

## **FSPSP AGM 11 March 2025**

### **Charity Legal Responsibilities**

A few words on ensuring our supporters can have confidence that Friends is well-run. In other words that we maintain sound governance standards under charity law.

While charities can benefit from specific tax advantages - like Gift Aid for example - running a charity also comes with many responsibilities for the Trustees. We have independent control of the charity and must comply with three key legal duties. These are:

1. **To act in the charity's best interests - in particular deal with conflicts of interest.**
2. **To manage the charity's resources responsibly - implementing appropriate financial controls and managing any risks we face as a charity.**
3. **To act with reasonable care and skill - taking appropriate advice when needed.**

**Breaching these legal duties can have consequences** as a quick look at the Charity Commission's website demonstrates. It shows a number of recent Inquiries into various charities' management of financial controls and conflicts of interest. Reasons the Charity Commission takes such a close look at any charity include serial failure to submit required reports and accounts to the Commission; expenditure and activities that fall outside a charity's purpose and objectives; and evidence that there are conflicts of interest eg trustees who are related. In serious cases where Trustees have failed to comply with these legal duties they can be disqualified from becoming charity trustees or holding senior management functions in the charity sector for several years.

**This may seem rather daunting for trustees who are giving their time for free. Fortunately the regulator of the charity sector, the Charity Commission, publishes a series of guidance documents and videos to help trustees meet their responsibilities.** We have used this guidance over the past two years to test Friends' compliance and where necessary to strengthen our governance framework.

**3) The Trustees are happy to report on the status of our key legal duties as follows:**

■ **Effective management of Conflicts of Interest among Friends' trustees.**

This is baked into our Trust Deed (clause 19). To this end we also ensure that Ewhurst Church ex-officio Trustees (Rector and church warden) are the minority of the total number of Friends Trustees.

■ **Responsible management of our resources and risks.** FSPSP has strict limits on access to its bank accounts - 3 trustees; with 2 signatories required for large withdrawals. And we have developed a Risk identification, assessment and management matrix - specific to FSPSP - that is reviewed and updated on a regular basis. This identifies issues that might put the charity at risk, and how we will mitigate and monitor those risks. It's on the Friends website. Friends is also signed up to the Information Commissioner's Data protection code of practice.

■ **Acting with reasonable care and skill.** As trustees we research and discuss issues as they arise, taking action as agreed. For example, we recently adopted a Charity Safeguarding policy (adapted to FSPSP needs) to meet our responsibilities for safeguarding and protecting people who are involved in this charity, and those who come into contact with this charity. Our safeguarding policy is on the Friends website.