

**Trustees Meeting held at Old Pewters, The Common, Kinsbourne Green
at 7.00pm on Wednesday 3rd August 2011**

Trustees: Chris Marsden (Chairman); John Hunt & Keith Jennings (Vice-Presidents); Malcolm Howe (Vice-Chairman) & Peter Barrett (Secretary).

Apology: Ian Fulton (ill-health).

Purpose of the Meeting: To discuss concerns raised by some trustees about their continued ability to oversee the Society's financial affairs in the light of changes agreed at the 4 July 2011 committee meeting and the treasurer's unwillingness to be a trustee himself.

Present State: The 4th July 2011 committee meeting approved a move to requiring only a single signature on cheques drawn on the Nat West accounts currently. This was in line with the Treasurer's intention to make as many of the Society's payments as possible in future by electronic transfer.

Documents referred to/circulated for this meeting:

- The Essential Trustee guidelines from the (CC)
- Specific information/advice from CC website: section CC8 ie. controls re: cheques
- Specific advice reported following conversation by Secretary with CC
- A summary of management of the Society Funds (treasurer & trustees) in past 12 months

The Agenda

1) Discussion of trustees concerns

Trustees expressed surprise that the treasurer did not want to be a trustee and pointed out that the constitution would have to be changed to accommodate this. (The Treasurer had explained on previous occasions that while he was pleased to manage the Society's accounts he did not want to involve himself directly in the day to day activities of the society, which he felt was the job of the trustees. There are many precedents for treasurers acting as officers of charities but not as trustees.) Trustees were seeking reassurance that they had all the information and authority they needed to carry out their responsibilities. Both the Chairman and the Secretary had consulted the Charity Commission's guidelines regarding the financial arrangements and role of trustees. These were presented to the meeting and confirmed that the Society's present arrangements were in order. The Chairman assured trustees that their main responsibility was one of exercising due diligence over the state of the Society's finances and its continuing pursuance of its stated objectives. The former would be fully satisfied by reviewing at each committee meeting a statement of the Society's income and expenditure and bank balance and providing the AGM with an independently audited set of accounts. The latter is satisfied by agreeing the activity reports to each committee meeting and the annual report to the AGM. Trustees accepted this reassurance.

2) Decisions taken following discussion:

- Reconfirmation of the decision made at the July 4 meeting that a written statement of income and expenditure and bank balance will be made for each committee meeting.
- The Chairman agreed to meet the treasurer and explain Trustees' concerns.
- Trustees would like to have periodic meetings with the Treasurer,
- Job descriptions: trustees felt that it might be a good idea to have brief job descriptions for the Society's officers and trustees.
- The constitution would need some revisions for the next AGM.

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Chris Marsden

From: "Gordon Hunt" <gordon.hunt@sky.com>
To: "Chris Marsden" <clmarsden@ntlworld.com>
Sent: 08 September 2011 09:30
Subject: Trustees meeting

Chris,

I'm afraid I must now offer my apologies for absence from today's meeting. This morning I have suffered a mishap which left me dripping blood about the house and it would be unwise for me to venture out until I feel assured that I have that under control.

As to the content of the meeting: I do not understand Arnold's objection to the minute, which actually confirms Arnold's integrity and competence and I see no need to change it.

However the questions then arise as to should we accept an Officer who refuses to comply with the Constitution and should any one individual be able to dictate to the Society how it operates? As it stands no individual has the authority to act alone on behalf of the Society and conversely each individual member of the committee is protected by Group responsibility. We are all volunteers, but as you said at our previous meeting that does not mean that we can act unprofessionally. After our committee meeting I assured Arnold that there was no criticism of his integrity, but his reaction was still that if the minute were not changed he would resign. That is not, in my view, an attitude in the interests of the Society and the Society might be better off without it. The Society is bigger than any individual and surely cannot acquiesce to that sort of ultimatum.

Once again my apologies, I very much regret not being able to attend.
John Hunt.

08/09/2011

Trustees meeting held at 45 Bloomfield Rd, at 10.30 on Thursday 8 September 2011

Present: Ian Fulton, Chris Marsden, Keith Jackson, Peter Barrett.

Apologies: John Hunt (ill health).

Purpose of meeting: to confirm the above minutes as a correct record of the trustees meeting held on 7 August 2011.

