



TODMORDEN EMERGENCY SUPPORT

including **Todmorden War Memorial Trust** and **Abraham Ormerod Trust**

Report of the trustees for the year ending December 2022

The trustees of Todmorden Emergency Support present their annual report and accounts for the year ended 31st December 2021 and confirm they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102).

Todmorden War Memorial Fund 1914-1918 Charity Number 219673

A second Trust was set up after World War 2 and the two funds were eventually merged.

To Provide Benefit and Assistance to Veterans of the 1914-1918 or 1939-1945 Wars who are resident in Todmorden, their immediate families, or the needy people of Todmorden.

Abraham Ormerod Charity number 252036

Support for the sick and needy people of Todmorden

CHARITY TRUSTEES

The charity trustees of Todmorden Emergency Support Trust are appointed by the Todmorden Town Council and serve for 3 years and at least 4 must be appointed or re-appointed at the Council annual meeting as required by the terms of the 1920 Deeds. No more than eight can be serving town councillors.

Trustees 2022	Management Committee 2022
Emma Fielden Co-chair	Emma Fielden Co-chair
Julia Wadsworth Co-chair	Julia Wadsworth Co-chair
Cllr. Margareta Holmstedt (vice chair)	Cllr. Margareta Holmstedt (vice chair)
Cllr. June Turner (secretary)	Cllr. June Turner (Secretary)
Cllr. Mary Carrigan (treasurer)	Cllr. Mary Carrigan (treasurer)
Jean Ashworth (case secretary)	Jean Ashworth (case secretary)
Maureen Fielden	Maureen Fielden
Roy Gunton	Roy Gunton
Cllr. Andy Hollis	Margaret Gunton
Cllr. Louisa Needham	Cllr. Andy Hollis
Cllr. Steve Martin	Colin Lyall
Cllr. Jane Williams	Cllr. Ken White
	Douglas Wilson
	Heather Wilson
	Sue Knowles
	Geraldine Farry

OUR AIMS

Todmorden Emergency Support MEMBERS are responsibility for two Trusts and operate under a Declaration of Trust dated 8th November 1920 combined with a further deed of the War Memorial Trust in 1947 with a further Trust (Abraham Ormerod recommendations in the codicil of his will 18th November 1926) and the requirements of the 1920 deed were adhered to which included the regulations for appointment of trustees.

To support people in Todmorden in ways appropriate to their needs

“To alleviate pain and suffering and shall be, in the opinion of my Trustees, be of direct benefit to the people of Todmorden”. Abraham Ormerod will

“To Provide Benefit and Assistance to Veterans of the 1914-1918 or 1939-1945 Wars who are resident in Todmorden, their immediate families, or the needy people of Todmorden.”

War Memorial Fund

OUR OBJECTIVES

1. To ensure a definition of need and criteria for accessing help, which will be reviewed annually by Trustees to ensure it is still relevant
2. To ensure organisations working with people in need and families and individuals know how to access help
3. To ensure people in need can be given help in a timely manner
4. To evaluate the impact of TES through

- producing an annual report to include numbers helped, breakdown of support given , benefit to recipients ,referrals from different organisations and comparisons with previous years.

_ implementing any actions identified by the annual report and evaluating in the following year's annual report

OUR ETHOS, STRATEGY AND POLICIES

Our Trustees are responsible for setting a strategy for achieving the objectives they have set.

Our ethos: serving our local community of Todmorden in a caring and considerate manner

We are a charitable trust which seeks to benefit the public through the pursuit of its stated aims contained in the Deeds of the War Memorial Fund and the codicil to the Abraham Ormerod will.

An individual's gender, ethnicity, race, or religion do not form part of our assessment processes for the WMF but the AOT was intended for "the sick and needy" so health would be part of our assessment.

We are an equal opportunity organisation.

We will welcome a range of members and will try to ensure adequate induction.

We are committed to safeguarding and promoting the welfare of our volunteers and regularly review our need to review our commitment to equality and diversity.

Todmorden Town Council is responsible for appointing trustees as required by the 1920 deed and in holding them to account. The Town Clerk is also the Responsible Finance Officer (RFO) who will ensure we work within the parameters of the council responsibilities.

ACCESS POLICY

It is important to us that access to the trust should be more widely known, and a marketing campaign will be looking at how we can raise the profile of the trust as we are aware of the increasing needs at this very unsettled financial time.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees are responsible for the overall management and control of the trusts and must meet at least twice a year. Extraordinary meetings can be called by the chair or by any 3 trustees. The work of implementing the case work is undertaken by a committee.

All trustees give of their time freely and no remuneration or expenses were paid in the year other than telephone costs of the TES designated phone SIM card, DBS checks, and hire of meeting venue.

