

APPENDIX 1

Where Survivors Come First

FAO: Andrew McCormick
Castle Buildings
Stormont Estate
Belfast BT4 3SQ

31.07.06

Dear Dr McCormick,

You say in your letter dated 6th July 2006 that your Department is committed to ensure that "funding for rape victims is directed to quality services which provide the best possible support for victims".

Your Department is in possession of a copy of our latest annual report which shows that our organisation has been providing these services for survivors of rape and childhood sexual abuse for the last twenty five years.

We have also provided many letters of support regarding the quality of our services to the DHSS from a Consultant Psychiatrist Graeme McDonadd, NI's top Psychotherapist on Eating Disorders Claire Adams, Chief Inspector of the PSNI CARE Unit William McCauley, Barrister at Law, Michael Lavery and from academics such as Professor Monica McWilliams, authors and journalists who have written on the issues we deal with such as Chris Moore, other voluntary organisations and more importantly, clients and mothers of clients.

I trust that there is no question regarding the quality of the valuable work we do on a shoestring budget.

We are glad that you have referred to the level of funding we receive as being deficient. The Northern Ireland Assembly also decided it was so, when they passed a motion declaring that your Department and the NIO should ensure we were properly funded.

Cont....

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We believe we have complied with the terms and conditions of DHSS funding and have been audited, evaluated, monitored and scrutinised by yourselves more than any other organisation has.

Our response to your report follows in the body of this letter:-

Response Of The Rape Crisis & Sexual Abuse Centre (NI) to the Review undertaken by the DHSS

Please note DHSS report is quoted in red

1. PURPOSE

1.1 A follow-up review of Rape Crisis & Sexual Abuse Centre (NI) Ltd (RCSAC) was undertaken during the period 4 January to 13 March 2006 at the request of Family Policy Unit.

1.2 During the visit the Review Team encountered difficulties in seeking responses and clarification from RCSAC representatives, due to pre-arranged meetings being repeatedly cancelled due to the unavailability of RCSAC representatives. As it was considered that these outstanding issues would not alter the overall findings of the review, the Review Team were advised to terminate the visit on 28 February 2006 and commence compiling the report on the information already obtained.

a) Purpose

Why are dates given as 4th Jan 06 - 13th March 06 when the Main Findings section of the Review Report seen below states that the Department terminated the Review on 28th February 06? (two weeks before).

The fact is that a meeting which was arranged on March 14th with Pearl Gray the Centre's Chair, Ted South our voluntary consultant and the Verification Team

The Rape Crisis & Sexual Abuse Centre (NI) is a member of the Rape Crisis Network Ireland, The Rape Crisis Network Europe, The British Association for Counselling and Psychotherapy, NICVA, the UK Telephone Helplines Association, Women's Support Network, VSB and the Women's National Commission

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was cancelled by the Department. (see photocopy Diary Entries Appendix 1) this issue will be further referred to under "Main Findings."

2. BACKGROUND

- 2.1 *The Department has been funding the RCSAC, and formerly the Belfast Rape Crisis & Sexual Abuse Centre, since 1989. The previous organisation, Belfast Rape Crisis & Sexual Abuse Centre, closed in October 2002. The RCSAC was established on 17 October 2002 as a limited company by guarantee with a Board of Directors.*
 - 2.2 *RCSAC provides telephone and face-to-face counselling, court accompaniment and a support and information service for survivors of rape and sexual abuse. The service is offered throughout Northern Ireland, and is currently delivered by the two members of Centre staff and a team of volunteers.*
 - 2.3 *The Review Team conducted a previous review of RCSAC between October and November 2004 at the request of Family Policy Unit. A draft report was forwarded to Departmental senior management in November 2004, with the final report issuing in January 2005, which contained a number of recommendations for improvement to address weaknesses identified during the review.*
 - 2.4 *The scope of the 2004 review included examination of expenditure, Corporate Governance and a review of internal control systems.*
 - 2.5 *RCSAC received funding from the Department of £64,625 in 2004/05 and £44,659 during the period 1 April 2005 to 28 February 2006 to cover administration costs.*
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b) Background

This is factually incorrect the Centre's name is the Rape Crisis & Sexual Abuse Centre (NI) and has been so for over ten years.

The name of the building is Belfast Rape Crisis Centre. The Centre has never closed as an organisation since its opening in March 1982, but was established as a LTD Company in October 2002 (see previous correspondence and Annual Reports to verify Centre's name).

Main Findings

During the visit the Review Team encountered difficulties in seeking responses and clarification from RCSAC representatives, due to pre-arranged meetings being repeatedly cancelled due to unavailability of RCSAC representatives. As it was considered that these outstanding issues would not alter the overall findings of the review, the Review Team were advised to terminate the visit on 28 February 2006 and commence compiling the report on the information already obtained.

c) Main Findings

The first time anyone in the Centre found out that the Department had allegedly "terminated" the Review prematurely was when we finally received a copy of the report on Monday 10th July 2006.

Meetings were not "repeatedly cancelled" by the Centre's representatives, although some were postponed due to unavoidable circumstances, notice was given and every effort made to accommodate the Review Team. The fact that this was not acknowledged never mind taken into consideration is totally unreasonable especially given the Centre's workload with just two paid staff. (who had to work many months without pay as the Department held back funding)

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During one week of the Review period, Centre staff and volunteers had to attend four funerals. {Eileen Kelly's brother died after a sudden illness, The mother of Austin Herron who has served on our committee and is a close friend of both staff members and of the Chair, died, Eileen Calder's Uncle died and Dorothea Brown's father died, Dorothea is a Volunteer and Survivor Representative on the Committee. This can be verified by death notices placed in the Irish News and Belfast Telegraph or by Death Certificates if required in any legal proceedings)

The Review Team were clearly made aware of all these circumstances. It is unreasonable that the Review Team did not take into consideration these bereavements especially considering the Review Team took a week out during the process to do something else when we had set time aside for them.

