



The Governance  
Institute

**Please complete this box:**

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

Desk number:

Subject ref. CLG

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

# Charity Law and Governance

**June 2017**

Wednesday morning, 7 June 2017

**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 a separate sheet of paper 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 a separate sheet of paper if necessary.

1. Charities which are incorporated under company law must record certain items of information about their members. Give **two** such items:

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(2 marks)

2. Explain **one** reason why a trustee of any charity could become personally liable.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(2 marks)

3. A Royal Charter body which is also a registered charity will be regulated by the Charity Commission and which **one** of the following bodies?

(Tick **one** box only)

A.  Financial Conduct Authority

B.  CIC Regulator

C.  Privy Council

D.  Companies House

(1 mark)

4. Describe the policies or procedures which a trustee board should have in place with regard to trustees' expenses.

---

---

---

---

---

---

---

(3 marks)

5. The board of trustees remains responsible for actions and decisions taken by people to whom they have delegated.

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

(Tick **one** box only)

True

False

(1 mark)

6. List **four** items typically included in a charity constitution.

(i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

(iv) \_\_\_\_\_

(4 marks)

7. Give **two** examples of fundraising costs that charities must report in their annual accounts.

(i) \_\_\_\_\_

\_\_\_\_\_

(ii) \_\_\_\_\_

\_\_\_\_\_

(2 marks)

8. Give the usual legal name of the governing document of an unincorporated members' association.

---

(1 mark)

9. Give **two** types of case that can be dealt with by the Charity Tribunal.

(i) \_\_\_\_\_

---

(i) \_\_\_\_\_

---

(2 marks)

10. Friendly societies have a regulator and have to be listed on a register. Name both the regulator **and** the register.

---

---

---

---

(2 marks)

---

**TOTAL FOR SECTION A = 20 MARKS**









# Section C

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

Continue your answers on a separate sheet of paper if necessary.

- 17. Cornforth defined governance as ‘The systems and processes concerned with the overall direction, effectiveness, supervision and accountability of an organisation.’ [The Governance of Public and Non-Profit Organisations (2003)]

Discuss how this definition could be used as the basis for reviewing the governance of a charity. (15 marks)

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---



Lined writing area consisting of 28 horizontal lines.



18. You have recently taken over as Secretary of Railway Watch ('RW'). This is a charity that works to educate children about the risks of railway crossings. It was set up by its founder, Elizabeth Brown, 20 years ago after the death of her daughter on a railway crossing. It was originally established as a charitable trust but was incorporated as a charitable company limited by guarantee in 2016.

The charity has recently undergone an extensive re-branding exercise and a new website has been prepared. The web designer has developed a home page with a minimal design – just the name 'Railway Watch', the main menu and a series of images. The pages under the menu item 'About Railway Watch' just describe the history of the charity. You have raised concerns about whether this is appropriate.

You are also concerned about the charity's name, as you have found out that the registered name of the charity is Susan Brown Memorial Ltd, but this name is only shown, and used, on the annual report and accounts.

Finally, the charity does not have any of the registers required by the Companies Act 2006, and the Chair has indicated that she thinks that they are a bureaucratic detail and not really necessary.

Prepare a report for the board in which you analyse the legal requirements **and** provide advice on what RW should do about each of the above matters.

(15 marks)

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---





Blank lined paper for writing.



19. You are carrying out a governance review for a charity, the Finlay Trust ('Finlay'), which provides services to disabled people. The objects of the charity are to "promote and protect the physical and mental health of the public through the provision of financial assistance, support, education and practical advice." Finlay is a charitable company with a small board of seven trustees. Its company membership is made up of over 1,500 disabled people.

Finlay takes great pride in being membership-led, and it sees the accountability of its Board to the members as vital. The membership elects a Council, comprising 25 members, and this Council then appoints the Board. The Council considers matters of interest to the broader membership and the Board is responsible for the operational management of the charity. The Council and the Board meet together once each year to agree the strategy and set the budget.

As accountability to members is so important, the Board minutes are published on the charity's website. All members also have a right to attend Board meetings as observers and to refer matters to the Board for discussion.

Analyse the primary governance challenges for this charity.

(15 marks)

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---



A series of 27 horizontal lines for writing, spanning the width of the page.



---

**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:**

--

---

Marker (full name):

---

Reviewer (full name):

---

Clerical check (full name):

---

Examiner review:

---

---

---



