

# HOUSE KEEPING



Please note you will receive a further email next week with all of the questions and our answers from the two sessions.



If you posted or emailed a specific question in relation to your individual church / circumstances – that requires an individual response – this will be emailed to you in the next 7-10 days.



Please look for this sign on the slides – it indicates a link to further guidance on the internet.



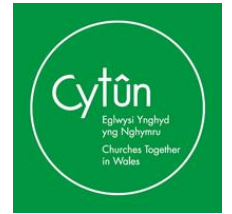
The live event was recorded – you can view the recording for 3 months by using [this link – Join Charity Commission Webinar on "Good Governance in Churches: Expectations of the Charity Commission"](#)

Please share the link with those who could not attend the live sessions.

**Please do not post any questions on the Q&A facility** as we cannot access it after the live event.



CHARITY COMMISSION  
FOR ENGLAND AND WALES



# GOOD GOVERNANCE IN CHURCHES:

# EXPECTATIONS OF THE CHARITY COMMISSION

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presented by

**Maria Martin &  
Nick Donaldson**

# WELCOME FROM PAUL GOODLIFF AND ALED EDWARDS CHIEF EXECUTIVES OF CHURCHES TOGETHER IN ENGLAND AND CYTUN



# OBJECTIVES

- ❑ **Introduce** the Faith Charities Outreach Team
- ❑ **Provide an overview** of Charity Commission expectations around:
  - Trustee duties
  - Financial Management
  - Safeguarding
- ❑ **Signpost** to additional support



# The charity sector at a glance - 2019-20

Total charity income  
we regulate

**£81.2bn**  
charity income

**£78.7bn**  
charity spend



Charities on the register



Charities that operate  
outside England and Wales

**18,130**



Total trustees



**940,453**  
trustee positions held  
by 700k individuals



**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

# MEET THE FAITH CHARITIES OUTREACH TEAM

**NICK DONALDSON**

Head of Faith Outreach



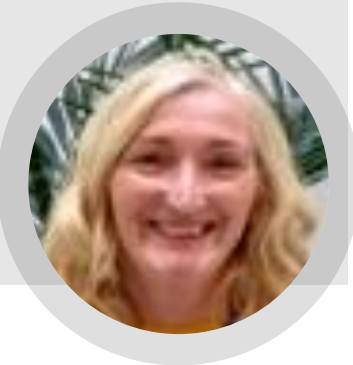
**COLETTE BENNETT**

Outreach Manager



**MARIA MARTIN**

Outreach Officer



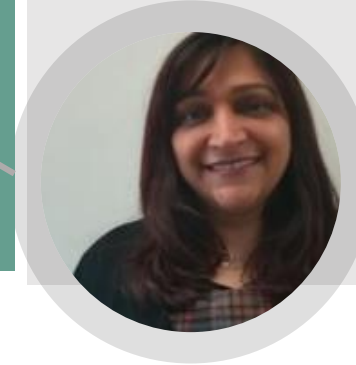
**ROSALIND HUNTER**

Outreach Officer



**SARAH LOCKETT**

Outreach Officer



**MEETA HITCHINGS**

Engagement Assistant

# WHAT DOES BEING A TRUSTEE INVOLVE ?



# WHAT DOES BEING A TRUSTEE MEAN?

## Trustees....

1. Have ultimate responsibility for the charity
2. Only have to comply with charity law, in running the charity
3. All have an equal say (a chair may have a casting vote)
4. Should only look at the governing document if a problem arises
5. Are usually paid for being a trustee





# SELECTING AND RECRUITING TRUSTEES

- Decide which skills and experience you need
- Consider best methods to attract the right people
- Vet the trustees



# TRUSTEE DUTIES – SIX MAIN DUTIES



*“Charity Trustees : the persons having the general control and management of the administration of a charity.”*

**s.177, Charities Act 2011**

[CC3 - The Essential Trustee](#)



# RISK ANALYSIS AND MANAGEMENT

## Principle of trustee duties:

**higher risk** =

increased effort to comply with legal duties

## Commission guidance:

- Identify major risks that apply
- Make decisions about how to respond to those risks
- Make an appropriate statement about risk in annual report