Pearl Gray is a voluntary Chairperson who has family commitments and she was ill with Pneumonia during a significant period of the Review. Our consultant Ted South was undergoing Chemotherapy at the time. (Medical Certificates will be provided if necessary) despite all of this they went out of their way to accommodate the Review Team as did the staff.

The Review Team never arrived at Centre without spending several hours, saying that there was other things they could get on with, on the couple of occasions that Pearl was unable to make it at their convenience - the Centre's staff were always available when Pamela and Niall came in. Notwithstanding the fact that we had to still attend court cases, carry out counselling appointments, answer phones, go to other meetings we did our utmost to accommodate and assist Pamela and Niall.

Eileen Calder rang Pamela Milby on the 14th March 2006 to ask when the Review Team were coming in to see Ted and Pearl again as she had just heard that the arrangements which had been made for Niall and Pamela to come to the Centre that day were not kept by the Team.

Eileen was puzzled when Pamela Milby said they no longer needed to speak to Pearl. Pamela did not indicate in any way that the Verification Visit had been terminated early. It is totally unreasonable and against the Department's own guidelines on evaluating and monitoring voluntary organisations that we were not

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told during the Review by either Pamela or Niall that they were in any way unhappy with arrangements made for them.

If they had genuine concerns about meeting times being changed a couple of times, they could have informed us at that time so we could address the situation, as they have claimed to perceive it in the report, They chose or were instructed not to do so.

During the Review Niall informed the Centre staff that they would not be in for the next full week as they had another piece of work unrelated to the Centre which they had to do. It was our Centre's people who wished to have the Review concluded as soon as possible, at the time we believed it was the Review team if anyone, who were holding up the process.

Since funding was to be dependant on the Review and the meeting which was to have taken place afterwards our organisation was anxious to assist its progress in every way possible, which we believe we sincerely tried to do. We want Andrew McCormick to carry out a full investigation as to how and why this Review was aborted without our knowledge and to speak directly to Pamela and Niall about this matter.

After several attempts to get in touch with Leslie Frew both on the issue of funding owed to the Centre and on the issue of feedback from the Review Leslie Frew finally contacted Pearl at home after 4.00pm on Friday 7th April. The Verification Team told us at the beginning of the latest Review that they had been instructed to give us feedback during and at the end of the Review process this time, they said they had been instructed not to do so during the previous Review.

Leslie Frew told Pearl that he was considering both issues the funding and the feedback we were supposed to be given at the end of the Review. The Centre was expecting:

1. Feedback from the Review Team
2. A Draft Report or at least written questions which we could answer and
3. A meeting with a senior official from the Department as promised. (it is totally unreasonable that none of these things have happened)

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At no point during that conversation on April 7th did Leslie Frew even suggest that the Review had been terminated before its natural conclusion, nor were any emails or letters sent to the Centre informing us of this allegation. The Board Of Directors, Staff and Volunteers of the Centre were truly shocked at the suggestion in the July report that the Review had not been completed.

A meeting was held in Castle Buildings in January with Andrew Hamilton during the time the Review was being carried out. Mr Hamilton said he had received positive feedback at that stage, that was the only feedback we received until the final report arrived the day before the 12th July public holiday.

Pearl Gray our chairperson has repeatedly attempted to speak to Leslie Frew regarding both the feedback on the Review, whether the Centre was entitled to see a Draft Report or not and on the issue of our funding on several occasions. He has consistently failed to return or be available for her calls even when he has given her appointed times. His secretary can bear witness to this fact. (also recorded in Centre's Diary)

The Centre was invited to attend a meeting in Stormont Castle with Minister David Hanson on Monday 12th June during Criminal Justice Week to discuss issues relevant to survivors of rape and childhood sexual abuse. Pearl Gray and Eileen Calder attended the meeting. Leslie Frew was also in attendance. While it would have been possible to raise the issue of funding at that meeting the Centre's representatives chose not to do so as the focus of the meeting was on criminal law and was being held by the Northern Ireland Office not the DHSS.

After the meeting Pearl Gray approached Leslie Frew and asked when she would be able to speak to him, as despite consistent attempts to do so he was never available. Leslie Frew acknowledged the fact that Pearl had been trying to get to speak to him for some time and said he would be available to speak to her at 2.00pm the following afternoon.

Again Leslie Frew had an opportunity to tell her the Review had been terminated prematurely and again he did not do so. Pearl rang the next day at the appointed time and again he was not available.

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No contact was made by the Department regarding the Review or the Report or our funding until Wednesday 5th July 2006.

Pearl was phoned by Andrew Hamilton's office late that afternoon and summoned to a meeting at the Department's Offices the next day, she said she could not attend, but could make it the day after on Friday 7th July. No alternative time or date was to be permitted by the Department, Mr Hamilton's office told Pearl that both he and Leslie Frew were going on leave and that Friday would not suit them. She was not told about the purpose of the proposed meeting, or given the opportunity to consult with colleagues, but because there were no funds at all in the Centre's account due to the fact that the Department still owe us one third of the grant for last year and have paid no funding for this financial year, Pearl wished to speak to Andrew Hamilton and she felt she had no choice but to take a phone call from him the next day, Thursday 6th July at home, alone.

