

What do charities need to do to prepare for the General Data Protection Regulation (GDPR)?



The GDPR replaces the current Data Protection Act 1998 and will become law in the UK on 25 May 2018. What difference will this change make to your charity and the way that you collect and use personal information?

The Information Commissioner's Office has published useful guidance entitled "12 Steps to Take Now" so that organisations can start to prepare for the GDPR. Charity trustees need to be aware that this reform is imminent and they should use this checklist to help to ensure that they have an approach in place and new procedures to deal with the GDPR's new transparency and individuals' rights provisions.

Summary of 12 Steps:

- 1. Awareness** – make sure that the charity trustees and the senior management team are aware that the law is changing to the GDPR.
- 2. Information you hold** – what personal data does your organisation hold, where did it come from and who do you share it with? Charity trustees should organise an information audit.
- 3. Communicating privacy information** – review current notices and put in place any necessary changes prior to GDPR implementation in relation to privacy notices.
- 4. Individuals' rights** – ensure that your current procedures cover individuals' rights, deletion of data and providing data electronically.
- 5. Subject access requests** – update these procedures.
- 6. Lawful basis for processing personal data** – again you will need to identify the lawful basis for processing, document it and update your privacy notice to explain it.
- 7. Consent** – review how to record and manage consent and refresh existing consents if they do not meet GDPR standards.
- 8. Children** – do you need to put systems in place to check individual's ages or obtain parental or guardian consent?
- 9. Data breaches** – have you got the right procedures to detect, report and investigate a personal data breach?
- 10. Data protection by Design and Data Protection Impact Assessments** – charity trustees should read the ICO's Code of Practice on Privacy Impact Assessments and decide how to apply this to your organisation.
- 11. Data protection officers** – designate someone to take responsibility for data protection compliance and ensure that they report formally to the Board of Trustees on a regular basis.
- 12. International** – if you work in more than one EU member state you will need to identify your lead data protection supervisory authority.

The clock is ticking and there are significant fines for non-compliance so please make sure you are ready for 25th May 2018.

Email us the details of others who would like to receive this newsletter.



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Reporting of matters of material significance

The UK charity regulatory bodies have revised their guidance for auditors and independent examiners regarding the reporting of matters of material significance to the regulator.



Here is a summary of what must be reported

Dishonesty & fraud

Any matters suggesting dishonesty or fraud involving a significant loss of, or a material risk to, charitable funds or assets.

Internal controls & governance

Any failure(s) of internal controls, including failure(s) in charity governance that resulted in, or could give rise to, a material loss or misappropriation of charitable funds, or which leads to significant charitable funds being put at major risk.

Money laundering & criminal activity

Knowledge or suspicion that the charity or charitable funds including the charity's bank account(s) have been used for money laundering or such funds are the proceeds of serious organised crime or that the charity is a conduit for criminal activity.

Support of terrorism

Matters leading to the knowledge or suspicion that the charity, its trustees, employees or assets, have been involved in or used to support terrorism or proscribed organisations in the UK or outside of the UK (with the exception of matters related to a qualifying offence as defined by Section 3(7) of the Northern Ireland (Sentences) Act 1998).

Risk to charity's beneficiaries

Evidence suggesting that in the way the charity carries out its work relating to the

care and welfare of beneficiaries, the charity's beneficiaries have been or were put at significant risk of abuse or mistreatment.

Breaches of law or the charity's trusts

Single or recurring breach(es) of either a legislative requirement or of the charity's trusts leading to material charitable funds being misapplied.

Breach of an order or direction made by a charity regulator

Evidence suggesting a deliberate or significant breach of an order or direction made by a charity regulator under statutory powers including suspending a charity trustee, prohibiting a particular transaction or activity or granting consent on particular terms involving significant charitable assets or liabilities.

Modified audit opinion or qualified independent examiner's report

On making a modified audit opinion, emphasis of matter, material uncertainty related to going concern, or issuing of a qualified independent examiner's report identifying matters of concern to which attention is drawn, notification should be made of the nature of the modification/qualification/emphasis of matter or concern with supporting reasons including notification of the action taken, if any, by the trustees subsequent to that audit

opinion, emphasis of matter or material uncertainty identified in the independent examiner's report.

Conflicts of interest and related party transactions

Evidence that significant conflicts of interest have not been managed appropriately by the trustees and/or related party transactions have not been fully disclosed in all the respects required by the applicable SORP, or applicable regulations.

What does this mean for trustees?

Charity trustees need to familiarise themselves with the matters of significance listed above. Of particular note to charity trustees is to make sure that they declare and properly manage conflicts of interest and related party transactions. If they fail to do this properly, the auditor or independent examiner will have no option but to involve the regulator.

Trustees have a duty to inform the Charity Commission of serious incidents if these occur. We suggest that they familiarise themselves with the Charity Commission guidance on the subject.

Cloud accounting

Don't forget to discuss your cloud accounting needs and requirements with us. We have experience of setting up systems to fully fund account as required by charities.



Will you need to register your accountant?

The Charity Commission have recently released information regarding accountants who file annual accounts on behalf of a charity client. In the future the charity will need to appoint their accountant as a "Trusted 3rd Party" via their Charity Commission log-in to enable the accountant to file accounts on their behalf.



TaxaPP

Keep up to date with the latest tax rates and news by downloading our TaxaPP today, available from the iOS App store or Google Play.

Download our TaxaPP now

Did you know?

Tax and accounting are rapidly going digital, Gift Aid is already digital. The world of compliance is fast becoming digital. This can be looked on as an inconvenience, or, an opportunity to improve your charity and make it more efficient. Plummer Parsons has the knowledge and experience to help you implement digital solutions that will not only meet compliance needs but, more importantly, enable you to put people not paperwork first.

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