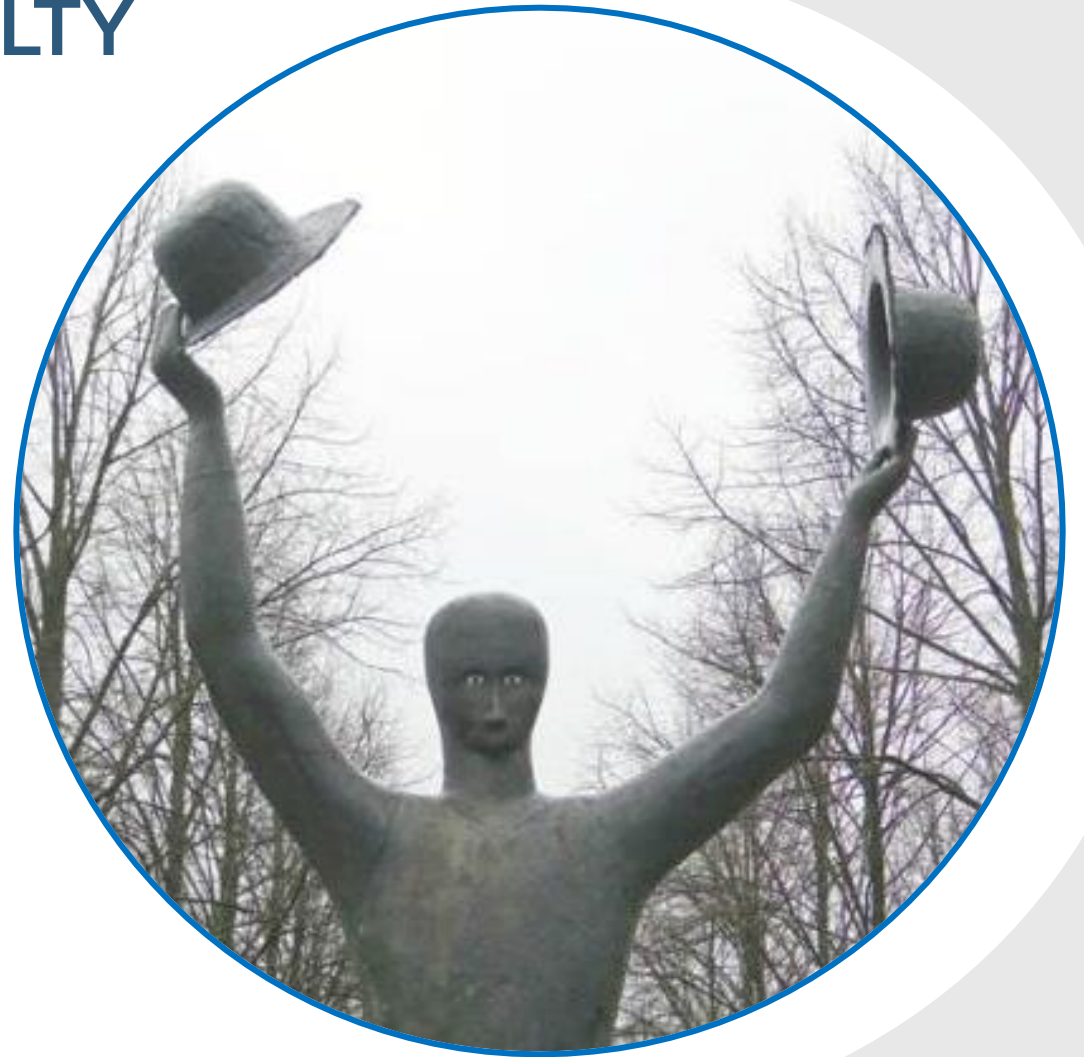
# CONFLICTS OF INTEREST / LOYALTY

What is a conflict of **interest**?

What is a conflict of **loyalty**?

Trustees can't let conflicts of interest affect their decision making:

- Identify / Declare
- Manage
- Record



# PAYMENTS TO CHARITY TRUSTEES

- Charities can't normally pay trustees simply for being a trustee.
- Some charities do pay a trustee to do work for the charity.
- This must be either:
  1. Explicitly authorised in the governing document; or
  2. Authorised using the statutory power in the Charities Act 2011 to pay trustees for services and goods; or
  3. Authorised by the courts, or an order of the Charity Commission
- If you wish to pay or employ somebody who is related to a trustee, you must seek permission from the Commission.



