

Preamble to Memorandum of Understanding

Working Relationships between Trustees and Local Meetings

Notes of a discussion between York Area Meeting Trustees on 30th March 2008

1. We recognise that Trustees have not historically been a part of the structure of governance of the Society of Friends, they have been ancillary.
2. Developments in charity law and the coming requirements for Churches to be registered with the Charity Commission require Trustees to take active responsibility for the business affairs of the membership body, being the Area Meeting.
3. 'Business affairs' in this context means the way in which our assets are managed and used and the future of the Area Meeting assured. 'Our assets' means the assets of all the Local Meetings combined (plus the Burial Grounds and some limited funds managed centrally).
4. As Trustees we have to ensure that:
 - a. properties to be retained are properly maintained
 - b. financial procedures are appropriate and funds put to proper use
 - c. potential risks are identified, evaluated and managed (including risks to the reputation of the Area Meeting)
 - d. employment law is observed
5. In the past Local Meetings in the York Area have in effect been self-governing. This is a strength on which we wish to build, ensuring all Local Meetings have the capacity to manage their affairs effectively.
6. One way of doing this is by facilitating the sharing of local ways of working between Meetings - for example, procedures for the management of risks and for safeguarding children. Another way is to supplement the capacity of Meetings facing new challenges (as we did at Thirsk, for a limited time).
7. In the course of registration as a charity we expect to be producing a Governing Document that defines Trustee responsibilities for governance, and delegates management responsibilities to Local Meetings (with the exception of the few matters managed centrally).
8. Promoting good practice is one thing, evaluating performance is another. What we cannot do is to give away our responsibility (accountability) for the outcomes of delegation. We have to be satisfied with the way in which Local Meetings are managing business activities.

9. The work our Auditors are going to be doing will be a part of this process, but we shall also need other ways of confirming all is well.
10. In respect of Data Protection, Britain Yearly Meeting requires us to confirm on an annual basis that Local Meeting practice complies with the Regulations. We do this by circulating LM Clerks with a 'tick list' of procedures that should have been followed, asking for confirmation.
11. In respect of the management of risks other than those that will be appraised in the financial Audit - principally Health & Safety, and safeguarding children - we are considering taking a somewhat different approach.
12. We wish to build on existing good practice rather than adding a layer of bureaucracy, so propose to ask to receive copies of the annual reports of Finance, Premises and Children and Young People Committees. We propose to ask one Trustee in each Local Meeting to act as the channel of communication, receiving the relevant reports and considering whether these provide all the information we need, using a checklist.
13. Clearly this will be an evolving process that may work in somewhat different ways in different Meetings. There are bound to be some difficulties, and issues that have to be tackled. We see Trustees as being champions of the process - champions for their Local Meetings at meetings of Trustees, and champions for Trustees when working with their Local Meetings.
14. We recognise there may be tensions between the requirements for consistency and the achievement of minimum standards, and the need for local ownership of the day-to-day responsibilities for almost everything that happens. We also have to recognise that in some Meetings there may be capacity issues - insufficient human resources to get everything done - thence the need for a somewhat different approach.
15. We wish to build confidence by working in an open way, and will be thinking further about ways of communicating, perhaps in association with QuakeVine and perhaps using the Web. Effective communication will be the key to effective collaboration, with Trustees individually having a key part to play.
16. We shall be glad to have comments on the proposed approach.

14th April 2008

MEMORANDUM OF UNDERSTANDING

At December 2010

	Area Meeting and Trustee responsibilities	Local Meeting responsibilities
<p>GENERAL Sharing and consulting</p>	<p>Trustees will work in an open way. Minutes of meetings of the trustee body will be shared with the Area and Local Meetings, with attention drawn to matters for consultation or local action. Consideration will also be given to using QuakeVine and the Website to share thinking and gather the views of individual Friends.</p> <p>On significant issues subject to consultation or joint action, Trustees will share the proposed action and/or the outcome for consideration by Area Meeting.</p> <p>The Clerk to Trustees and/or another Trustee will join regular gatherings of Local and Area Meeting Clerks.</p>	<p>Pooling of experience can be very helpful. To the extent it might be helpful to others, Local Meetings will share with trustees and with other Local Meetings their experience of managing business affairs.</p> <p>The member(s) of Local Meetings serving as trustees will endeavour to make themselves available to speak to the Minutes of trustee meetings and other matters as required, and will assist in feeding back experience and views to the trustee body.</p>
<p>Assessment and management of risks</p>	<p>Trustees are responsible for the identification and management of risks. Trustees will maintain and share a composite register of the risks identified by Local Meetings.</p> <p>Trustees will draw the attention of Local Meetings to any issues needing further consideration, and advise on any changes required.</p>	<p>Local Meetings will undertake a regular review of their approach to risk management, drawing on the experience of other Meetings as appropriate. The risk register will specify measures in place to minimise the risk of occurrence and the impact of each risk, and will identify the person or group(s) expected to be particularly of aware of each risk.</p> <p>Revised local schedules of risks will be shared with the convenor of trustees at 2-yearly intervals.</p>

