



Operational Compliance Report

An animal shelter in England

We have anonymised this report, as the trustee most affected by our concerns died before she was able to explain the situation or defend herself.

About the charity

The charity is an animal shelter providing care and rehabilitation for rescued animals in a region of England.

Why we got involved

We received a number of complaints and a serious incident report from the charity stating that a trustee's son had been paid £70,000 in cash for carrying out work at the shelter. The charity's governing documents contained a prohibition on trustee payments. Not all trustees had been made aware of these payments and conflicts of interest were not managed.

The action we took

We instructed the trustees to provide information about the payments and to provide evidence that conflicts of interest were being properly managed.

What we found

The trustees' responses highlighted that they had no financial controls in place, that trustee decisions were not made properly and that conflicts of interest had not been managed. It soon emerged that the trustee's son had actually been paid £100,000 for work that was later valued as being worth no more than £40,000. We also found that the charity was lacking a number of other key policies and legal documents (such as employment contracts and tenancy agreements); while these matters are outside our remit as charity regulator, they point towards poor governance at the charity.

The outcome

Several new trustees were appointed at an AGM and we worked with them to ensure that the necessary steps were taken to improve the charity's governance and to put in place robust financial controls. They also were supported through this process by their local Community and Voluntary Service ('CVS'), which is still providing advice to further improve governance. (CVSs are umbrella bodies that support and advise charities.) The trustees are also seeking legal advice as to whether any losses to charity funds can be recovered.