Risk Management

The Trustees are responsible for the overseeing of the risks faced by the caseworkers and management committee. A formal review of the charity's risk management processes needs to be undertaken in future.

The main risks identified are:

☑ Reputation of the Trust and Todmorden Town Council

We will manage this risk through safeguarding policies and training and effective induction of any new member of the management committee who will be visiting or interviewing the referrals.

☒ Money. Our ability to continue is reliant on our interest from the capital investments and further grants, decisions to realise capital will be reviewed with this in mind. This risk is managed by seeking advice and guidance on our capital investments.

☒ Meeting clients. We minimise this risk by ensuring no lone visits/interviews occur and encouraging that at least one of the pair have DBS check and carry a mobile phone. Recommendations this year have been made by the Safeguarding officer to have DBS volunteer checks for any member of trustees or committee who are involved in regularly meeting clients.

Recruitment and Training

The trust and management committee requires breadth and depth of experience to carry out its duties effectively and efficiently. When the council recruits new trustees, the important attribute is a passion for the work of our trust, and we are looking at developing a recruitment policy that could include a skills audit for the committee members. We also should adhere to equal opportunities and reflecting the breadth and range of the community of Todmorden.

IMPACT

We are in our current review looking at how we can evaluate the impact of our work. We do review cases that repeatedly ask for assistance and regard some of our work as being on-going. A change to the remit of the committee could enable evaluation regularly throughout the year.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The trustees annually review and currently appoints and delegates the casework of the trust to a management committee who oversees the casework.

Early in the year workshops including trustees and members of the management committee were put in place to examine the effective way to improve the promotion of the work of Todmorden Emergency Support and it's committee.

A number of priorities were identified and circulated and a delegation framework was agreed – this was put in place and will be reviewed at the AGM in March.

In April Todmorden Emergency Support agreed to be included in the information sessions at Todmorden Food Drop-In which started a partnership with Food Drop in and this has raised the profile of the Todmorden Emergency Support.

Other partnerships include building on the existing relationship we have had with Disability Support Calderdale. The trustees would like to see these partnerships extend and develop further with the other groups in Todmorden such as age Concern, Healthy Minds, our churches/faith groups and schools. Developing further the potential support that could be received from the Abraham Ormerod Fund held by the NHS in Huddersfield.

Our co-chair represented the trust at the Todmorden Town Council Cost of Living Event held in the Town Hall in the Autumn. Well attended event bringing together all the various groups in Todmorden who can offer support.

At the workshop older members reminded us of the proactive role in the past of the town clerk and in response the council agreed to include support for the trusts in the job description of the new clerk. This has given us access to the expertise in finance and governance and has allowed us to follow the recommendations in terms of governance and policies – we are gradually working through the key policies required for small charities.

Currently we are in the process of moving the support and allocation of casework from a management committee to a development committee that will allow decisions on case to be made throughout the month and for other aspects of the trusts to be developed in terms of policies, good finances and investments, grant applications for further funding,

Timely financial planning is often the key to maintaining the level of income we can allocate; the current treasurer has worked closely with the Todmorden Town Council's Responsible Financial Officer.

Issues that were planned for 2022 but we have not yet addressed and form our priorities for **2023**:

- complete the policies recommended for charities
- a marketing group (development and implementation of a marketing plan)
- an induction pack and training for new trustees and members of committee
- extending the existing partnerships working with other Todmorden and Calderdale community organisations
- measuring the impact of the support given

- reviewing our current investments

REVIEW

The trustees and management committee have been undertaking a major review our current practice as trustees and especially in the terms of the remit and framework for support of the management committee. The appropriate policies are being developed or reviewed in line with the recommendations of the Charity Commission. Our current series of approved policies are listed in **Appendix 3**.

FUTURE PLANS

Our cases are financed primarily from the interest from the capital in our investments. Capital can be raised from the Abraham Ormerod Trust but the capital from the War Memorial fund from the first world war is fixed and only the interest from this fund can be used.

Having completed the review of our aims and objectives and establishing a delegation and accountability framework the trustees will need to agree on the organisation of case reviews and future committee.

We note the advice and recommendations of the Trust Commission who have 3 key roles for trustees:

1. Duty to administer a trust governed by instrument
2. Duty of loyalty to beneficiaries
3. Duty to deal impartially with beneficiaries

CASEWORK

Our casework includes:

Responding to the referrals that are made by individuals or organisations for financial support due to their need. We define need as the lack of an essential item that would improve the quality of an individual or family's life. This could range from help with food and energy costs to warm bedding or a cooker, school uniform to a baby's cot. This year we have dealt with 118 requests for support - a breakdown of the monthly expenditure is included in **Appendix 1**

OUR FINANCES

Investment Policy and performance

Investment activities are managed in line with the requirements of the Trustee Act 2000. We invest in two programmes and review the nature of these investments. A recommendation for 2023 will be review our investments and we will need to seek professional advice on this.

