

Barnsley Rural Action (BRA)

Registered Charity No: 1068188.

Introduction

1. This report is the statement of the results of an inquiry under section 8 of the Charities Act 1993.
2. BRA is a registered charity. The objects of the charity are to help and educate young people resident in Barnsley and the surrounding area through their recreation and leisure time activities so as to develop their physical and mental capacities.

Issues

3. South Yorkshire Police contacted the Commission, having received information about the management and administration of the charity.
4. On 19th January 2004 the Commission contacted the trustees to notify them that an inquiry had been opened because of concerns relating to possible misapplication of charity funds and fraudulent activity involving falsification of the charity's records.

Findings

5. The inquiry officer examined how the charity operated on a day to day basis and what policies, practices and procedures were in place. This included arrangements for the trustees' meetings and recording of minutes from meetings.
6. Evidence obtained by the inquiry officer established that there were no proper minutes of trustee meetings and those meetings were held on an irregular basis.
7. The inquiry could not establish with any certainty who the properly appointed trustees were. Some individuals shown on the Commission's records as trustees denied being trustees and stated that they had never volunteered to be trustees or told that they held such a position.
8. Further evidence gathered by the inquiry officer showed that an application for funding had been completed using the signature of a person connected with the charity as an
This person alleged that name had been used on the application form without knowledge or consent. The second person named on the application admitted that had signed on behalf of the first person but did so with the knowledge and approval of that person.

9. The inquiry officer obtained a number of statements from persons formerly connected with the charity who identified the individual who was the driving force behind the charity and stated that made the majority of the day to day decisions on behalf of the charity. The individual is hereafter referred to as "the manager trustee".

10. Evidence revealed that several persons formerly connected with the charity had signed many of the cheques issued in the name of the charity. However, they did not recall signing the mandates and denied that they had signed them.

11. Further evidence showed that the manager trustee was also a signatory to the bank account. The inquiry officer obtained documentation from the charity's bankers which showed a number of cheques made out to 'cash' or in the name of the manager trustee. On all of these cheques the manager trustee was one of two required signatories.

12. Over a period of eighteen-months cheques amounting to £20,290 had been made out to the manager trustee. Over a fifteen-month period £18,150 was withdrawn from the bank in cash. The manager trustee was interviewed by the inquiry officer and a statement obtained. stated that the cheque payments were for work had undertaken for and on behalf of the charity. added that these payments were made with the full knowledge and consent of the charity trustees and were taken in good faith. When asked about this, the trustees denied having any knowledge of the manager trustee being paid or of giving permission to withdraw funds from the charity's bank account.

13. In November 2004, in the light of contradictory statements of the manager trustee and his co-trustees, the inquiry officer referred the matter to the Police.

Outcomes of the Inquiry

14. The Commission's inquiry was inconclusive. There was insufficient evidence to show that funds had deliberately been withdrawn without authority or spent outside the aims and objects of the charity.

15. The Commission concluded that as the charity had ceased to operate over two years ago and that as the Police had opened their own investigation, it would not be a productive use of resources to prolong its inquiry. It has since learnt that the Police have completed their inquiry and that no further action is to be taken by them.

16. The charity has been removed from the register.

Wider Lessons

16. Charity trustees must ensure that they administer their charity in accordance with the requirements and legislation relating to charities. They should ensure that they comply with the governing document, for example, the provisions relating to trustee meetings, and that full and proper records are maintained at all times. Failure to do so may attract criticism and concern and may damage the reputation of the individual charity or the charitable sector.

17. Charity trustees must not allow any one trustee or any other individual to dominate the management and administration of the charity they represent.