

E-NEWS

20 March 2020

Welcome to haysmacintyre's special COVID-19 email update for charities and not for profit organisations.

haysmacintyre

Keeping you up to date with compliance matters, legislative developments and financial best practice.

DEFERRING PAYMENTS OF TAXES

HMRC has set up a dedicated COVID-19 helpline (0800 0159 559) to help those in need to discuss and agree a bespoke Time to Pay arrangement.

We consider that this will be of benefit to all our clients, in particular the delay to payments of PAYE and VAT, which should assist charities and other not for profit organisations. It is understood that HMRC's approach is an open willingness to allow businesses to defer tax payments. What is key is communicating with HMRC prior to the tax due date, taking early action on this is highly recommended. Current experience is that HMRC are taking a light touch on the information they require before agreeing to a payment plan. Further details can be found on our dedicated COVID-19 webpage [here](#) and on HMRC's tax helpline webpage [here](#).



COVID-19 AND GOVERNANCE: WHAT CHARITY TRUSTEES NEED TO THINK ABOUT

NCVO has published some useful guidance for trustees during this pandemic with some key questions to consider and some practical guidance on how to hold remote board meetings. This guidance which they've kindly allowed us to share can be found [here](#). The report can be found [here](#).

GUIDANCE TO HELP WITH RUNNING YOUR CHARITY DURING THE COVID-19 OUTBREAK

The Charity Commission has a dedicated page which will be updated regularly with responses to commonly asked questions. They also confirm that charities should continue to report serious incidents using the current guidelines and their own judgement and will advise if and when this situation changes. The guidance can be found [here](#).



NEW EMERGENCY SUPPORT FUND ANNOUNCED TO HELP LONDON'S COMMUNITY AND VOLUNTARY ORGANISATIONS

London Funders' members, the Greater London Authority and the City Bridge Trust, have contributed £1m each to [launch a new fund](#) to support London's voluntary sector. They are working with funders from across sectors to bring more money together in response to community need.

GUIDANCE ON THE GOING CONCERN BASIS OF ACCOUNTING AND REPORTING ON SOLVENCY AND LIQUIDITY RISKS

Given the unprecedented risks many organisations currently face, it is appropriate to revisit the [Financial Reporting Council's 2016 guidance](#). It is best practice rather than mandatory and was issued to assist directors:

- To make disclosures on the going concern basis of accounting and uncertainties in their financial statements
- To disclose principal risks and uncertainties, which may include risks that might impact solvency and liquidity, within their strategic report.



AND FINALLY... REMOTE AUDITING

In these unprecedented times there are many challenges that organisations, particularly charities, face. With most charities having either December or March year ends, the onset of another audit cycle adds to those pressures. So what is haysmacintyre doing and how can we help to ease the burden?

haysmacintyre have invested over the years in having an exemplary IT framework and so we are able to assist clients fulfil their statutory audit duties by deploying our contingency plans and offering remote auditing. Our IT infrastructure allows all staff to work from separate locations through a portal system, which accesses the files as if they were all in our office. Managers are able to access the files and review the work as if they were present with the team. We can set up secure platforms for the sharing of documentation and evidence for the audit file (Sharefile and Inflow as well as email) and keep in touch throughout the process.

There are, however, a number of critical requirements that charity clients can do to assist in the process and work together to ensure that we operate as smoothly as we possibly can. These are:

1. Have a set of accounts prepared one week in advance of any fieldwork timetable. This allows us to plan and focus our work in the right risk areas and helps to identify any reporting changes as quickly as possible.
2. Have lead schedules with support for all balances in the preparation of the accounts. The charities 'audit file' can be sent through the secure portal or emailed to us.
3. Download the nominal ledger transaction history. From these reports we are then able to select the samples of entries that we wish to test so that your team can extract this information and securely send the information through the portal facility.
4. Prepare documentary notes on any key judgements and estimates used in the preparation of the accounts. These documents are particularly useful audit evidence but are also helpful internal documents to keep as a permanent record.
5. Going concern – this is now the most fundamental judgement that is being made when both the trustees and auditors sign off. New guidance was issued by the ICAEW on 16 March 2020 on the areas to consider and the implications for auditors. These are uncertain times, and so one cash flow will not be enough. You will need to consider various scenarios and document the assumptions you are making, and your boards will need to review these carefully before they make a conclusion. As auditors we will also need to critically assess those assumptions and be comfortable with the results.

Additional disclosures will be necessary even for those organisations that have strong balance sheets to evidence the risks that are now faced and the impact these may have on the business, even though we may not have the clarity that we would all like. We are seeing an increasing number of examples in different sectors of these additional disclosures and so we can help you reach a point where your disclosures are adequate in order for us to sign off.

These systems and processes are designed to keep the cycle running with as little disruption as possible, but inevitably there will be matters which delay the process compared to previous years. We want to work with our clients to help them in these times, and hopefully the above sets out an approach that will work for most charities and ensure that, we help you meet your statutory obligations. Please contact either your haysmacintyre partner or manager to discuss the above options.

UPCOMING EVENTS

[Bi-annual update for independent schools webinar](#)

Thursday 30 April 2020
Online

A biannual update for independent schools.

[Bi-annual charity update](#)

Thursday 1 October 2020
Morning session: 09:00 - 12:30
Afternoon session: 14:00 - 17:30
haysmacintyre offices

haysmacintyre's bi-annual charity update seminar for charities and not for profit organisations. Our experts will be hosting two sessions in Autumn 2020.

[INGO financial benchmarking report launch and seminar](#)

Tuesday 6 October 2020
12:30 - 17:30
haysmacintyre offices

An update on latest developments relevant to INGOs and the launch of our 2020 International Charity Financial Benchmarking report.

[VAT & Tax Exchange](#)

Tuesday 20 October 2020
16:45 - 19:00
haysmacintyre offices

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.

We welcome your feedback on this update and would love to hear about any areas you would like to see covered in future editions. Please email [Anna Bennett](#), Charities Partner, with any comments.

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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