

**Please complete this box:**

Candidate number:										as indicated on your admission slip
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Desk number:

Number of continuation sheets attached:

Subject ref. CLG

**Level 4 Certificate in Charity Law and Governance**

# Charity Law and Governance

**November 2018**

Wednesday morning, 28 November 2018

**Time allowed:** 3 hours (plus 15 minutes reading time)

**Do not open this examination paper until the presiding officer or an invigilator tells you to.**

**You must not take this paper out of the examination room.**

The examination paper contains **19** questions and is divided into **three** sections. You must attempt **all the questions** in this paper.

Section A contains 20 marks, Section B contains 35 marks and Section C contains 45 marks. There are **100 marks** available in total for the paper.

You should allow yourself **approximately** 15 minutes in total to answer the questions in Section A, 60 minutes in total to answer the questions in Section B and 35 minutes for each of the questions in Sections C.

You may continue your answers on the continuation sheets at the back of the booklet if necessary. Separate answer sheets are available from the invigilator.

**Note:** Unless otherwise specified, you should assume that an Act or an organisation referred to in the questions is a UK Act or organisation.



# Section A

Answer **all** the questions in this section.

Continue your answers on the continuation sheets at the back of the booklet, if necessary.

1. If a charity needs to complete a Charity Commission annual return, how long, after its financial year end, does it have to complete and file this return?

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(1 mark)

2. What are the legal penalties faced by a person who acts as a charity trustee of a charitable company whilst legally disqualified from doing so?

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(2 marks)

3. The Charity Commission is accountable to Parliament.

Is this **true** or **false**?

(Tick **one** box only)

True

False

(1 mark)

4. Describe some of the common mechanisms for providing monitoring information to boards.

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(4 marks)

5. Which Act specifies the legal rules on 'Standard Investment Criteria'?

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(1 mark)

6. State **two** alternative names for the constitution of an unincorporated charitable trust.

i 

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ii 

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(2 marks)

7. Which of the following types of payment is **not** usually regarded as being a benefit to a trustee?

(Tick **one** box only)

- A  Payment of an 'honoraria'.
- B  Payment to a business owned by the trustee.
- C  Payment of reasonable expenses.
- D  Payment to a trustee for being a director of the charity's trading subsidiary.

(1 mark)

8. Outline the legal parameters for charities being able to trade lawfully.

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(4 marks)

9. Identify **two** methods of board appraisal.

i \_\_\_\_\_  
\_\_\_\_\_

ii \_\_\_\_\_  
\_\_\_\_\_

(2 marks)

10. Give **two** elements of the 'benefit' requirement in the legal obligation for charitable purposes to be for public benefit.

i \_\_\_\_\_  
\_\_\_\_\_

ii \_\_\_\_\_  
\_\_\_\_\_

(2 marks)

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**TOTAL FOR SECTION A = 20 MARKS**



13. Explain some of the advantages of using a governance code to set out the standards and principles of corporate governance, with reference to a code regularly used in England and Wales.

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(6 marks)

14. Explain the reasons why a charity might establish a group structure.

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(6 marks)

15. Explain how voting is usually conducted at a general meeting.

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(6 marks)

16. Describe the legal requirements applicable under section 117 of the Charities Act 2011 when a charity proposes to sell land to an independent third party.

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(6 marks)



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**TOTAL FOR SECTION B = 35 MARKS**

















A series of 26 horizontal lines for writing.

19. Haverton Sports Fields is a small charitable company that was established in 2001. It manages a sports field in the village of Haverton. It has a board of 10 trustees, 100 members, and a larger group of supporters who are also invited to its general meetings, as observers. It is registered with the Charity Commission, and has an annual income of approximately £15,000 each year.

Over the last year there has been much dissent amongst the members and supporters about the proposed use of the sports field and this has led to more information requests from members and supporters. Jo was appointed as Honorary Secretary in March 2018 and has sought your advice on a number of information requests that she has received:

- i. A member of the charity has requested a copy of the 2010 AGM minutes but the charity has a policy of only retaining AGM minutes for 6 years.
- ii. Another member has requested a copy of the 2015 AGM minutes. The minutes are kept on Microsoft Word and there are two different versions. She is uncertain which version to use.
- iii. The minutes of the 2016 and 2017 AGMs were signed by the Chair of the meeting and Jo has hard copies. However, a member is disputing the accuracy of the 2016 minutes, and claims to have detailed notes of the meeting to support the claim. The member wants the minutes to be reviewed at the next AGM.
- iv. The board usually publishes its board minutes on its website. Because of the dispute with the members, the last two sets of board minutes have not yet been published. A member is now demanding to see these minutes.
- v. Jo has also informed you that a supporter had requested a copy of the last annual report and accounts (the financial year ended on 31 December 2017). She has already informed the supporter that as the charity has income below £25,000, it is not required to prepare annual reports and accounts.

