

Poor record keeping means Birmingham charity is unable to fully account for £100,000, inquiry finds

Press release

The Charity Commission has concluded its statutory inquiry into One Community Organisation, finding misconduct and/or mismanagement.



In an official report, the Commission has concluded the trustees of a Birmingham based charity are responsible for misconduct and/or mismanagement, over financial and governance oversights.

One Community Organisation was registered as a charity in 2009 and organises events and education programmes for the deaf/blind and special educational needs community.

The inquiry found that the trustees had agreed that the chair of trustees would make payments on behalf of the charity using his own bank account because the charity didn't have its own bank card. However, the chair would reimburse himself without the supervision or authorisation of another trustee. The trustees' poor record keeping also meant they could not provide the inquiry with supporting documentation for the reimbursement of around £100,000 spent in this way, meaning the inquiry could not conclude that the money was spent solely in furtherance of the charity's objects.

Transactions made by the chair on behalf of the charity using his own bank account were also not included in the charity's accounts for the financial years ending in December 2017 and 2018. This means they understated the charity's income and expenditure by between £70,000 and £80,000 for both years.

The statutory inquiry also found that the trustees lacked a basic understanding of the charity's governing document and their duties as trustees. This resulted in a number of governance failures including the charity operating outside of the geographical area stated on its governing

document, not identifying or managing conflicts of interest and making decisions without the required number of trustees.

The regulator issued the trustees with an Action Plan to improve the charity's overall governance and decision-making procedures, including to update the charity's financial controls policy, familiarise themselves with Commission guidance on conflicts of interest and appoint a professional accountant to assist with record keeping and accounting duties. The trustees have since implemented the Action Plan.

Amy Spiller, Head of Investigations at the Commission, said:

The trustees' failures in this case resulted in significant amounts of charity money being unaccounted for. This is unacceptable and amounts to misconduct and/or mismanagement.

I hope that the Commission's intervention in this case means the charity is now able to deliver on its charitable purposes and improve the lives of the people it was set up to support.

ENDS

Notes to Editors

1. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.
2. The Commission opened the inquiry on 01 December 2020. View the full [inquiry report](#).

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