Pearl was not made aware that Leslie Frew would also be on the line, she had never considered it possible that two such senior Departmental Officials would ring a volunteer in her own home to inform her that they intended to cease our funding. (neither official mentioned anything about the abortion of the Review Visit during that call either)

The Department had stated in writing that a meeting would take place between the Centre and a senior official after the review to discuss its findings and the way forward. (No such meeting after the Review as promised in writing was ever proposed by the Department. The Department had clearly made its decision to cease funding when they phoned Pearl in July, allowing for no discussion or right of reply before they sent a copy of the letter to the press) despite this unreasonable treatment of our organisation the Department has claimed that they have tried to assist us, this is clearly not the case.

Less than an hour after Pearl received the call, Eileen Calder and Eileen Kelly received calls from the press who were in possession of faxed copies of the email which had just been sent to Pearl's home.

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The first written information staff and other volunteers received was in the next day's News Letter where those in the Centre were able to read extracts from the Department's letter which we did not receive until Monday 10th July 2006 when it arrived with the Review Report.

Pearl was shocked when Eileen Calder rang her at home to say that we were receiving calls from journalists as Mr Hamilton had stated on the phone he wished to proceed without media involvement. Pearl had rightly told him that that was not her decision to make alone, but that a meeting of staff, Board and Counselling Collective would determine whether the Centre would go public or not. Pearl also had the courtesy to inform them that if we did decide to make a statement we would ring them first. Unfortunately the Department chose not to extend the same courtesy to us.

Following reports on the evening news both staff members were receiving calls from friends, family and clients asking us if the Centre was closing, several clients were extremely upset by the news reports, neither Eileen Calder nor Eileen Kelly had any written information from the Department on which they could comment to the press or other concerned callers.

At no point between January when the Review began until we saw it in writing in mid July was anyone from the Centre given any indication by the Review Team or any other Departmental Official that they were in any way unhappy with our cooperation throughout the time they spent in our Centre or that the Review had been stopped prematurely, we received no feedback during or after the process, we saw no Draft Report, there was no "meeting with a Senior official to discuss the way forward after the Review" as we were promised in writing, Department officials refused to speak to staff members and senior officials consistently failed to respond to communications from our Chairperson.

We consider it to be totally unreasonable and against the Department's own Guidelines that it was never once suggested to us that we had not cooperated completely with the Review Team until almost five months later. Why did it take five months to write this report? Why did we get no feedback or opportunity to put our case across until after our funding was so publicly cut off?

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(see the RC&SAC's response to PA Consulting Evaluation which addresses the government "guidelines on the monitoring and evaluation of voluntary organisations" which we believe we can clearly prove the Department has consistently breached in relation to our Centre since the fall of the Northern Ireland Assembly three years ago)

Main Findings

During the visit the Review Team encountered difficulties in seeking responses and clarification from RCSAC representatives, due to pre-arranged meetings being repeatedly cancelled due to unavailability of RCSAC representatives. As it was considered that these outstanding issues would not alter the overall findings of the review, the Review Team were advised to terminate the visit on 28 February 2006 and commence compiling the report on the information already obtained.

The main findings of the follow-up review are as follows:

Examination of expenditure covering the period 1 November 2004 to 31 December 2005 revealed an improvement in the payment of utility bills and the adoption of an expenses form for the payment of childcare and travel and subsistence claims. However, concerns remain over inadequate supporting documentation to support payments issued, a lack of transparent audit trails over some areas of expenditure and the quality of the financial records maintained. In addition, the Review Team noted two instances where cash (£3,000 and £100) was withdrawn, over the counter at the bank. There was a lack of supporting documentation for both withdrawals and at the termination of the follow-up visit, the Review Team were awaiting an explanation as to why cheques were not completed in both instances.

Assessment on progress made by RCSAC regarding recommendations contained in the previous review revealed only 12% (9 out of 75) had been satisfactorily implemented. At the commencement of the follow-up review, the Chairperson stated that 64% (48) of the recommendations had been implemented.

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The Corporate Governance – Financial Controls document has not been updated since the last review as recommended. Limited testing on the effectiveness of the Corporate Governance – financial controls revealed room for improvement.

Board Effectiveness – Concerns remain over the effectiveness of the current Board with little evidence from Board minutes of discussion, challenge, follow-up and informed decisions being taken by the Board with regard to the prominent issues facing the organisation.

Inland Revenue – Tax and national insurance contributions (NIC) in respect of 2002/03, 2003/04 and 2004/05 tax years have now been paid up to date, according to the Inland Revenue. However, in the current tax year (2005/06) tax and national insurance contributions are in arrears in excess of £7,800 at the date of fieldwork covering August to December 2005. Furthermore, two interest payments (late payments of contributions to the Inland Revenue in respect of 2002/03 and 2003/04 tax years) amounting to £626.25 and one penalty payment (late submission of 2002/03 documentation to the Inland Revenue) amounting to £1,200 were paid to the Inland Revenue by RCSAC.

d) Examination Of Expenditure

Response to the examination of expenditure will be detailed point by point throughout this document however as it is mentioned on the opening page we will deal firstly with the £3000 cash withdrawn over the counter of the bank by Pearl Gray the Centre's Chairperson.