Appendix 1

FINANCIAL HEALTH

The Trustees regularly review the finances and the balance sheet up to the end of 2022 is attached **Appendix 2**

Appendix 1 Casework

TOTAL NUMBER of REQUESTS in 2022 was 118 a substantial increase on 2021 (23 cases).

16 of these requests did not receive financial support but were signposted to possible other grants or means of accessing support. Two requests received at the end of the financial year were supported but the goods were purchased in January 2023.

The majority of cases are now referred by the job centre and the TES representatives at the Todmorden Food Drop in. Other referrals have come from members of the trustees or management committee, Disability Support Calderdale, Healthy Minds, health professionals, Calderdale Community Care and there were a few self-referrals. 25 of the clients were identified by the case worker as having received help in previous years and 7 clients received help more than once in this calendar year.

The increase in cases highlights the significance of the partnership with Food Drop In. It only began in April but has generated by far the greatest number of cases. First time TES has been doing advice session in community.

Highlights the need to develop other partnerships and opportunities for possible collaboration.

Referral	All Referrals	Successful
Members	11	11
Job Centre	22	20
TES @Food Drop In	61	50
Organisations	17	17
Self-referrals	7	4
TOTAL	118	102

Expenditure	CASES		GRANTS	
	Abraham Ormerod	War Memorial	Abraham Ormerod	War Memorial
January	£460.00	£0.00		
February	£0.00	£220.00		
March	£60.00	£120.00		
April	£140.00	£751.00		
May	£230.00	£435.75		
June	£235.41	£238.99		
July	£345.10	£525.00		
August	£1,675.00	£789.00		
September	£1,082.00	£1,463.00		
October	£1,231.99	£694.00	£150	£150
November	£660.52	£963.00		
December	£754.00	£1,438.00	£40	£640
Annual Totals	£6,874.02	£7,637.74	£190	£790

Finance

Appendix 2

Todmorden Emergency Support

ANNUAL ACCOUNTS – DECEMBER 2022

Rolling Annual Financial Summary 2022			
	Abraham Ormerod	War Memorial	TOTAL
Opening Bank Balance (1/1/2022)	£15,020.00	£14,440.55	£29,460.55
Cash	£470.00	£470.00	£940.00
Income			£0.00
Black Rock	£1,318.08	£958.03	£2,276.11
CCLA	£4,679.27	£4,692.01	£9,371.28
Interest	£173.08	£173.08	£346.16
Total Income	£21,660.43	£20,733.67	£42,394.10
Expenditure			
Insurance	£295.67	£291.22	£586.89
Room Hire	£305.25	£305.25	£610.50
Cases	£6,874.02	£7,637.74	£14,511.76
Grants	£190.00	£790.00	£980.00
Administration	£35.00	£35.00	£70.00
Expenses			£0.00
Misc			£0.00
Total Expenditure	£7,699.94	£9,059.21	£16,759.15
Accounts Balance	£13,960.49	£11,674.46	£25,634.95
Closing Bank Balance (31/12/2022)	£0.00	£0.00	£25,073.44
Variance			-£561.51

Currently caseworker holds

£565.15

This very small variation is noted as due to management of cash

ABRAHAM ORMEROD			
	2020	2021	2022
BLACK ROCK	£43,276.00	£40,335.00	£35,000.00
CCLA	£152,226.00	£166,489.00	£153,696.98
COIF	£100.00	£100.00	£100.00
TOTAL	£195,602.00	£206,924.00	£188,796.98
TODMORDEN WAR MEMORIAL			
	2020	2021	2022
BLACK ROCK	£31,449.00	£29,327.00	£25,682.78
CCLA	£157,416.00	£172,416.00	£159,168.64
COIF	£1,535.00	£1,535.00	£1,535.00
TOTAL	£190,400.00	£203,278.00	£186,386.42

INVESTMENT CAPITAL

Black Rock

Date		Abraham Ormerod	War Memorial
Jan-22	Black Rock	£329.52	£239.62
Feb-22	Black Rock		
Mar-22	Black Rock		
Apr-22	Black Rock	£329.52	£239.47
May-22	Black Rock		
Jun-22	Black Rock		
Jul-22	Black Rock	£329.52	£239.47
Aug-22	Black Rock		
Sep-22	Black Rock		
Oct-22	Black Rock	£329.52	£239.47
Nov-22	Black Rock		
Dec-22	Black Rock		
	Total	£1,318.08	£958.03

