials' league table 2021



Top ten by audit fees in the 2020 Charity Finance Audit Survey