The Review Team were made fully aware of the following and shown a letter from the bank and other supporting documentation which would prove to any reasonable person that the £3000 was used to pay the two staff salaries for that month and the remainder of what was owed from a previous salary. (not paid in full at the proper time as the Department was holding up funding).

Due to the Department holding back funding Staff salaries again had not been paid on time, Pearl as Chairperson on getting confirmation from the Department

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that some funding was coming through went to see the Centre's Bank Manager Lynne Downey to ask for a £3000 overdraft to pay outstanding overdue salaries. The Manager agreed and said she could pay it to Pearl right away, Pearl was paid the cash immediately by the Manager, which she then paid to the staff.

A letter was given to the Review Team by the Centre from the Bank Manager confirming this. It is clear that no salary cheques were issued for that month. The figures for the staff salaries show that they were paid the correct amount.

The Centre has been providing receipts, expenses, invoices etc to the Department on a monthly basis. Marian McIlhone from the Department received the Centre's electronic ledger which clearly showed the withdrawal of the £3000 for salaries shortly after the transaction was carried out. Therefore we are at a total loss to understand why the Review Team are making such an issue of this.

It is unfair and unreasonable that the Report mentions this transaction without recognising the explanations given and acknowledging that it is clear looking at the centre's books where the money went to.

We do not mind the Review Team stating that this is bad administration, it was a one off situation and we will accept that criticism, we strongly object however to the unreasonable insinuation in civil service speak, that it was not all above board and honest and that the money was absolutely accounted for.

Despite the fact that the Review Team state there is no evidence that this money was paid in salaries they refer to it as such and calculate it as such in their section in the report on Payroll (5.18)

Surely they cannot have it both ways? Either it is unaccounted for and the staff are coincidentally owed £3000 between them of lost wages or there is evidence that it was rightfully paid to staff.

Unless the Department wish to believe that Eileen Kelly and Eileen Calder permitted Pearl to keep both their salaries for a month and part of another month, without complaint and that Marian McIlhone sat idly by and let this happen, then the only conclusion a reasonable person can come to is, that the money went

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where the Chairperson, staff and Bank Of Ireland Manager said it went to and where Marian McIlhone recognised it went to - on salaries.

Pearl believed since it was the manager herself who personally authorised this, paid out the money to her for the salaries and wrote a letter stating that the purpose was salaries that this would have been enough documentation for any responsible person.

On retrospect it is easy to say that Pearl ought to have got both staff members to sign a document saying they received their salary, however as salaries have been paid by cheque for over twenty years and this was the first and only instance of staff being paid in this way, the Centre had no procedure to deal with this emergency situation.

DHSS regulations totally outrule anything which bears any resemblance to working in an open honest way on a basis of experience and well placed trust and the Review Team seem to expect our organisation to work on the automatic assumption that everyone will be dishonest if excessively stringent red tape is not wrapped around everything.

Furthermore this emergency situation of staff constantly not being paid on time is caused by the Department's holding back funding unreasonably. The Centre has been trying to address its administrative difficulties for some time, had the Department honoured its clearly stated commitment to provide extra funding for new Administrator/Fundraiser post made in 2003 this issue would not have arisen at all.

Pearl Gray was exercising her duty as Chair in trying to ensure that staff were paid as soon as possible considering that during the past three years they have had to wait unreasonably long periods, sometimes several months to be paid the salaries to which they are entitled.

£100 cash was withdrawn from the bank on the day of the Centre's AGM - the Review Team were given a clear explanation that this was to cover taxis to and from Stormont to take staff, committee, volunteers and survivors to deliver the Making The Grade Report to Secretary Of State Peter Hain and the Centre's

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Annual Report to Minister Of Health Shaun Woodward. (Receipt of these documents can be verified by said Ministers and security staff at Parliament Buildings and Stormont Castle). Both UTV and BBC television crews filmed the delivery of these reports.

Wine, cheese, bread, crisps etc were purchased from Tesco as refreshments for after the AGM, these were enjoyed by members of the press, guest speakers from Women's Aid and Amnesty International and the staff, volunteers and board of the Centre.

Tesco does not accept cheques from our Centre and neither do taxi companies. We had no alternative but to make a cash withdrawal from the bank. It was an extremely hectic day and withdrawing cash is extremely rare which is why the Verification Team found only two instances. £100 cash was entirely reasonable and justified expenses that day. If the truth be told both staff members and a few Board members paid money out of their own pockets to help cover the costs of that day which exceeded the paltry £100 spent.

Again Marian McIlhone was made aware of this transaction shortly after the event and before the Review Team came into the Centre.

We would draw attention to the readers of this response that auditing and monitoring of voluntary organisations is supposed to show a sense of proportionality to the possible loss to the public purse. Our accounts are audited by an independent accountant. For the last year or more we have been sending every receipt, invoice etc to the Department on a quarterly basis. The Department has carried out one evaluation and three verification visits within the last three years, despite the fact that there have been no allegations of mis-spending of money, misappropriation or fraud.

We believe it is nit-picking, disproportionate and borne from an unprofessional and vindictive vendetta against our organisation by some public servants because we exercised our democratic right by bringing our funding issue to an assembly debate. At that debate the motion was unanimously passed in support of our Centre being properly funded by the Department. We also believe it is related to the fact that we refused to be bullied into withdrawing our response to

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PA Consulting's report on us, we proved in that Response that the Department had consistently broken its own rules in how they had treated us.