Agenda: Chris Marsden reminded trustees that they had been asked by the full committee on 5 September 2011 to meet to carry out this task. Following discussion, the above minutes were confirmed as the correct and official record of the 7 August meeting.

Chris Marsden
Chairman
8 Sept 2011

Mary Barrett

From: "Chris Marsden" <clmarsden@ntlworld.com>
To: "Mary Barrett" <evelyn.barrett@btopenworld.com>
Sent: 21 July 2011 18:14
Subject: Trustee advice
 Peter,

I've picked out the relevant sections of the advice in section CC8. D3 is particularly relevant to your concerns, although C1, C3 and D1 are also relevant.

It seems that Arnold is basically correct. The problem is that our trustees do not feel that they are sufficiently well informed to be able to carry out their responsibilities with confidence. The solution therefore is to agree with them what needs to be done to give them that the assurance they need. Is it a periodic meeting with Arnold? Is it a clear financial statement at each meeting of money received and money spent and how much money we have in the bank? Is it to give you, me and Arnold a limit on what we can spend (e.g. £250) on any one project without seeking separate authorisation?

One of our problems, of course, is that we haven't in the past spent much money. This is likely to change in the future. My recommendation is that for the next financial year we follow the practice I am familiar with. That is that we present the committee with a budget of what we expect to spend next year and ask for the authority to spend accordingly. We then report at each meeting our spending against the budget, seeking separate authority for new items as and when they arise if they are above the threshold mentioned above, e.g. £250.

Chris.

B. Some key issues, monitoring arrangements and risk of fraud

B5. What are the trustees' responsibilities regarding the accounting requirements for their charity?

The short answer

Trustees have legal responsibilities to keep accounting records, and to prepare an annual report and accounts with the appropriate level of external scrutiny. Trustees must also safeguard their charity's assets and take steps to ensure the charity is protected against financial abuse. Accounting records must be kept for at least six years (or a minimum of three years if a company charity).

In more detail

Trustees have a number of legal duties that must be met in relation to accounting and financial reporting. These include:

- keeping 'sufficient' accounting records to explain all transactions and show the charity's financial position;
- preparing an annual report and statutory accounts meeting legal requirements;
- formally approving the Trustees' Annual Report and accounts;
- ensuring that accounts are subjected to any external scrutiny required by law or by the charity's governing document;
- ensuring that the Trustees' Annual Report, accounts and annual return are filed on time with the

23/07/2011

city Commission where filing is required by law and, if the charity is a company, also filed with Companies House;

- meeting requests from the public for copies of the charity's most recent trustees' annual report and accounts;
- safeguarding the assets of the charity and ensuring proper application of resources; and
- taking steps for the prevention and detection of fraud, financial abuse and other irregularities.

C. Internal financial controls in practice - income

C1. What controls should be in place to protect income received in the post?

The short answer

The controls should provide assurance that the income received in the post is kept secure, is accurately recorded in the accounting records and is banked as quickly as possible.

In more detail

The amount of income received by post will vary from one charity to another. Control in this area will be a priority for those charities that receive a significant proportion of their income in the post. Particular risk may arise where a charity receives donations from the public by post and the pattern of giving is not predictable.

The post should be held securely from the time it is received until it is opened. There should be no undue delay in the opening of the post, the recording of receipts and banking. Whenever practical, the post should be opened in the presence of two unrelated individuals. The rotation of post-opening staff adds a further layer of control. Where a charity has no option but to allow a single individual to open mail, the trustees should consider the need to implement other controls, for example, comparison of donations with past periods or receipts from previous appeals.

C3. What controls should operate under the Gift Aid scheme?

The short answer

Donations made under Gift Aid are treated as if the donor had already deducted basic rate tax from them. The charity can then reclaim this tax to increase the value of a donation. Internal controls help ensure complete and accurate returns are made maximising the value of donations to the charity.

In more detail

Maximising the value of donations is important for all charities. Internal controls ensure that proper records are maintained reducing the risk of amounts being reclaimed by HMRC. Accurate records and timely returns ensure the charity receives the tax recovery promptly and with confidence. Full details of the records that must be maintained are set out on the [HMRC's website](#). Other controls we recommend include:

- checks to ensure that amounts expected from committed donors have been received; and
- checks to ensure tax repayments due have been received - including any transitional relief due.

D. Internal financial controls in practice - purchases and payments

D1. What controls should be in place for the authorisation of expenditure on goods and services?