INVESTMENT INCOME

CCLA/COIF

Date		Abraham Ormerod	War Memorial
Jan-22	COIF		£0.21
Feb-22	CCLA	£1,185.72	£1,145.09
Mar-22	COIF	£0.02	£0.32
Apr-22	COIF	£0.04	£0.54
May-22	CCLA	£1,185.75	£1,145.63
Jun-22	COIF	£0.06	£0.97
Jul-22	COIF	£0.07	£1.12
Aug-22	CCLA	£1,145.94	£1,185.96
Sep-22	COIF	£0.12	£1.78
Oct-22	COIF	£0.14	£2.15
Nov-22	COIF	£0.17	£2.61
Dec-22	CCLA	£1,161.24	£1,205.63
	Total	£4,679.27	£4,692.01

The COIF figures are deposit accounts at CCLA All other figures relate to investment accounts
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Return on investment

Our major investment is with CCLA since transfer made in 2019. At present the yield on Black Rock at 3.8% is slightly higher than the CCLA return at 3%.

As indicated under priorities someone with investment knowledge would be a useful addition to the trustees.

APENDIX 3

Policies

NAME	DATE of APPROVAL	REVIEW DATE
Code of Conduct	SEP-22	MAR-24
Safeguarding	OCT-22	MAR-24
Health and Safety	SEP-22	MAR-24
Data Protection (GDPR)	SEP-22	MAR-24
Complaints	SEP-22	MAR-24
DBS check policy	OCT-22	MAR-24
Governance	OCT-22	MAR-24
To be produced		
Grievance		
Risk Assessments		
Risk Management Policy		
Whistle Blowing Policy		
Equality and Diversity Policy		
Document Retention Policy		
Applicant/Climate Privacy Policy		

Accounts produced on behalf of Trustees of Todmorden War Memorial Trust and Abraham Ormerod Trust by Cllr. Mary Carrigan

The independent review has been carried out and the report included with this annual report

Annual Report 2022 produced by the officers Emma Fielden and Julia Wadsworth -Co-Chairs, Margareta Holmstedt – Vice-Chair, June Turner – Secretary, Mary Carrigan – Treasurer.

INTERNAL AUDIT REPORT

Todmorden Emergency Support – War Memorial Fund - 1914/1918 Charity number 219673 and Abraham Ormerod Trust Charity number 252036.

Prepared by Colin Hill

Dated 9th March 2023

1. Scope of Internal Audit

To review structure, processes, policies, documentation and financial management and where felt required to make suggestions for improvement taking into consideration: -

- The size and level of activity of the enterprise
- The voluntary nature of members involvement
- The aims of the governing documents

The intention of this internal audit is to apply a “light touch” by initially a top line review and if appropriate to then recommend further actions that may help future administration and delivery.

The Trustees can then decide if further investigation/consideration is necessary and if areas of serious concern raised felt appropriate commission a formal professional auditor.

The production of any internal audit report is not binding on the Trustees but a matter for consideration as to what they may feel is appropriate to introduce /revise.

2. Background

Todmorden Emergency Support have requested that an Internal Audit takes place to provide an independent view as to how the charity operates following a sustained effort to improve Governance arrangements. Part of the audit was to consider compliance. Given the extensive work carried out in the last six months and ongoing some areas of compliance cannot be reviewed. Should recommendations from this report be implemented it is proposed that a further Internal Audit is carried out in September to look at evidence of compliance.

3. Approach

The author of this report in his previous position as a Town Clerk and Responsible Financial Officer at to Town Council has needed to comply with exacting governance, financial regulations and controls subject to both Internal audit(an external professional) looking at internal processes, and accounting and external audits – PKF Littlejohn.

Sampling, testing and validations have been carried out in respect of financial records whilst Governance requirements have been considered against standard/guidance as set by the Charities Commission.

The Charities Commission places great weight on effective Governance. For smaller charities where volunteers are keen to deliver, governance is often neglected but the consequence of such neglect only really manifest themselves when things go wrong.

Good governance and practice help protects Trustees and in turn management committee and volunteers from challenge, possible litigation and criminal proceedings.

4. General Overview

It is clear from minutes and policy documents reviewed that extensive work during the last 12 months has been carried out to improve Governance in terms of policies systems and processes that should form part of the platform that both enables Trustees to deliver the Charitable Objectives but also provide a measure of protection to Trustees individually. Policies are also in course of development that may address matter raised in this audit.

I understand that further policies are being developed that will improve Governance and Financial Management.

The Trusts finances appear to be sufficient to carry out the extent of case work activity but this will need to be kept under review given the increasing demand arising out of the cost of living crisis.

Investments of capital that are necessary to generate a dividend return to fund the Charities revenue activities are subject to market volatility. By developing a Reserves Policy this will help Trustees in determining how future investment should be made – all in market related as is at present, or a mix of safer cash deposit but with lower return and higher risk investment units but with potential for higher return dividend.