Prepare advice for Jo on these matters, and on the legal requirements in regard to minutes and annual reports and accounts.

(15 marks)

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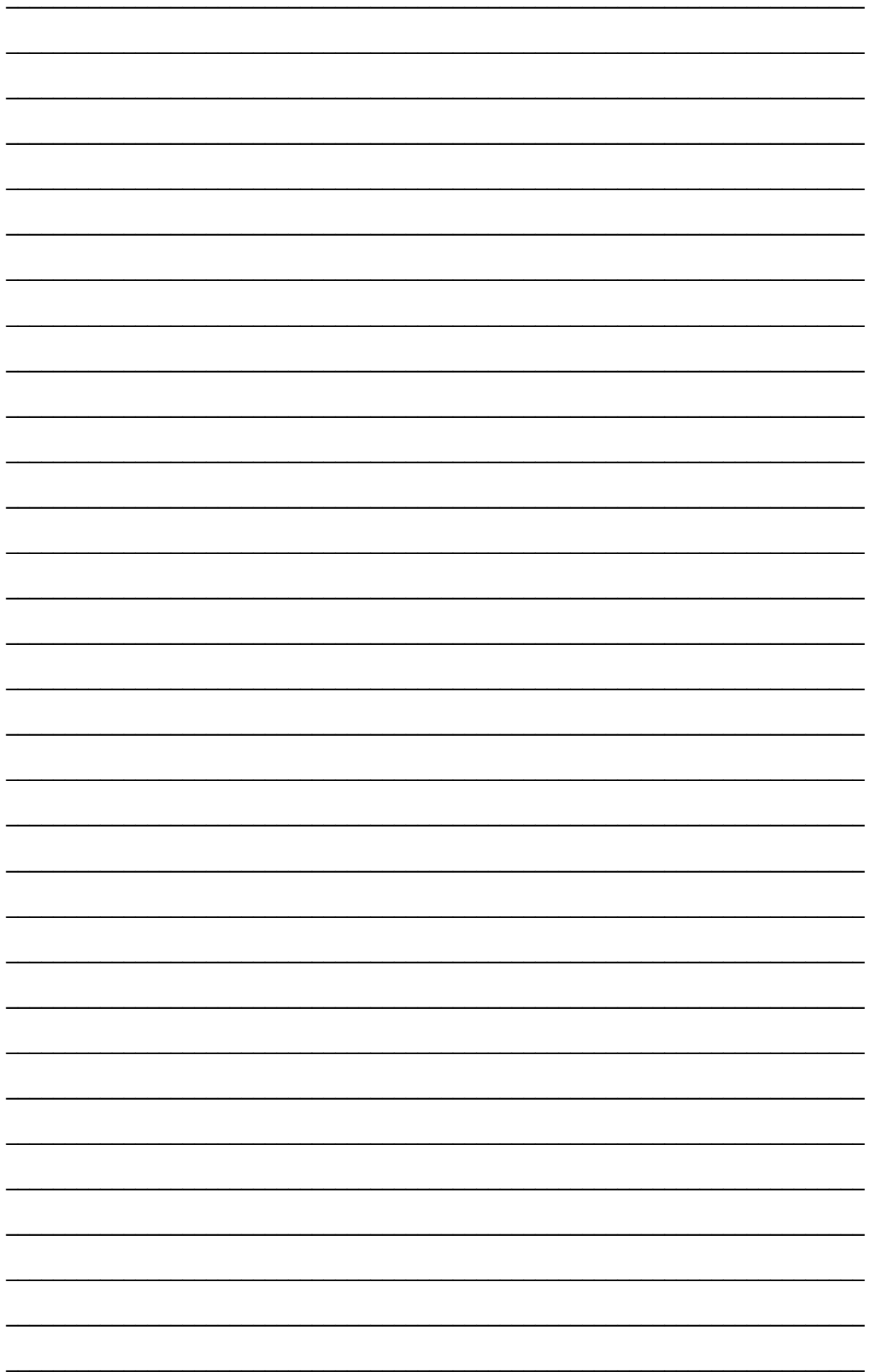
**TOTAL FOR SECTION C = 45 MARKS**

