

Jewish Leadership Council

This document sets out all of the Recommendations from the Panel Report and all of the Recommendations made by Crowe together with the JLC's proposed Response.

Recommendations contained in the Independent Panel Report dated 31st January 2019

Ref	Panel Recommendation	RAG STATUS	JLC Comment/Action
9.1	We had considered recommending that previous financial periods are examined, but in view of the difficulty Crowe and we have had in getting reliable information, we think such examination is unlikely to reveal the evidence required.		Noted.
9.2	A governance review of the charity should be conducted by specialist lawyers appointed by the charity for the purpose, and its recommendations implemented.		Womble Bond Dickinson have been appointed to conduct a Governance Review starting from 1 st March 2019
9.3	A regular trustee induction and training programme should be implemented.		All new Trustees are currently given an induction programme. Following the Panel's recommendation, the induction and training programme has been reviewed and is being implemented for all existing Trustees and will be in place for new Trustees, the next of whom will be elected in May 2019. The Charity's lawyers will also attend one Trustees meeting per year to provide an update on Trustees' duties.
9.4	A review of how all fundraising and grant giving activity is carried out, and appropriate procedures and controls adopted.		The Trustees currently approve the fundraising process and are updated at each meeting on the latest progress in fundraising. The Financial approval levels have been reviewed. The CEO's approval level is capped at £5,000. The JLC Treasurer signs off on all expenditure above the CEO's authority level on a fortnightly basis. The JLC has also brought in additional financial control procedures from 1 st January 2019 to give greater visibility to the Trustees on expenditure and cashflow. Management Accounts

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9.5	A policy to protect whistle-blowers – see Crowe's comments on the current policy.		<p>are produced to each Trustees meeting. Forensic accountants Crowe UK LLP confirm that the systems now in place at the JLC are more robust and professionally established, with clearer reporting to Trustees with regards to expenditure. In relation to Grant giving, a new policy is being drafted, which will take into account all recent Charity Commission guidance and will be presented to the Trustees at their Meeting in March 2019.</p> <p>Crowe UK LLP identify that there are now policies in place at the JLC for whistle-blowing, bribery, absence management, conflict of interest, expenses, equal opportunities, grievance, harassment and bullying. The suggested changes to the policies recommended by Crowe UK have been made and all of the policies will be submitted to the JLC Trustees for approval at their next scheduled meeting in March 2019</p>
9.6	The Trustees should appoint and Audit and Finance Committee, chaired by a Trustee (not the Treasurer), with Terms of Reference to include responsibility for oversight of the CEO, the relationship with the auditors and the provision of regular financial information to the trustees.		A proposal to establish an Audit and Finance Committee, together with Terms of Reference was approved by the Trustees at their January meeting.
9.7	Formal staff appraisals should be conducted regularly, and the actions agreed taken promptly.		Staff appraisals are conducted annually by appropriate line managers or the CEO as the case may be. There is a robust HR policy in place to ensure that actions raised in appraisals are followed up. The CEO has an annual appraisal conducted by the Chair.
9.8	The recommendations at Section 6 of the Crowe Report (<i>see Appendix 1</i>) should be carefully reviewed by trustees and action taken accordingly.		See Appendix 1 below.
9.9	Trustees should implement a policy of regularly reviewing the appointment of auditors, including conducting an appropriate		The Trustees have determined that the audit contract for the JLC will be put out to tender immediately.

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	tender process.		

Appendix 1

Recommendations contained in the draft Crowe Report

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6.15	<p>Financial Regulations Policy</p> <p>A number of recommendations were made to improve this policy.</p> <ul style="list-style-type: none"> • A reference to sourcing/procurement is not included and a recommendation is made to document a Procurement Policy • Procedure for payroll should be set out including key control steps and processes. • Adherence to the key controls and processes referenced in the Policy (particularly with regards to record keeping) should be periodically monitored and reported to Trustees. • Guidance on the use of credit cards. • Guidelines to manage projects. • Grant-making guidelines including assessment and approval. • The approval process to open and close bank accounts. 		<p>A new Expenditure Policy has been created which includes a procurement policy and expands on other financial controls. This policy has been drafted and will be presented to the Trustees for approval at their meeting in March.</p> <p>A new Controls on Human Resources Policy has been created which sets out payroll, expense and control steps, This Policy will be presented to the Trustees for approval at their March meeting. The monitoring of these policies will be contained in the Terms of Reference of the Audit and Finance Committee.</p> <p>The Financial Regulations Policy is in the process of being amended to deal with the use of credit cards, project management costs, the process for opening and closing bank accounts and grant making. The revised Policy will be presented to the Trustees for approval at their meeting in March 2019.</p>
6.15	<p>Conflicts of Interest Policy</p> <p>It is recommended that a policy statement is</p>		