Bookkeeping is functional but clearly involves several processes to provide the information needed and would be improved by using a recognised accounting system.

Only those charities with gross income of more than £25,000 in their financial year are required to have their accounts independently examined or audited - below that threshold, an external scrutiny of accounts is only needed if it is required by the charity's governing document.

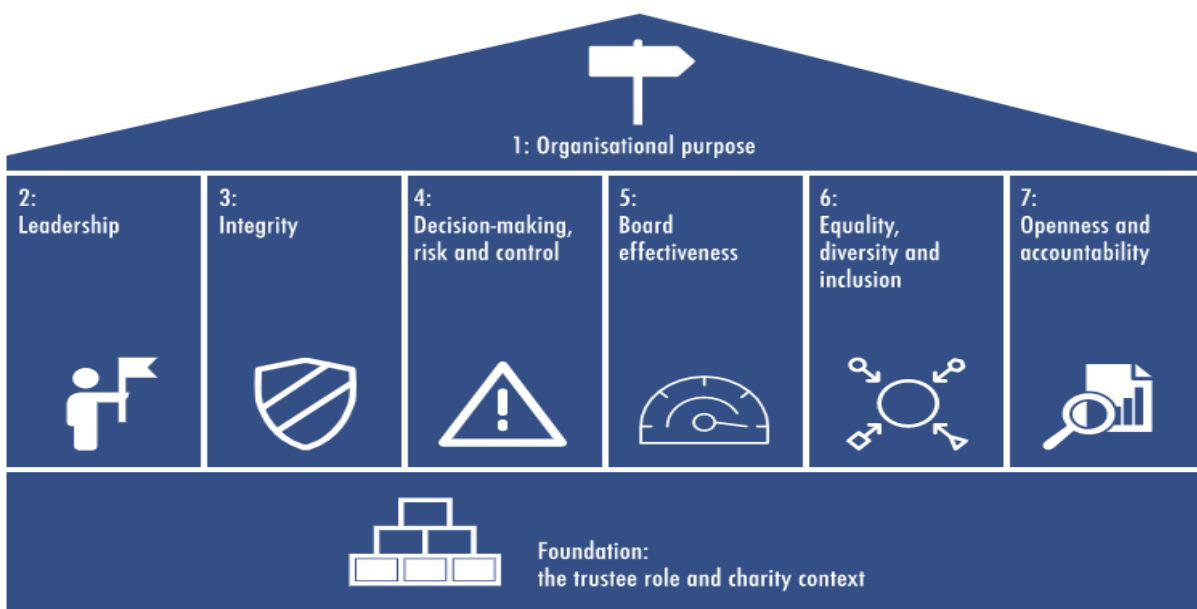
If the Trustees were for example to seek external grant funding, such grant funding would be classed as income and potentially either charity could breach the £25,000 income threshold and require formal auditing of accounts.

A recognised accounting system would enable the production of year end accounts and audit process to be carried out more speedily and likely at less cost than that of reconciling and reviewing manual records.

The work of the Trustees and Management Committee is laudable and rightly focussed on delivery but transparency of what is done requires improvement.

The scope of this review did not include the validity of the TES itself in terms of its status or constitution

5. The Charity Framework for good governance [Home — Charity Governance Code](#)



6. Summary of Key Recommendations

- a. To carry out Risk Assessment on activities to reduce risk of assault.
- b. To improve safety and petty cash reconciliation Introduce prepaid debit card to be issued to case workers with an Imprest replenishment process.
- c. To protect Trustees from claims of unfair treatment an Equal Opportunities Policy should be adopted supported by a decision-making matrix of qualifying/ not qualifying criteria.
- d. To reinforce integrity of accounting systems by use of computerised financial system
- e. To improve Governance (financial and operational) to adopt a set of Financial Regulations with a clear scheme of Delegation and devise a set of Internal controls relevant to the level of business transacted.
- f. To meet Charity Commission aims of increased transparency – web site/social media
- g. To aid reconciliation to consider separating the financial activity of each charity by way of separate bank accounts.
- H To review insurance cover in respect of whether to take out Fidelity cover.

7 Documents Reviewed

Trust Records

Financial Records 2022

Safeguarding Policy

Data Protection and Privacy Policy

Code of Conduct

Complaints Policy - *Trustees may wish to consider how they deal with complaints regarding any decline of assistance - an appeal process against a set of predetermined criteria.*

Disclosure and Barring Service Policy

Health and Safety Policy

Governance Process - *Item 16 C(11) needs to reflect a requirement to submit to charities commission not an Annual Governance Return.*

Retention of Records Policy.