**TOTAL FOR PAPER = 100 MARKS**

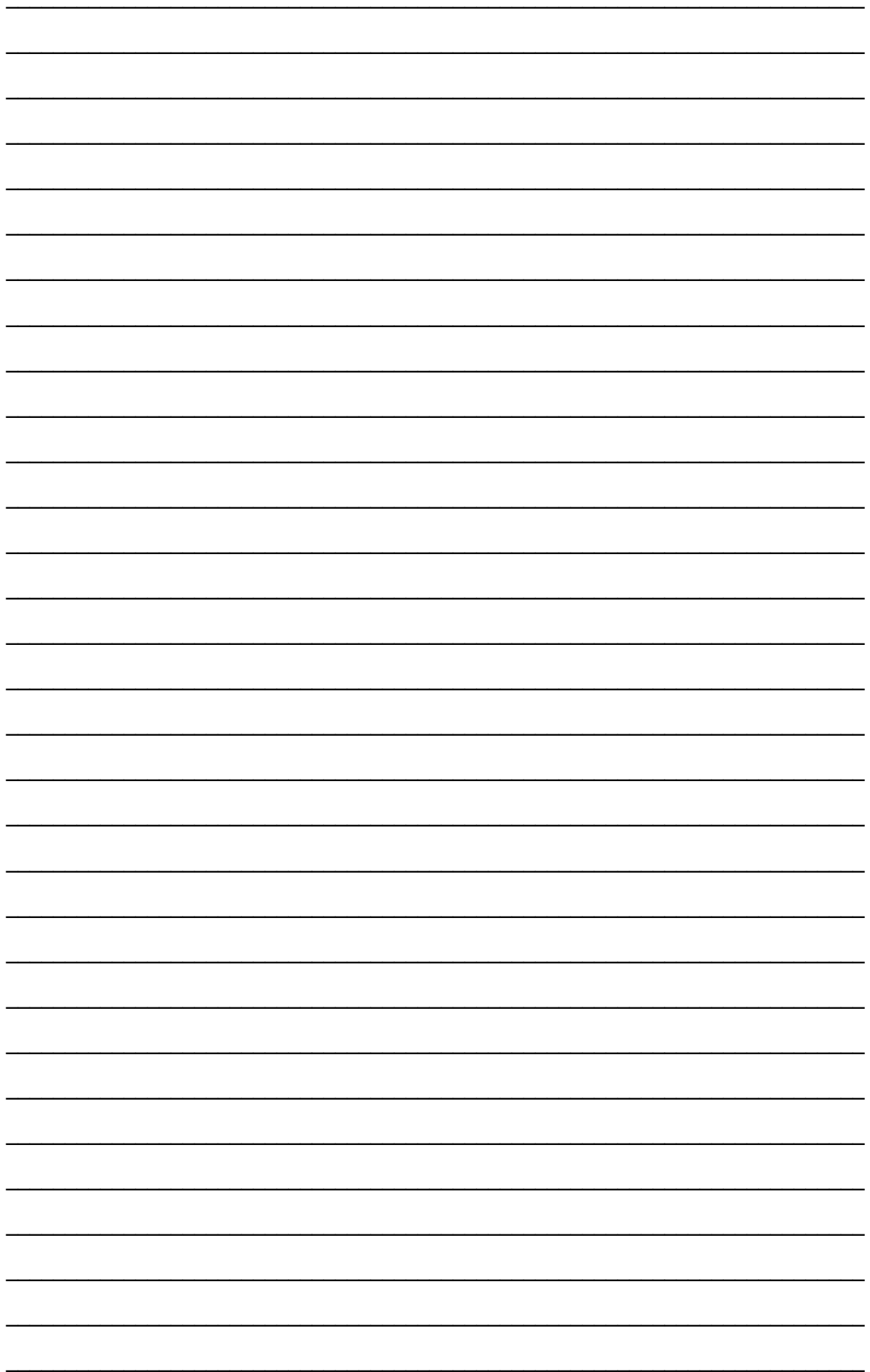
*The scenarios included here are entirely fictional. Any resemblance of the information in the scenarios to real persons or organisations, actual or perceived, is purely coincidental.*