[Payments to charity trustees](#)

6.5. A charity trustee or connected person may receive compensation (including the provision of accommodation) for acting as an employee of the Church under a contract of employment provided that:

# COVID-19

## Significant impact on charities, primarily:

- **Finances** (impact on places of worship dependent on income sources)
- **Communicating with congregations/each other**
- Managing the **closure/reopening** of buildings

FTfm **Charity**

+ Add to myFT

Charity sector faces  
£10bn funding shortfall  
and 60,000 job losses



[Guidance for the safe use of places of worship \(gov.uk\)](https://www.gov.uk/guidance/safe-use-of-places-of-worship)

[Guidance for the safe use of places of worship \(gov.wales\)](https://www.gov.wales/guidance/safe-use-of-places-of-worship)

# MANAGING FINANCIAL DIFFICULTIES CAUSED BY CORONAVIRUS

- Commission guidance
- Enabling online giving
- Maximising Gift Aid claims
- Fundraising & grant application funding
- Powers under the Charities Act 2011 to alter purposes/spend permanent endowment



<https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-caused-by-coronavirus>

# INTERNAL FINANCIAL CONTROLS

- Protect the charity's assets
- Identify and manage the risk of conflicts of interest, loss waste, bribery, theft or fraud
- Ensure that financial reporting is robust and of sufficient quality; and
- Ensure that the trustees comply with charity law and regulation relating to finance.



[Internal financial controls for charities](#)





# SENDING MONEY INTERNATIONALLY

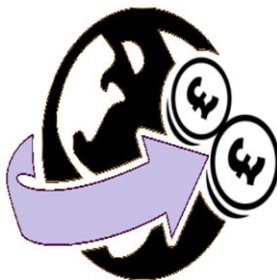


# MOVING FUNDS INTERNATIONALLY



Charity trustees have a **legal duty** to **protect** their charity's funds and ensure they are **legitimately** used to further **charity's purpose**

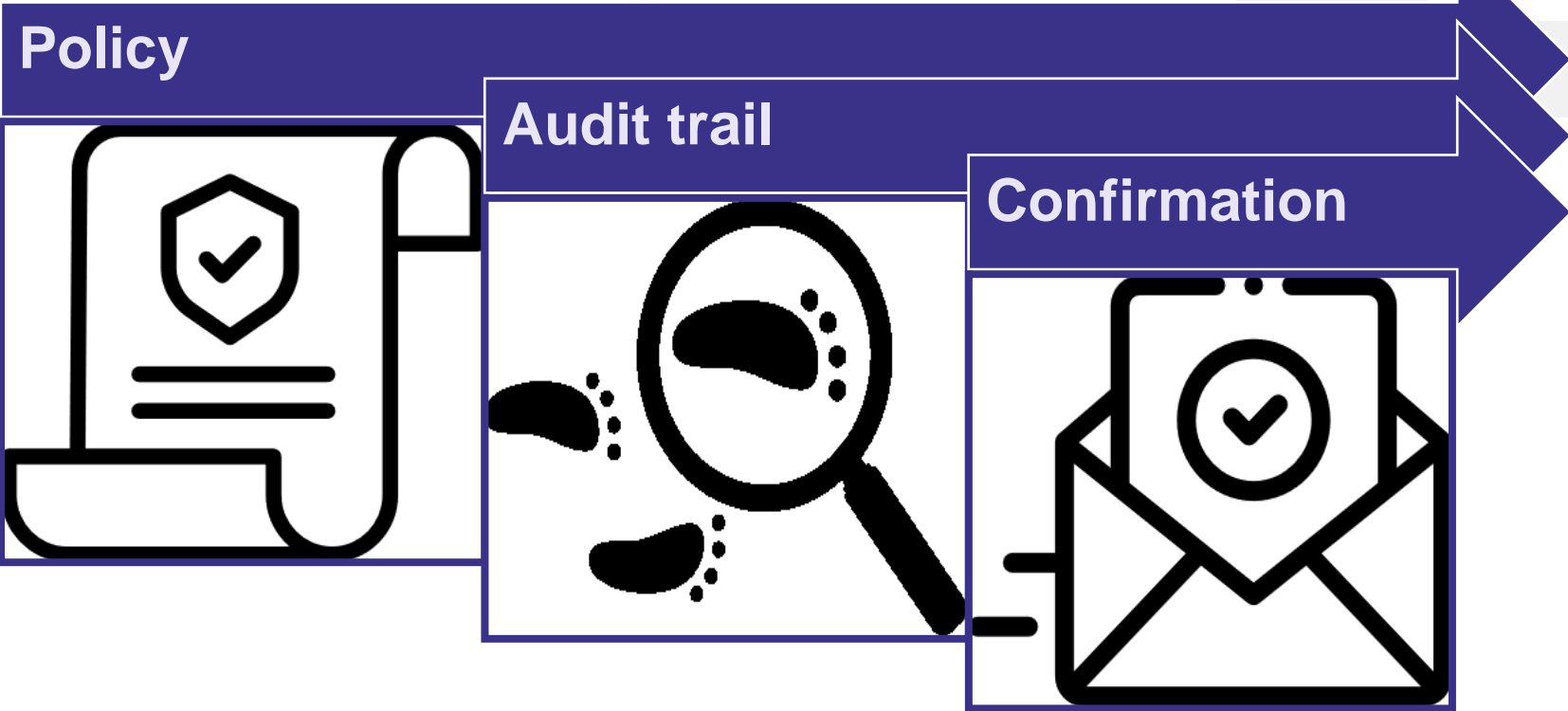
They also have a **duty to account** for how their funds have been spent