Charities Commission Documents

Managing charity finances

Making digital work

Prepare a charity annual return

Prepare a charity trustees annual report

How to report a serious incident in your charity

Safeguarding and protecting people for charities and trustees

Making decisions at a charity

Managing conflicts of interest in a charity

Charity meetings: making decision and voting

Trustee board; people and skills

Internal financial controls

Social investment by charities

Charities and Investment matters: a guide for trustees

Equality

Charities and risk management

Useful documents - [Setting up and running a charity: detailed information - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/setting-up-and-running-a-charity)
[Help and guidance | NCVO](#) [Tools - WYCAS](#)

8.

REDUCING RISK

REPUTATION

IMPACT		Low	Medium	High
	Policy Absence		Financial Regulations Reserves, Internal Controls,	Equal opportunities Reasons for refusal
	Activity Risk	Fidelity insurance Cover		Risk Assessments Reduce need to carry cash
	Financial Systems		Accredited accounting system – computerised	
	Reserves			Establish levels to determine continuing level of investments.
Processes	Additional Bank Account		Cash reconciliation	Transparency

9. Internal Audit Scope and Recommendations

Heading	Ref	Area	Review requirement	Satisfactory or Requires attention	Recommendation
Governance	9.1	Governing documents	Check for specific requirements	S	
	9.2	Financial Regulations	Check whether included	RA	Not present- to be introduced
	9.3	Risk Assessments	Check what in place relevance and compliance	RA	Not present- to be introduced
	9.4	Internal Controls	Check what in place relevance and compliance	RA	Not present- to be introduced
	9.5	Code of Conduct	Check what in place relevance and compliance	S	In place
	9.6	Complaints Procedure	Check what in place relevance and compliance	S	In place
	9.7	Equal Opportunities	Check what in place relevance and compliance	RA	Not present- to be introduced
	9.8	Use of Financial Reserves	Check what in place relevance and compliance	RA	Not present- to be introduced
	9.9	Transparency of availability of assistance available	Check what in place relevance and compliance	RA	Not evident- to be reviewed

		and fairness of decision making			
	9.10	GDPR	Check what in place relevance and compliance	S	In place
Bookkeeping and Financial Records	9.11	Review Bookkeeping system and ledgers maintained up to date	Check what in place relevance and compliance	RA	No double entry bookkeeping process in place – single cash entry-recognised compliant computerised accounting system to be introduced
	9.12	Sample payments with supporting evidence	Check supporting paperwork	S	Evidence provided.
	9.13	Random sample authority for payment	Check payments approved	S	Minutes confirm approval
	9.14	Review use of capital and interest	Undertake reconciliation of payments for each fund	S	Evidence seen
	9.15	Cash Reconciliation	Check reconciliation	RA	No evidence seen
	9.16	Insurance cover	Check what in place relevance and compliance	S	Evidence seen
	9.17	Year-end accounts	Check what in place relevance and compliance	S	Evidence seen
	9.18	Security of records	Check what in place relevance and compliance	Unable to determine fully	Financial records secure- case records to be located and secured
	9.19	Are security controls over cash adequate and effective?	Check what in place relevance and compliance	RA	High risk – consider implementing pre-paid debit card
Charity Compliance	9.20	Have the Charity accounts and Annual Return been filed within the legal time limits?	Check what in place relevance and compliance	RA	Yes, but further “Governance” work required.

OVERVIEW

**TODMORDEN
EMERGENCY SUPPORT**

Todmorden War Memorial
(1914-18- Reg Charity No 219673
Restricted Capital – interest only used.

Formerod Reg Charity
No 252036
Capital can be released plus interest
used

Administered by Todmorden
Emergency Support
12 Trustees appointed at
Todmorden Town Council Annual
Meeting
3-year terms
Four per meeting

To provide benefit and assistance
to veterans of the 1914-18 or
1939-45 wars who are resident in
Todmorden, their immediate
families or the needy people of
Todmorden

Support for the sick and needy
people of Todmorden

TRUSTEES
RESPONSIBILITIES
GOVERNANCE
MANAGEMENT
FINANCE
RISK
HEALTH AND SAFETY

MANAGEMENT COMMITTEE
CASE WORK
(Terms of Reference)

10. Supporting commentary

10.1 Governance

- a) The governance documents as submitted to the Charities Commission were confirmed that the Trustees are operating within the objects as defined for each Charity. As there is no Reserves Policy in place the option to withdraw capital from investment to support further grant assistance, may over the long term, eventually lead to less investment receipt to fund future grants. The need each year may also vary according to hardship. If trustees found an increasing demand that they wish to satisfy, but cannot owing to restricted capital withdrawal, Trustees may wish to consider whether to approach the Charities Commission to allow capital to be released or to merge the two charities together to able easier access to such capital.
- b) There are no financial regulations evident in terms of how the charities finances should be managed and the control issues that need to be implemented for good practice. The extent of financial activity is not substantive but nevertheless what accounting records are required, what authorities to spend, what limits for grants awarded, what are case workers delegated financial spend authorities should be documented.