The short answer

Controls help ensure that purchases have been authorised, and that goods or services ordered have actually been received.

In more detail

Expenditure controls help ensure that only necessary and authorised purchases are made and that funds exist within approved budgets to meet the expenditure. Controls also ensure that payments are made only for goods and services actually received and at agreed prices. We recommend that controls over purchases should include:

establishing authority levels for placing orders and approving payments which are clear and preferably documented;

ensuring that orders placed are within an agreed spending plan or budget - additional spending outside agreed budgets should be authorised; and

ensuring invoices received are checked against orders confirming pricing and the receipt of the goods or services ordered.

D3. What controls should be in place for payments by cheque?

The short answer

The use of cheques to make payments is diminishing with the use of electronic payment. However, cheques continue to be used and it remains important that payments are only made for expenditure properly authorised and incurred by the charity.

In more detail

Previous sections of this guidance have dealt with controls over placing orders and the approval of payments. Controls also need to be in place for payments made by cheque. Some governing documents require two signatories on cheques. Where practicable bank mandates should require two signatures, one of which being that of a trustee. Clearly, arrangements have to be practical and proportionate. Some charities may allow for small-value cheques to be signed by only one individual. In larger charities signatories may be senior employees although in such cases clear authority limits should apply. In all cases there are a number of basic controls that should be in place, including:

ensuring cheque books are kept in a secure place;

regular review of bank mandates and authority limits;

prohibition on the signing of blank cheques;

prompt recording of payments in cash books including details of the cheque number, nature of the payment and the payee; and

obtaining documentation to support the validity of the payment including relevant invoices and confirmation that the goods or services have been received.

General advice

Segregation of duties - A key feature of internal financial controls is to ensure that no single individual has sole responsibility for any single transaction from authorisation to completion and review. It is important where the trustees administer the charity personally, more likely in smaller charities, that there is sufficient segregation of duties amongst them, so that no one trustee is overburdened or exercises sole responsibility.

There may be resource constraints which can make it difficult in smaller charities to achieve a full segregation of duties. However, trustees or management can take action to compensate for these difficulties. These actions include trustees or managers reviewing reports of transactions or control checks independently of the person who normally undertakes the work.

Mary Barrett

From: "Mary Barrett" <evelyn.barrett@btopenworld.com>
To: "Marsden, Chris" <clmarsden@ntlworld.com>; "Jennings, Keith" <kaypjay@yahoo.co.uk>; "Hunt, John" <gordon.hunt@sky.com>; "Howe, Malcolm" <malcolm-sheila@o2.co.uk>
Sent: 24 August 2011 07:41
Subject: Fw: Summary Trustees minutes of 3.8.11.
 Dear All

Re: attached of which Chris has received a copy, I send for all your info. taking account particularly of the tone of the e-mail. I have sent a full report of the trustees meeting as requested but I have not received any reply.

More and more time is being spent as Secretary in this manner having to explain the decisions taken by the Committee, where discussed, to find that they are being challenged or questioned further, sometimes unnecessarily in my view or in a way that has never been encountered before. This is surely not the right approach since it is unnecessarily time consuming though I do understand that there is the greater need for openness, honesty and transparency. It is more for these reasons that I have found the work becoming too overwhelming and quite unacceptable in its volume, subject matter, need for knowledge, preparation, taking copies for info., filing etc. This ignores the flow of information/enquiries from the website which is gradually increasing and needs action. I am not a qualified Secretary or typist but the workload needs spreading and individuals need to properly understand what is expected of them and what they are taking on.

However, re: the attached, I spent a considerable amount of time yesterday researching and my thanks go to Malcolm for his invaluable assistance and advice..

Adapted from from the publication "Responsibilities of Charity Trustees - A Summary":
Trustees have full responsibility for the charity and must: "act together and in person and not delegate control of the charity to others".

At the last Committee Meeting, the decision was taken that Arnold could manage the Nat West Society accounts on a single signature. That has now placed the Society into the invidious position of vesting authority into one person, which I included in the summary. The trustees meeting decided on a course of action of overseeing the management of the funds and that's that.