Charities working internationally often need to move money **across international borders** and may encounter different banking systems



# ISSUES TO CONSIDER



# OTHER WAYS TO TRANSFER MONEY



Money  
Service  
Businesses  
(MSBs)



[Register](#)



Payment  
services:



- mobile transfer
- handset transfer

[Register](#)



Informal Value Transfer  
Systems (IVTS)



'Hawala'



'Chiti'



Third party charities  
or NGOs

[Checklist of issues  
to consider, Tool 8](#)



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# SAFEGUARDING IN FAITH CHARITIES

AN OVERVIEW



# SAFEGUARDING – TRUSTEE DUTIES

As part of fulfilling your trustee duties, you must take **reasonable steps to protect from harm, people who come into contact with your charity.**

This includes:

- people who benefit from your charity's work
- staff/volunteers
- other people who come into contact with your charity through its work

**A charity should be a safe and trusted environment.**



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**Set organisational culture**

**Prioritises safeguarding**



**Safe and trusted environment**

**Safeguarding Policies and Procedures**



**Deal with incidents as they arise**

**Report any serious incidents**



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# ARE YOU VULNERABLE?







**Often run by volunteers**

**Open door**



**Rehabilitation**

**Trust**



**Religious authority**

**Relationships continue  
outside place of worship**



# REPORTING SERIOUS INCIDENTS

**Charities should report any serious incident that results in – or risks - significant:**

- harm to 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



Our guidance sets out examples of what should/should not be reported

<https://www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity>



[‘Report a serious incident’ online form](#)



# SAFEGUARDING

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## Case Study

- Member of congregation raises concerns to the Commission about sexual abuse allegations which had been made against church's youth pastor
- 2 separate incidents - not on church premises but in individual's home – church's safeguarding responsibility extended to these circumstances
- Police and Charity Commission opened investigations

# SAFEGUARDING

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## Case Study – Charity Commission Inquiry

- Senior pastor (charity's child protection lead) treated the issue as pastoral rather than as a safeguarding issue, before eventually alerting the authorities
- Subject of complaint was the youth pastor - suspended, resigned and convicted of sex offences
- Senior pastor arrested for witness intimidation and perverting the course of justice – suspended and resigned from role – no criminal charges brought but disciplinary action taken

# SAFEGUARDING

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## Case Study – Charity Commission Inquiry

Significant weaknesses in safeguarding policies and procedures:

- At time allegations were reported – no active review of safeguarding within the charity
- Safeguarding not promoted well by leadership or operationally
- Significant delay between the charity's child protection lead becoming aware and reporting to the authorities
- Inappropriate level of skill and awareness of safeguarding within the organisation
- Recruitment practices inadequate - presented risks to the charity's beneficiaries

# SAFEGUARDING

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## Case Study – Conclusions

- Reasonable steps were not being taken **by the trustees** at the time the safeguarding incidents occurred to protect beneficiaries, which **constituted misconduct and mismanagement**.
- **Deficiencies** in charity's safeguarding policies, procedures and practices subjected the charity's **vulnerable beneficiaries to risk**.
- Commission set out & monitored delivery of action plan to address safeguarding risks.



<https://www.gov.uk/guidance/safeguarding-duties-for-charity-trustees>

# SAFEGUARDING



- *“The Independent Inquiry into Child Sexual Abuse, chaired by Professor Alexis Jay OBE, was set up because of serious concerns that some organisation had failed and were continuing to fail to protect children from sexual abuse.”*
- 15 investigations - 3 of the investigations are into religious settings
- Public hearings held (mostly in May & August 2020) on the **Investigation into Child Protection into Religious Organisations and Settings**, which includes places of worship and faith schools
- Investigation focused on a number of areas, including possible minimum standards for religious organisations, oversight of child protection in settings, DBS checks and the voluntary safeguarding code of practice for out-of-school settings



<https://www.iicsa.org.uk/>



## RELEVANT GUIDANCE:

- [Charity Commission web site](#)
- Seek professional advice where appropriate
- Look at other similar organisations
- Relevant umbrella / support bodies

GUIDANCE

The essential trustee: what you need to know, what you need to do







CHARITY COMMISSION  
FOR ENGLAND AND WALES

We ensure  
charity can  
thrive and inspire  
trust so that people  
can improve lives  
and strengthen  
society

# THANK YOU



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