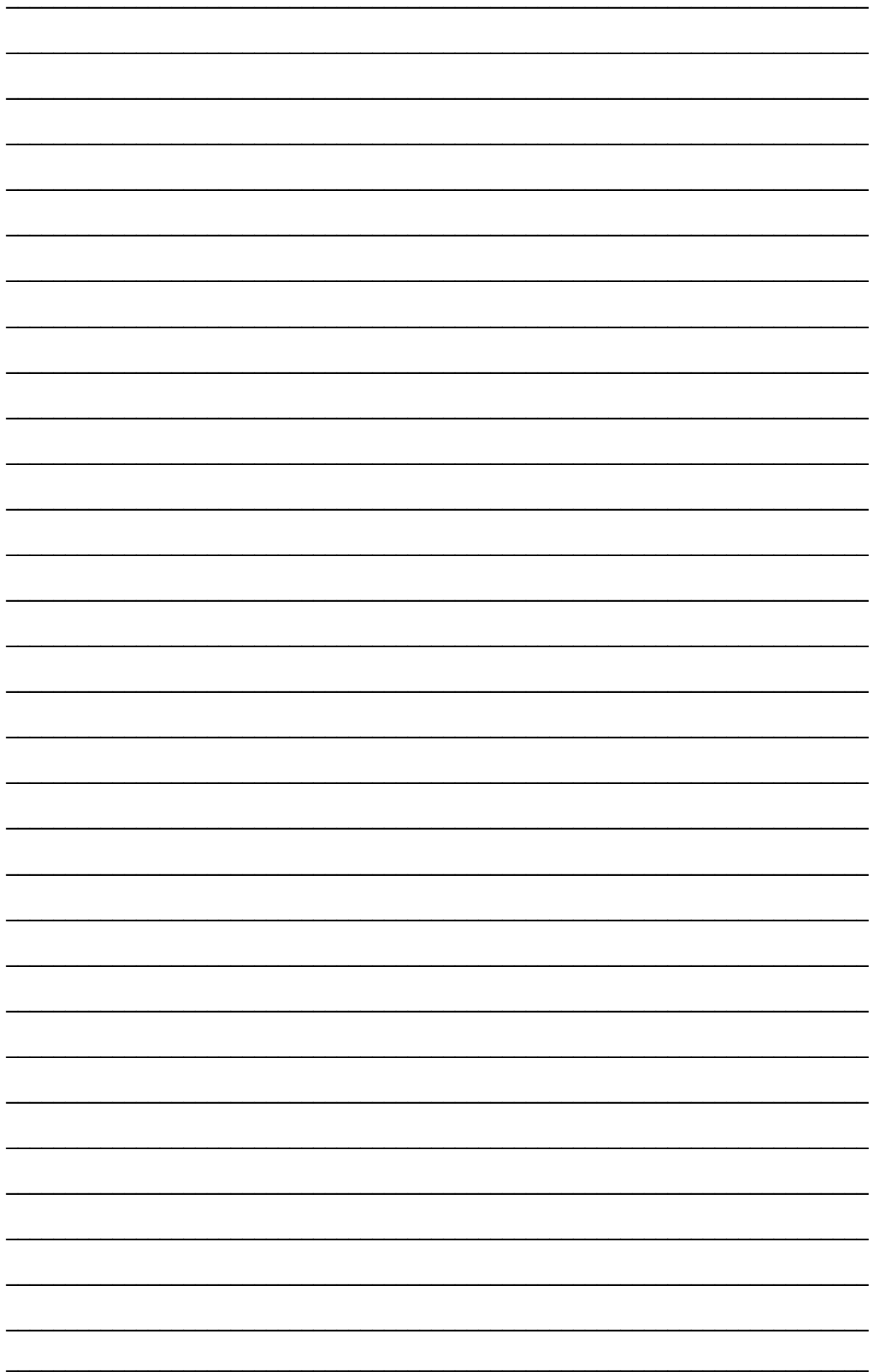
**END**













**Do not write on this page – examiner use only**

**Section A**

**Question**

1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
<b>Total</b>	

**Section B**

**Question**

11	
12	
13	
14	
15	
16	
<b>Total</b>	

**Section C**

**Question**

17	
18	
19	
<b>Total</b>	

**Total marks for paper:**

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Marker (full name):

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Reviewer (full name):

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Clerical check (full name):

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Examiner review:

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