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	drafted which sets out the JLC position with respect to conflicts, with a template which acts as a key control in demonstrating adherence to the policy. This should also include actions required during a procurement process, how to manage conflicts and actions to be taken where conflict is not declared.		Review process.
6.15	<p>Consultancy Policy</p> <p>It is recommended that the Consultancy Policy should be cross referenced to the Conflicts of Interest policy and should include the requirement for a business case to be prepared. Consideration to be given to the requirements regarding the set up of an arrangement in line with financial limits, due diligence processes and actions to take for renewed arrangements (whereby spending is in excess of defined thresholds).</p>		The Consultancy Policy has been amended as suggested in this Recommendation. The revised Consultancy Policy will be cross referenced to the Expenditure Policy. The Consultancy Policy will be presented to the Trustees for approval at their meeting in March 2019
6.15	<p>Whistleblowing Policy</p> <p>It is recommended that the Policy should include a reference to PIDA 1998 and protection this affords staff. It should include options of reporting to Trustees or External Auditors and the sentence which discourages 'anonymous' whistleblowing should be re-visited. There is also potential to add wording in regarding vexatious claims.</p>		The Whistleblowing Policy has been amended as suggested and will be submitted to the Trustees for approval at their meeting in March 2019.
6.15	<p>Bribery Policy</p> <p>It is recommended that the Policy can be enhanced through reference to the Bribery Act and the specific provisions.</p>		The Bribery Policy has been amended as suggested and the revised Policy will be submitted to the Trustees for approval at their meeting in March 2019.

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6.17	<p>Fraud Response Plan</p> <p>It is recommended that the JLC implements a Fraud Response Plan</p>		A new Fraud Policy and Fraud Response Plan has been drafted and will be submitted to the Trustees for approval at their meeting in March 2019.
6.28	<p>Adequate Controls over the charity's assets</p> <p>JLC should assess its current controls under the following categories to ensure that it is controlling risk:</p> <ul style="list-style-type: none"> • Pervasive control risks • Monitoring controls • Specific control risks 		Risks and controls will be assessed by the Audit and Finance Committee, and this has been included in the Terms of Reference of this Committee.
6.42	<p>It is recommended that the JLC and its auditors document the arrangement with its external provider of bookkeeping and accounting services, and that this should include the internal controls in place and how the JLC can gain comfort that they are operating effectively.</p>		The JLC conducted a tender process in November 2018 and has appointed SJC Bookkeeping to provide financial control services to the JLC from 1 st Jan 2019. A contract with SJC Bookkeeping is in the process of being negotiated, incorporating service levels.
6.48	<p>It is recommended that the JLC implements a grant making policy – to cover initial vetting/due diligence, grant approval, grant agreement and procedures for ongoing monitoring.</p>		This policy is in the process of being drafted and will be submitted to the Trustees for approval at their meeting in March 2019.
6.49	<p>To consider the specific control systems enhancements identified by Crowe which are set out below (unless they have already been referred to above):</p>		Please see below
T10a	<p>It is recommended that there should be an annual consideration of the financial controls in place,</p>		This is included in the Terms of Reference for the Audit and Finance Committee.

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	potentially aligned to the external audit cycle.		
T10b	Trustees should consider the need to appoint an internal auditor or an Audit Committee. Consideration should be given to establishing a sub-committee of the Board, covering Finance, Audit and Risk. This committee should also consider periodically commissioning reviews of key control areas.		A proposal to establish an Audit and Finance Committee, together with Terms of Reference has been approved by the JLC Trustees at their meeting in January 2019. The Terms of Reference also cover Risk.
T10c	Trustees should consider whether (recognising resourcing implications) post opening can include segregation, in light of the number of postal cheques received. If this is not seen to be feasible then strong compensating controls should be put in place.		Post for the JLC is scanned at Reception, and is now opened by the Head of Operations/PA to the Chief Executive and the Finance Executive. Cheques are then passed to the Finance Executive to process.
T10d	Procedures should be included in the Financial Regulations Policy to deal with "tainted charity donations" and be disseminated to relevant staff and trustees.		The Financial Regulations Policy will be amended to address tainted charity donations in accordance with Charity Commission guidance.
T10e	It is recommended that there should be a proportionate and periodic review of banking arrangements.		This has been included in the terms of reference for the Audit and Finance committee.
T10f	It is recommended that the JLC review its online access to bank accounts to assess whether it is possible to require dual authorisation or have a transaction limit which can be processed by a single authority and to ensure that suitable checks are in place.		The access to the banking system is one of the items of financial control that is included in the terms of reference of the Audit and Finance Committee. Proposals have already been developed to add additional levels of authorisation to the bank payment systems.
T10g	Bank reconciliations prepared by the external provider should be checked by a member of the JLC's Admin/Finance Team. Evidence of the review process should be kept in the reconciliations and any differences investigated		Now that there is a new Bookkeeping service being provided, bank reconciliations are scrutinised by the Finance Executive and the Chief Executive. Details of bank reconciliations procedures have now been included in the draft Financial Regulations Policy, as suggested by

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	on a timely basis.		Crowe UK.
T10h	Credit card limits should be aligned to the financial authorisation processes or the authorisation limits reviewed.		Credit card limits are indeed now aligned to the financial authorisation limits and have been since January 2014. This is now reflected in the Financial Regulations Policy.