Examples that could be considered and tailored to suit the needs of the charity.

[Small Charity's Financial Controls Policy Template.docx \(live.com\)](#)

[Todmorden-Town-Council-Financial-Regulations-and-financial-scheme-of-delegation-March-2022.pdf \(todmorden-tc.gov.uk\)](#)

c) There appears to be no Risk Assessments in place. In terms of activity carried out the nature of the case work activity involves visits to personal homes and cash payments made to eligible beneficiaries. There is no evidence to suggest that prior to a home visit there is any formal process carried out to access the risk associated with such a visit.

Risk Assessments should be prepared and continually reviewed focussing on how you reduce the risk.

[risk-assessment-template-2019.docx \(live.com\)](#)

Risk is not just about activity based and physical harm but also the impact on the Charities of such as financial and reputation should also be considered.

d) There are no formal internal controls evident at the moment. The Charities Commission has a self-assessment checklist of internal financial controls that should be considered.

[Internal financial controls checklist.docx \(live.com\)](#)

e) A prima facie check of minutes against this checklist indicates some areas of compliance. There are also areas that are not relevant at the moment e.g. income from public collections. It would however be good practice to review this checklist and use this as a framework for developing a set of financial regulations including any scheme of financial delegation that may be appropriate to the Management Committee/Case Workers

f) Trustees are responsible for ensuring money received by the charity is secure and recorded, only spent on charitable purposes and at less risk of theft, fraud or cyber-crime. If this is not dealt with properly then all trustees will need to put this right- For example if a cash holder is robbed this cash may need to be replaced, if not covered by insurance.

g) There is a code of conduct in place that has recently been adopted.

h) There is a complaints procedure in place that has recently been adopted.

j) There is no equal opportunities policy in place. Whilst the code of conduct refers to discrimination under Section 2 Bullying, harassment and discrimination, it would be sensible to put in place an Equal Opportunities Policy (including the process of decision making) particularly noting that in the governing document there is no charities exception that allows a charity to limit its benefits to people who share a protected characteristic. In making awards, the Trustees must not discriminate against anyone with a protected characteristic. Adopting this policy and complying with it, will reduce the risk of any subsequent claim made by an unsuccessful applicant for funding on the grounds of discrimination. Such a policy may wish to include rationale for refusal or an alternative policy introduced.

k) There is no policy in place regarding levels of Reserves that the Trust wishes to maintain. Whilst there is in theory a restricted capital fund for the Todmorden War Memorial Fund this is invested in a fund which value may go up and down – a fund at risk. The Abraham Ormerod finances are not restricted and therefore a policy of deciding at what level capital must remain in place to generate investment income to fund the activities of the Charity should be considered .

l) The value of investments in Black Rock and CLA have together declined by 9.77% during 2022. Whilst the dividend generated may have slightly exceeded that of 2021 the base investment level is now lower for future yields to be based on.

The Trustees should consider their approach to investment in terms of risk, length of investment, ethical investment and immediacy of need for revenue funds to continue its purposes

[Charity reserves: building resilience - GOV.UK \(www.gov.uk\)](#)

m) A web site search indicates that apart from reference via reports from Todmorden Town Council there is no presence on the internet. There is no social media presence. There are no formal publications that the public may access.

n) A review of activity in 2022 indicates that the majority of referrals have arisen from third party organisations e.g., Job centre, Food Drop in, Disability Support Calderdale but with only 5 self-referrals.

o) The use of third party organisations that come in contact with clients potentially needing additional support, and the use of qualifying criteria (e.g. universal credit), enable some initial filtering to meet the Charities criteria for awarding of funds, but the lack of transparency remains a barrier to those who do not present themselves through these channels, or are aware of representatives of the Charity through which they seek assistance.

p) The presumption is that the charity is open in its work, unless there is good reason for it not to be. It would seem appropriate therefore for Trustees to consider the need for greater transparency through a dedicated web site and or social media channels in addition to these growing referral of networks . A website particularly could act both as an information page and application process and will need to be clearly defined in respect of criteria and funding capability.

It is recognised that the Charity is run by volunteers and that increasing presence may lead to an upsurge in applications. Qualifying criteria and limitation on funds availability should be clear.

To avoid criticism from those without access to internet, other media should be considered.

q) A GDPR policy is in place. Given the nature of someone needing to apply for assistance, these are potentially vulnerable persons. Information should therefore be secured and only current information to enable processing of an award retained. The Data Retention Policy in place will ensure that such information is secure and destroyed (paper and digital records) within a reasonable time period that may or may not relate also to retention of financial records.