In recent days I have been asked about the wording of 5.2 of the Committee Minutes (circulated) which are for approval at the next meeting. It states words to the effect that the Chairman took the decision and agreed the donation of £250. That is not correct and it was not as reported at the meeting. I thought it was made quite clear that the circumstances considered for a donation to the Nickey Line were exceptional in my view. Chris conferred with me as Secretary and I took the decision, rightly or wrongly, to agree the sum of £250. I knew the full background and the discussions with the Town Clerk dating back as I now know to our meetings in February last year. The donation was approved at the last meeting since the Nickey Line Group falls within the terms of our Constitution and our objectives. I note that to this day, a request has not been made from the Group for the amount, so the matter could have waited until our meeting! I have amended para. 5.2 to correctly read that "The Chairman conferred with the Secretary and the decision was taken..... This is now correct and clear in my view. I hope that now satisfies all.

Still on the understanding of trustees responsibilities and the management of the funds, this surely means, in my view, that the Society Committee retains the absolute right, as at present, as to how the funds are to be used and ~~and~~ that right is not delegated. The Society is accountable for every penny of the members money!!

I felt the need to explain under the circumstances. Any views are welcome. I will provide a copy to Ian for his info. This has taken some time to prepare and type to ensure general accuracy.

Peter
 ----- Original Message -----

24/08/2011

From: Arnold Allen
To: 'Mary Barrett'
Cc: Chris Marden
Sent: Monday, August 22, 2011 1:03 PM
Subject: RE: Summary Trustees minutes of 3.8.11.

Peter

I have just returned from holiday to find the e-mail to which I am replying.

Before I reply fully to this extract of the minutes I would like to see the full minute which is said to be available. I am more than surprised that this summary was sent out to all and sundry before asking me to comment on it. I am concerned that the implication of this summary casts a slur on my professional integrity which I guard jealously. If this is evidence of the low regard in which I am held after having, inter alia, rescued the Society from an accounting mess and obtained two years gift aid refund I am inclined to tender my resignation now.

I have not copied everybody in at this stage although I may well send a copy out subsequently.

Arnold

From: Mary Barrett [mailto:evelyn.barrett@btopenworld.com]
Sent: 15 August 2011 17:39
To: Nash, Keith; Arnold Allen; Ayres, Penny; Bullimore, Duncan; Grey, Chris; Horne, Rosemary; Howe, Malcolm; Hunt, John; Jennings, Keith; Marsden, Chris; Midwinter, Eric; Ouston, Barbara; Randell, Oliver; Stanton, Caroline; Steele, Anthony; Thomas, Richard
Subject: Summary Trustees minutes of 3.8.11.

Dear All

For your info. a summary of the minutes of the Trustees Meeting held on 3.8.11. as approved by the Committee under the terms of the Constitution.

Peter

24/08/2011

Mary Barrett

From: "Mary Barrett" <evelyn.barrett@btopenworld.com>
To: "Hunt, John" <gordon.hunt@sky.com>; "Jennings, Keith" <kaypjay@yahoo.co.uk>; "Steele, Anthony" <ahsteele@bcs.org>; "Howe, Malcolm" <m.howe@stalbens.gov.uk>; "Arnold Allen" <arnold@ajallen.org>
Sent: 05 February 2011 18:00
Attach: Trustee's Meeting.doc
Subject: Summary of Trustees work over the past 12 months
Dear All

I am pleased to announce that Arnold is prepared to take over as the Society Treasurer at the forthcoming AGM for which he will need to be formally nominated, proposed and seconded. Thus, I have prepared a summary of the action taken and the key decisions of the Trustees with the regard to the Society's financial affairs over the past 10 months which is self explanatory (see attached email). The present role of the trustees should cease as at the AGM with the smooth handing over to Arnold.

I do not see that a formal meeting of the Trustees is necessary to conclude the business unless anyone decides to the contrary. I believe that the full Committee should be aware of the full proposals I am suggesting and, since 14th February, is the last Committee Meeting date before the AGM, I would suggest an early response to this email in order that I may circulate to Committee Members before that date. I am sending a copy to Arnold for his information.

This has been an unprecedented period in the history of the Society, most challenging at times and I thank all concerned for their assistance, support and co-operation in bringing this, to date, to a satisfactory conclusion. I shall be handing a copy of the summary to Ian am. Monday.

With many thanks

Peter

HARPENDEN URBAN DISTRICT COUNCIL

C. E. JAMES A.C.W.A.
Treasurer

Telephone 60106



HARPENDEN HALL
HARPENDEN
HERTS.

My Ref :

Your Ref :