3. TERMS OF REFERENCE

3.1 *The following terms of reference were agreed with Family Policy Unit:*

- *to examine the organisation's expenditure for the period 1 November 2004 to 31 December 2005;*
- *to assess the implementation of the recommendations contained in Appendix A of the report of the Review of the RCSAC (NI) Ltd (January 2005);*
- *to review the Corporate Governance arrangements;*
- *highlight any weaknesses identified; and*
- *to provide feedback on findings to RCSAC at the conclusion of the visit.*

3.2 *The Review Team did not provide RCSAC with feedback at the conclusion of the visit due to the termination of the visit. In addition, the Review Team were instructed not to include recommendations in the report.*

f) Terms Of Reference

(3.2) We have already addressed in great detail the lack of feedback from the Department and alleged "termination" of the Review by the Department in previous pages as this issue came up in the Summary.

However the summary does not mention that the Review Team were instructed not to make recommendations. Why was this? If it was the Department's purpose to assist our Centre and improve our administration and record keeping why were the Review Team instructed not to make recommendations? A reasonable person might conclude from this, that it was because the Department was not looking for ways to help the Centre, but was on a fishing expedition for evidence which could be twisted and taken out of proportion in order to withdraw funding.

The Rape Crisis & Sexual Abuse Centre (NI) is a member of the Rape Crisis Network Ireland, The Rape Crisis Network Europe, The British Association for Counselling and Psychotherapy, NICVA, the UK Telephone Helplines Association, Women's Support Network, VSB and the Women's National Commission

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The fact that these instructions were given leaves our Centre no alternative but to assume that the Department had made the decision to cease our funding even before they had started the Review.

5.6 *The Review Team were unable to locate the original invoice relating to this payment from the financial records. This was queried with the Centre Co-ordinator who was unable to produce an invoice relating to this payment. It is not clear what rental period this payment refers to.*

5.7 *Weakness: No evidence of original invoice to support a payment for rent amounting to £18,406.*

g) 5.6 & 5.7

The Review Team were made aware that many original invoices were with the Department as Marian McIlhone had insisted on seeing these on a quarterly basis and would not accept copies. Niall told us that we should not give the originals to anyone even the Department. What are we to do in the face of such conflicting demands from a public body?

A copy of the original invoice was in the black box made available to Pamela and Niall over a period of several weeks. An original letter from McFarlane & Smyth our long-suffering Landlord, dated, stamped and signed thanking us for the payment was shown to the Review Team. The amount on this corresponds exactly with that on the cheque stubb, ledger and bank statement. If that is not evidence enough for a reasonable person to conclude that the money was spent on rent then it is clear we need funding for the professional administrator promised to us, because we don't know what further necessary evidence we could provide.

Furthermore our Landlords office is on the ground floor of our building, Pamela and Niall are well aware of this. All they had to do was ask him. They had no problem in contacting the Inland Revenue without our knowledge or consent. If they honestly believed that such a large amount had gone astray then surely they

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failed in their duty by not asking us to prove it by requesting the cheque back from the bank or speaking to the landlord themselves.

Accountant

5.8 Two payments (£500 and £300) were made in the period 1 November 2004 to 31 December 2005 to cover accountancy fees.

5.9 Weakness: At the time of testing RCSAC were unable to produce original invoices to support these two payments.

5.10 A receipt for £500 (referred to in 5.8 above) dated 1 March 2005 from D Moore, Accountant was noted by the Review Team.

h) Accountant 5.8 - 5.10

Our Accountant like our Landlord has to wait long periods of time until he is paid, given that our funding has constantly been withheld. Original invoices were sent to the Department and as they have stated the receipt clearly shows the last payment. If the Review Team had any problem with this why did they not contact our Accountant directly as they have had no problem in doing so before and he has always made it clear he is willing to assist them in any way he can.

Again these invoices would have been seen by Marian McIlhone or we would not have received the funds to cover them, again they could have requested the cheques back from the bank if they had any doubt about the veracity of our records.

This is another example of the Department making a mountain out of a molehill, if anyone in the Centre wanted to engage in fraudulent activity it would be ludicrous to pretend a cheque was written to the accountant if it wasn't - If these were not genuine payments would Pamela and Niall not suppose that Damien Moore might notice them when doing our accounts?

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NIE Bills

- 5.11 According to RCSAC financial records five payments were issued during the period 1 November 2004 to 31 December 2005. The Review Team were able to reconcile these payments to the bills held on file.
- 5.12 It was noted at the time of testing that £327.74 (cumulative) due to NIE in respect of the 2nd floor of the Centre remains unpaid. In addition, the account for the 1st floor of the Centre is £287.56 in credit.
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i) 5.11 -5.12 NIE Bills

It is apparent to most casual observers that a mistake was made either by NIE or the Centre as one floor is so much in credit and the other overdue. All Electric Bills are on file, again if the Review Team had any problem in believing that cheques written for electricity actually went there, they should have requested information from NIE or had cheques returned from the bank. Marian McIlhone also had all our utility bills sent to her on a monthly basis a long time before the Review took place.

- 5.13 Weakness: There was no documentary evidence that NIE bills were approved prior to payment (recommendation made in previous report – see paragraph 5.12 on page 18 of this report).
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j) 5.13

The staff of the Centre do not require approval from the Management Cttee/BOD to pay every single utility bill which comes into the Centre. This responsibility is delegated to Eileen Kelly the Centre Manager and to Pearl Gray the Chair

The Corporate Governance policy reflects this. We are amazed that the Review Team make such an outrageous suggestion. Having checked with five different voluntary organisations funded by public bodies none of them require Board

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approval for each and every telephone and electric bill, such a system would be totally unworkable and overly bureaucratic for a voluntary board to manage.