10.2 Bookkeeping and Financial Records

a) There is no double entry bookkeeping in place nor a simple cash book entry system. Excel spreadsheets are used to input expenditure into and record income. Payment and receipts for either trust is received into one bank account which then requires a separate process to split out payment and income relating to each.

Whilst the level of bank transactions is manageable through the Excel system the volume of cash related work for case workers does add some volume and separate processes to record cash payments adds to this task.

b) As the work of the TES is likely to increase given the current cost of living pressures it would seem appropriate to invest in a proper accounts system that would enable single entry processing, aid cash reconciliation for both the bank account and petty cash account(s) provide the management information to produce for Trustees. Client personal data for awards can be anonymised by a simple case reference register with personal information retained under a separate data retention process.

Ahead of any decision to switch to a computerised bookkeeping system, consideration should be given to opening another bank account so that each Charities finances can be more easily reconciled.

c) Consideration should also be given to establishing an Imprest system for petty cash replacement and in terms of cash security switching to a prepaid debit card.

d) June 2022 was selected at random to sample expenditure and all vouchers were present where cash was spent. Two entries indicated recipients of either bank transfers or cheques were case workers.

e) Assuming that a cheque is cashed by a case worker this is in effect Petty Cash and as such a reconciliation should be undertaken against receipts and the balance still held by a case worker physically checked at random.

f) Authority for payment was sampled from management committee meetings held on 7th July, 4th August and 1st Sept 2022. Amounts approved are sometime approximate and as minutes correctly do not record the client's name, whilst I was able to track payments to the minute, it would be easier if a case ref no in the minute would help to match payments made against the approval within the minute.

g) There was no evidence available to confirm the level of delegated authority but in terms of cash payments made it is assumed that that through payment of such funds by the treasurer and reporting of finances that there were within authority.

h) In reviewing minutes each meeting Agenda items are numbered but there is no minute reference number. Should it be necessary to refer to when a decision was made it may be easier to have such a minute reference number in place. For example Trustees meeting item 1 would be T2022(year) 001 for Management Committee M2022(year)001. Each subsequent item increasing number so if after say 7 items last item T2022007. Next meeting starts at T2022008 and so on.

i) Evidence of supporting paperwork was seen to match income received into the bank account for the investments with CCLA and Black Rock.

j) There does not appear to be any formal monthly cash reconciliation but given that cheques processed through the account seem mainly to be for withdrawal of cash that is used by case workers, unrepresented cheques is unlikely to have a material effect with the actual bank balances reflective of the Charities financial position.

The issuing of cash that is in turn used for either trusts is more problematic or then requires another process to split out.

k) Insurance cover has been checked for both Charities and confirmation seen that cover is in place. Both are the same in terms of cover providing Public Liability £5m, Employers liability £5m and cover for up to 14 volunteers.

Cover for cash includes assault and therefore it is assumed that the activity of volunteers visiting clients with cash has been declared. It is usual practice that before any claim is validated that an insurance company would ask for proof of how such activities have been carried out and that a suitable and sufficient Risk Assessment has been carried out.

In considering the cover there is one exclusion that Trustees may wish to consider – Fidelity cover i.e., if a trustee(s) commit fraud and take the funds. This would predominantly apply to the investments held but also any current account bank balances. Trustees should consider either taking out cover and or reviewing the withdrawal processes and banking authorisation to minimise such an event.

Monthly bank account / cash reconciliation and a quarterly independent cash reconciliation with another trustee with the treasurer will provide a measure of control.

l) Accounting is carried out on an Income and Expenditure account based on cash accounting with no accruals or need to account for any balance sheet items such as debtors or creditors. No stock is held. A sample of payments and income receipts were checked against the bank statement. The record of year end accounts does show a discrepancy of bank account and cash held of £3.64 which is not material.

m) For ease of storage historical financial records are kept in the Town Hall under the control Todmorden Town Council. There does not appear to be any case file records, which given GDPR implication gives cause for concern. The whereabouts of case files should be ascertained and all paper records that are not current should be archived and subsequently destroyed in line with any Data Retention Policy that may subsequently be adopted by the Charity.

n) Security and controls over cash require improvement. When carrying out a Risk Assessment the process of case workers retaining cash on the person is likely to require a different approach to be taken. In entering an applicant's home there are three stages of danger arriving, attending, and leaving where case workers could be robbed. It is recommended that a form of prepayment debit card is given to each caseworker -preloaded by the treasurer. The applicant can then accompany the case worker to either obtain cash or purchase goods or services, e.g. white goods or energy top ups and the pre-paid debit card used. Controls over use of cash would, then also be improved via use and top up of the card against receipts /invoices submitted.

10.3 Charity Compliance

- a) War Memorial Fund - 1914/1918 charity number 219673 received on time
- b) Abraham Ormerod Trust charity number 252036 received on time.