

NFP eNews 7 OCTOBER 2020

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

WINTER ECONOMY PLAN REPLACES BUDGET

Although no date had been announced for the Autumn 2020 Budget, the Chancellor has cancelled it in the face of the increased COVID-19 infection rates and attendant restrictions, and instead unveiled a '[Winter Economy Plan](#)'. The announcement included extending the VAT cut to 5% for hospitality and tourism to 31 March 2021 and a Job Support Scheme (the Scheme) which it is proposed will run until 30 April 2021. Although employers will be able to claim under the Scheme from December 2020, further information is awaited on its practical workings. Please read haysmacintyre's summary of the Scheme [here](#).



CHARITY COMMISSION: NEW VERSION OF THE ONLINE REGISTER OF CHARITIES

The Charity Commission has launched a [new version of the online register of charities](#). Each charity's register entry will now display more clearly whether or not the charity has been subject to regulatory action or is of ongoing concern. Following changes to the annual return, charities' entries will now show how many staff members receive pay packages of £60k and above and where trustees are remunerated for their work. It also lists the policies that a charity has in place on such matters as safeguarding, conflicts of interest and investments.

INTERNAL AUDIT OF SYSTEMS AND CONTROLS

How do senior leadership and boards ensure that their new processes and policies are adequate, effective and prevent fraud? A proportionate level of internal audit activity helps with good governance for organisations to meet their business risk expectations. We provide more information [here](#).



FINANCIAL SUPPORT FOR VCSE ORGANISATIONS TO RESPOND TO COVID-19

The Department for Digital, Culture, Media & Sport has [updated](#) its guidance on financial support for voluntary, community and social enterprise organisations to respond to COVID-19. This reflects passed application deadlines, details of grants awarded, and changes to HM Treasury financial support.

POSTPONED ACCOUNTING FOR IMPORT VAT

Both UK businesses and overseas businesses should be aware of the postponed accounting for import VAT which is being introduced with effect from 1 January 2021. We provide more information [here](#).



FCA SUCCESS IN BUSINESS INTERRUPTION TEST CASE

The [High Court has found in favour](#) on most of the key arguments advanced for policyholders by the Financial Conduct Authority (FCA) in its test case to seek greater clarity regarding business interruption claims resulting from COVID-19. Insurers had been interpreting business interruption clauses differently, sometimes accepting liability, sometimes not. The FCA therefore selected a selection of representative sample policy wordings for testing before the Court. The Court found that the pandemic and the Government and public response were a single cause of the covered loss and that most of the disease clauses in the sample provided cover.

ARRESTS FOR FURLOUGH FRAUD

As part of HMRC's drive against furlough fraud, an accountant and company director have been arrested on suspicion of being involved in a £70,000 furlough fraud. Both have been released under investigation and digital devices and business records have been seized.



COMPANIES HOUSE CLAMPING DOWN ON FRAUD

[Companies House has announced](#) that it will introduce compulsory identity verification of directors before they can be appointed. This comes as part of the Government's drive to combat fraud and money laundering and will also extend to persons with significant control and those filing information on a company's behalf. Companies House does not anticipate the checks will impact the time it takes to incorporate a company and is intending to develop a 24/7 digital verification process. The timeline for introduction is unknown, other than the Government is committing to introduce enacting legislation 'when Parliamentary time allows'.

GOING PHISHING?

HMRC has [updated its guidance on phishing e-mails](#) and bogus contact to include details of various COVID-19 orientated scams which encourage recipients to click on links or call telephone numbers. HMRC will never send notifications by email or text about tax rebates or refunds. HMRC asks for phishing text messages to be sent to 60599 (network charges may apply) or email phishing@hmrc.gov.uk before deleting it. We are also aware of fraudsters making threatening calls on the back of the deferred July 2020 tax payments. The threats have included arrest if the tax payments were not made immediately.



AND FINALLY...

Office for Budget Responsibility (OBR) still to undertake review of forecasts. Despite cancelling the Autumn Budget, the Chancellor, Rishi Sunak, has asked the OBR to prepare an economic and fiscal forecast to be published in mid to late November.

Our dedicated [COVID-19](#) page provides regular updates on a range of financial, tax and accounting measures being introduced with our related thoughts/insights on helping businesses during this time.

UPCOMING EVENTS

What Every Trustee Should Know

Wednesday 14 October 2020

09:30 - 13:00

Online

haysmacintyre, Farrer & Co and Cazenove Charities are hosting a comprehensive programme of training sessions for both new and experienced trustees.

VAT and Tax Exchange

Tuesday 20 October 2020

16:00 - 17:30

Online

haysmacintyre's VAT and Tax Exchange is a bi-annual seminar series providing an update on topical VAT and Tax issues relating to charities. Hosted in Autumn and Spring each year.

NGB benchmarking report launch webinar

Wednesday 11 November

15:00 - 17:00

Online

The launch of haysmacintyre's annual NGB Benchmarking Report and webinar for sports organisations. Programme and speakers will be released in due course.

For further details on our not for profit upcoming events and to book your place, visit www.haysmacintyre.com/events.

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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 2019

Top ten by audit fees in the 2019 Charity Finance Audit Survey