BT Bills

5.14 *The Review Team were able to reconcile the BT bills received to the payments issued during the period 1 November 2004 to 31 December 2005.*

5.15 **Weakness:** *The Review Team note that BT Bills are still being made out to Belfast Rape Crisis Centre.*

k) BT Bills

(5.15)

See (b) re- centre/building name

See (j) re- utility bills

We are an extremely busy organisation which is over worked and under funded writing unnecessary letters is at the bottom of our list. Telephone requests have been made to BT re- name change. However if it is of such vital importance we will put this in writing to BT.

Payroll

5.18 *For the period 1 November 2004 to 31 December 2005, the Review Team were able to reconcile, with some difficulty, the salary due to the two centre staff with the payments issued. The total salary paid to the two staff for this period amounted to £45,344. This includes an amount of £3,000 which was withdrawn in cash over the counter at the bank without a cheque being presented. The Chairperson informed the Review Team that this withdrawal was to pay for salaries, however there were inadequate documentary records to substantiate this claim.*

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m) 5.19

This is probably the most ironic thing the Review Team have written. They know that the staff went for almost seven months without being paid at one time. The sporadic nature of payment of salaries is not a choice made by the Centre's staff or Board but something they have had to endure due to the Department's constant holding back and cutting of funding. Regardless of this, the amounts are correct as the Review Team saw. If they are disputing this we would welcome any independent person to come in and count it up for them.

Payroll

5.18 *For the period 1 November 2004 to 31 December 2005, the Review Team were able to reconcile, with some difficulty, the salary due to the two centre staff with the payments issued. The total salary paid to the two staff for this period amounted to £45,344. This includes an amount of £3,000 which was withdrawn in cash over the counter at the bank without a cheque being presented. The Chairperson informed the Review Team that this withdrawal was to pay for salaries, however there were inadequate documentary records to substantiate this claim.*

5.19 *Difficulty in reconciling salaries arose due to the sporadic nature and poor audit trail of salary payments to the two centre staff and the absence of central payroll records.*

5.20 Weakness: *There are no central payroll records maintained for the two paid staff.*

5.21 *The absence of central payroll records was raised, with a recommendation made, in the previous report (see recommendation 13.14 on page 35 of this report).*

n. 5.18-5.21

Records of payroll are maintained by the Centre's accountant, why are Review Team so unreasonable as not acknowledge this in the report they write as if such records don't exist at all?

The Rape Crisis & Sexual Abuse Centre (NI) is a member of the Rape Crisis Network Ireland, The Rape Crisis Network Europe, The British Association for Counselling and Psychotherapy, NICVA, the UK Telephone Helplines Association, Women's Support Network, VSB and the Women's National Commission

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It was during discussion with them at the last Review that it was decided that this was the best thing to do in the absence of a professional administrator.

Furthermore the Centre writes on average less ten cheques a month, two of these for salaries, a handwritten ledger and electronic ledger are kept which both record salary payments. Since these match with cheque stubbs even in the absence of "a central payroll" it is blatantly obvious which are salary payments. Again Marian McIlhone has had been these sent for every month over a long period of time and never found it difficult to calculate.

5.22 Weakness: Reconciliation of the payroll records revealed:

- *Wages cheque no. 197. The General Ledger records this payment for "April 2004", however this should have read April 2005; and*
- *Wages cheque no. 211. The General Ledger records this payment as iro "Eileen Calder", however, the Review Team consider that this salary payment is iro Eileen McClurg- Kelly.*

o) 5.22

Anyone can make a simple clerical error which was corrected in the electronic ledger. Staff are under so much stress is it surprising. 04 was written instead of 05 in the middle of a whole page of entries saying 05, isn't it somewhat petty to pick out a simple handwritten mistake and cite it as a weakness when the error was corrected in the electronic version supplied to the Department?

Re- cheque 211 again a simple clerical error which does not appear in the electronic version supplied to the Department. Both staff are paid exactly the same amount. If Eileen Calder got two salaries one month and Eileen Kelly got none a reasonable person might assume that the mistake would soon be noticed.

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5.29 Weakness: PAYE contributions not being paid timeously.

p) Inland Revenue (5.29)

After the last review when the Centre was criticised for not paying tax etc on time we made it abundantly clear that this was because of the actions of the Department in holding back and cutting funding.

Deductions are and always have been made from salaries. The Centre will be only too happy to pay outstanding tax, national insurance and indeed rent and overdue salaries and other bills just as soon as the Department pay us the money we were promised last year and restores our funding.

The Centre has no problem with the Review Team contacting the Inland Revenue, however we would have appreciated it if they had shown common courtesy in informing us if not seeking our permission first.

Travel & Subsistence Claims

5.33 *From review of the sample travel & subsistence claim forms selected, the following weaknesses were identified, a number of which were not brought to the attention of RCSAC due to the termination of the visit.*

g) Travel & Subsistence Claims

5.33 See C Under Main findings re- "termination of visit"

5.34 Weakness: *It was ascertained from RCSAC staff that expense claim forms are not completed by the claimant in all cases.*

5.35 Weakness: *Two instances where a travel & subsistence cheque payment was made to one individual covering more than one persons*

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expenses. In both cases there was no documentary evidence that the non payee of the cheque received their expense entitlement.

