

Cleveland & Teesside Local History Society

26 February 2020

Appointment of Auditors

The recent demise of one of the Society's two auditors has prompted some debate about whether we need two auditors, and what sort of people can be appointed to such a role.

The Constitution at present states that 'Two auditors shall be appointed at each Annual General Meeting', but does not make any stipulations about what qualifications are needed by an auditor:

- The Constitution does not say that a Member of the Society cannot be an auditor.
- The Constitution does not say that a Member of the General Committee cannot be an auditor.
- The Constitution does not even say that the Treasurer or a signatory to the bank account cannot be an auditor.

The Charity Commission provides guidance of relevance.

The Cleveland & Teesside Local History Society is a charity which is not a limited company and whose income is less than £25,000 per year.

For such a charity, the advice of the Charity Commission is as follows:

'You don't need to have your accounts examined or audited unless your charity's governing document or the Charity Commission asks you to.'

However, the Committee believes that it is appropriate for the Society to have its accounts examined or audited, not least to demonstrate that the Treasurer and Committee are acting honestly and appropriately in the management of Society funds. The Committee also believe that we need to change the Constitution to address what are potential weaknesses in financial accountability and the independence of an auditor.

Proposal

The Committee recommend the following change to the Constitution:

Audit / Examination of Accounts

A suitable, appropriately skilled person or persons shall be appointed at each Annual General Meeting to examine / audit the financial and membership records of the Society. Those appointed may be Society Members, Committee Members, or Officers, except that they shall not be signatories to the accounts or hold the position of either Treasurer or Membership Secretary.