	Area Meeting and Trustee responsibilities	Local Meeting responsibilities
Data Protection Act	Trustees will register YAQM with the Information Commissioner's Office, and will circulate a pro forma annually for Local Meetings to complete confirming compliance with the DPA.	Local Meetings will appoint a Friend to take responsibility for Data Protection.
Insurance	Property, public liability and employment liability insurance will be through a group policy taken out and kept under review by the Area Treasurer.	Reimbursement of the costs of insurance to be made to the Area Treasurer. Any claims to be reported to the Area Treasurer who will notify brokers. Local Meetings will then communicate directly with the Loss Adjuster, in consultation with the Area Treasurer.
Property management	Five years after the previous survey, or from the completion of substantial modernisation to the building, Trustees will ensure arrangements are made for a survey of the condition of each property. Within overall policies for the York Area on appropriate levels of financial reserves, Trustees together with each Local Meeting will consider and agree an appropriate level of property reserve, taking into account the nature, age and condition of the building and the financial circumstances of that Meeting. Any major development proposals will be submitted to Area Meeting for consideration before decisions are taken.	Local Meetings will take full management responsibility for the care, maintenance, use and any improvements to 'their' property. More than one price or tender should be sought and, other things being equal, the lowest price accepted for any work on the property, or any purchase of fixture or fittings, likely to cost more than £1,000. Plans for any significant changes or improvements to property where expenditure is likely to exceed £30,000 should be shared with Trustees for discussion before the work is commissioned.

	Area Meeting and Trustee responsibilities	Local Meeting responsibilities
Financial management	<p>Treasurers will ensure that standard bookkeeping conventions are observed, with all transactions recorded in a Cash Book and reconciled with balances in hand at the end of each month.</p> <p>As a safeguard for the Treasurer as well as the Local Meeting, there must be a segregation of duties in the handling of significant transactions.</p>	<p>Two signatures are required on all cheques and requests for withdrawals above £500 (or any lower level agreed locally). The second signatory should be provided with appropriate documents to justify the expenditure (eg: invoices or expense claims) that they should then initial as approved. No signature should be added to a cheque until all other details have been entered (no pre-signing). All Direct Debit authorisations must have two signatures.</p> <p>Bank Mandates should normally work from two lists, with one signature required from each:</p> <p>List A: The Treasurer, or the Assistant Treasurer</p> <p>List B: Two or more other Friends</p>

	Area Meeting and Trustee responsibilities	Local Meeting responsibilities
Annual Report and Accounts	<p>Auditors will be appointed by the members at an Area Business Meeting. The appointment will be reviewed no more than 5 years after it was made, when existing auditors may be reappointed. The Area Treasurer will provide any necessary guidance as to the form in which Local Meeting management accounts should be submitted for consolidation, and will advise and assist local Treasurers so far as possible.</p> <p>Trustees will prepare an Annual Report and Consolidated Accounts to meet the requirements of the SORP 2005 and Britain Yearly Meeting. Within 5 months of the end of the financial year the audited annual accounts and report will be presented to trustees for approval, then to an Area Business Meeting for adoption.</p>	<p>Treasurers of Local Meetings will submit budgets for consideration and approval by their Meeting, and present accounts to the Meeting at intervals throughout the year, including all information needed for the purposes of budgeting and forward planning.</p> <p>End-of-year accounts will be checked and reconciled with bank statements and evidence of investments held by a member of the Local Meeting not being the Assistant Treasurer, or by a member of another Local Meeting.</p> <p>End-of-year and summary accounts and Notes in the form agreed with auditors will be sent to the Area Treasurer for consolidation within 2 months of the end of the financial year.</p> <p>Local Treasurers, with other Friends as required, will make themselves available for any meetings required by the auditors.</p>
Other matters.....	Reputation.....	