5.37 A recommendation was made in the previous report (recommendation 6.21 on page 25 of this report), that each claimant should complete a separate expenses claim form. The Chairperson indicated at the commencement of this review that the recommendation had been implemented.

r) 5.34 & 5.35 & 5.37

Cases where two people have travelled together on the same trip perhaps sharing a hotel room and bills for meals have always been claimed by one person although two should sign the form. The suggestion that after working together for twenty years that one staff member would not give the other their entitlement is just beyond the pale. This system actually prevents the fraud which is commonplace in the private sector and large corporations where four people share a car and all claim separately for mileage. A hotel cannot split a bill for a double room and restaurants frown upon annoying people asking for separate bills.

The Chairperson did not realise that this recommendation applied to people going away on the same trip where it made sense for one person to claim. We are prepared to discuss this with the Department if the Department is also willing to acknowledge the safeguards our presently used system provides in preventing two people or more claiming for a journey that has been made with another person and costs them nothing.

5.39 A recommendation was made in the previous report (recommendation 5.39 on page 20 of this report), that RCSAC should ensure that a transparent audit trail exists linking receipts submitted to expense records held, and expense records held to payments issued. The Chairperson indicated at the commencement of this review that this recommendation had been implemented.

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s) 5.39

We believe that the audit trail is transparent and are extremely happy to let any independent person examine it. If having one person claim for expenses for two people on the same form makes it intransparent we will discuss this and see what we can do to change it. It must be remembered that expenses are only a very small proportion of a budget of £65,000 a year as any examination of our accounts and records will show there is often very much more expenses owed to staff and volunteers than is paid out. Very often people pay for expenses from their own pocket and are never reimbursed. If these were calculated they would far exceed the amount of expenses paid out at present.

5.40 Weakness: *One instance where there was no documentary evidence in Board minutes of approval for one Board member and one member of staff to attend anti-racism and side meetings at the G8 in Edinburgh.*

5.41 *The Board member claimed expenses of £53 in respect of the G8 event (£40 organised coach and £13 for meals).*

5.42 *The Review Team were informed by the Training & Information Officer that approval to attend the G8 event was sought verbally from the Chairperson, as there was insufficient time (approximately 4 days) to seek Board approval, between receipt of the invitation and the date of the event itself (G8 began on 6th July 2005). This would appear to contradict the record of minutes of the Board meeting held on **21 June 2005** (some eleven working days before the event) which records: "Eileen & Edward will talk to people from Anti-racist Network when they are in Edinburgh for the G8 Summit march & protest re-inclusiveness in training for ethnic minorities". These actions would appear not to comply with paragraph 24 of Appendix 1 of the RCSAC Corporate Governance – Financial Controls document which states: "Conferences or training not previously agreed by the Board and written into the budget may not be attended without discussion at a full Board meeting." The verbal approval did not appear to be documented in any of the relevant financial records.*

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5.43 **Weakness:** *Four instances where there was no evidence of receipts to support part of the expense claim.*

5.44 *Two recommendations were made in the previous report (recommendation 5.39 and 5.41 on pages 20 and 21 respectively of this report), both of which the Chairperson indicated had been implemented at the commencement of this follow-up review, requiring transparent audit trails and the need for expense receipts to be stapled to individual expense claim forms to prevent loss or mis-filing.*

5.45 *One of these instances related to an organised coach from Belfast to Edinburgh to attend the G8 where no receipt was provided by the service provider for this coach transfer. The Review Team consider that if individuals wish to seek reimbursement from RCSAC they should ensure a receipt is obtained. In exceptional circumstances where a receipt is not obtained and Board approval is given to reimburse the cost, adequate documentary records should be attached to the expense claim form for audit trail purposes along with Board approval noted in the subsequent Board meeting minutes.*

t) 5.40 -5.45

Regarding the G8 conference - approximately a week before it was to happen a staff member had discussed the trip with the Anti-Racist Network who has a particular interest in working with the travelling community. At that stage we were not sure whether there were going to be any seats vacant on the bus and ferry.

However Eileen Calder raised the issue at a Board Meeting and it was agreed in principle that she and Edward Ward our Equality Officer (who is a Traveller) on the Board would attend if possible. A few days before the event we were told that two seats were available. At that point Pearl Gray as Chair was contacted to formalise the Board's approval. Eileen and Edward paid £40 each for a place on the bus and boat. A tent was purchased for approximately £13. The total expenses paid out were for £53 which covered one bus fare and the tent. The

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staff and Board member had to buy food for three days and take taxis to and from the docks and also to reach the venues in Edinburgh. The trip cost a great deal more to the individuals concerned than £53 between them which was claimed. Given the Centre's financial position at the time neither Edward or Eileen made any further claims on the Centre's resources. Incredibly the Centre and its representatives are being criticised and penalised for this. This situation was clearly explained to Pamela and Niall. We are appalled that they should raise the issue in this way in the report when we were absolutely open and honest with them about the attendance at this event.

Regarding receipts for the bus and boat fares - the trip was run by the Anti-Racist Network which I believe is part of the Socialist Workers Party. They did not give anyone a receipt but if the Department doubt that Edward and Eileen attended this event they can check with the CID in Scotland who held us all for half an hour, searched the bus and took a written record of the name and address of every person over the age of sixteen.

5.46 Weakness: Two instances where there was inadequate segregation of duties over the processing and payment of expense forms.

u) 5.46 Segregation of duties.

The Centre endeavours as far as possible to achieve this however with only two staff and Board members who are not always available it usually falls to Eileen Kelly the Centre Manager and Pearl Gray the Chair to approve and pay out expenses.

Eileen Calder as the other member of staff sometimes has to approve these if the expenses are for Pearl or Eileen Kelly.

There should be three signatures on each form, the person claiming, the person approving, and the person paying out the cheque. This is sometimes difficult to achieve especially in emergency situation where there is a valid reason for paying expenses right away. We have compared our system to many others in

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the voluntary sector and ours is at least as robust as other groups who are not getting harassed by officials.

*5.47 **Weakness:** Nine out of fifteen expense forms reviewed where the total seeking to be claimed was not entered on the expense claim form.*

v) 5.47

It is easy enough to work this out from the sub totals and does not affect the amount being paid out- however in future if we write "£5.00 taxi there" and "£5.00 taxi back" we will ensure we write "£10" beside the TOTAL space in order to comply with good practice and government requirements.

5.48 The Review Team noted two instances where expense payments were made by cheque in advance of the expense being incurred. This is permissible under paragraph 2, Appendix 2 of the RCSAC Corporate Governance – Financial Controls document, where an individual is away from home overnight. However, in at least one case the event did not require an overnight stay.

w) 5.48

The fact is that there will always be times where expenses need to be paid out in advance due to the nature of our work, our dependancy on volunteers some of whom are single parents on benefits regardless of whether or not there is an overnight stay.

*5.49 **Weakness:** However, there was inadequate documentary records regarding the forecast of expenses, expenses actually incurred, what repayment,*

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if any, was due to be paid back to RCSAC and, where applicable, what was paid back.

x) 5.49

We do not know what the Review Team are referring to here as they have not specified what they are talking about. Had they asked we may have been able to provide them with the evidence they required. Since there was no feedback, meeting or draft report we are concerned that we cannot answer this specific allegation except to say that we can account for every penny spent and there certainly are instances of expenses which were over - estimated being paid back which indeed the Review Team refer to in the Report. (and indeed many provable expenses which were underpaid or never paid out at all including costs to meetings in Dublin and London were staff and volunteers paid out of their own pockets to go and do the Centre's work in their own free time)

***5.51 Weakness:** Two instances where daily allowances were claimed, approved and paid which exceed the expenses policy at Appendix 2 of the Corporate Governance – Financial Controls document.*

y) 5.51

We believe that the Review Team are disingenuously referring to the occasion on which Eileen Kelly and Pearl Gray attended a Women's Aid Training Conference in Dublin.

The Centre's Corporate Governance Policy allows a certain amount of a Daily Allowance for an overnight stay (£25). Because the Centre's resources were low at the time both Eileen and Pearl agreed to get up at the crack of dawn and return after midnight forgoing their right to an overnight stay in a hotel in the interests of the Centre's finances. They still had meals to buy taxi fares and had to pay out just as much as they would have had to, had they been staying overnight.

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This was explained in full detail to both Niall and Pamela and Eileen Calder particularly made the point to the Review Team that it would be grossly unfair to those individuals and to the Centre to penalise them for this and to interpret the situation just as we predicted they might do in this report.

This stands as testimony to the fact that the purpose of the Review was to attempt to be as negative as possible about the Centre. No reasonable person could have put this in the report without the appropriate explanation which was given unless their intention was to damage and defame.

5.52 A member of RCSAC staff provided their understanding of the daily allowances which was not consistent with the policy. The Chairperson acknowledged that the daily allowances in the expenses policy required clarification and amendment.

z) 5.52

The member of staff has raised this with the Board in anticipation of this report and changes are being made to the Corporate Governance Policy to ensure that never again can the Centre's personnel be maligned for forgoing their personal comfort and convenience to save the Centre money.

5.53 Weakness: Three instances where adequate details regarding the purpose/ dates of journeys, were not entered on the expense claim form.

aa) 5.53

We do not put client's names we are going to see on expense forms and have no intention of ever doing so, the Centre Manager can check both the appointments Diary and Large Diary as can the Chair if there is any doubt about the purpose of a visit. It is usually self explanatory to anyone, staff, volunteer or Board member

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involved with the Centre. Had Pamela or Niall enquired about this at the time this could have been explained and demonstrated to them. They did not.

5.54 Weakness: *Three instances where taxi receipts had insufficient details recorded ie dates of travel/ name of passenger/ pick-up point and destination.*

bb) 5.54

If the DHSS have a way to ensure that taxi drivers fill in every detail in a docket we would be willing to learn from their experience. It is not within our control.

5.55 Weakness: *One instance where there was no evidence of an expense claim form and accompanying documentation to support the payment issued.*

5.58 *It was noted in the June 2005 Board meeting minutes: "we need to send receipts to WNC to get paid back soon". This would suggest that RCSAC were anticipating reimbursement from the Womens National Commission. At the termination of the visit, the Review Team were unable to clearly identify from RCSAC financial records whether reimbursement was received from the Women's National Commission.*

cc) 5.55 & 5.58

Eileen Calder was invited to represent Northern Ireland on the Sexual Violence Strategy Sub Group now the End Violence Against Women Committee on the Women's National Commission set up by the Home Office in London. There was not time for the WNC to pay Eileen's expenses in advance and she would have not been able to go, as there was no money in the Centre's bank account, except for the good nature of a board member who booked her a ticket on the internet and paid for the flight on her credit card, until the Centre received its funding. The board member was reimbursed and all the printed out documentation from the

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booking was available to the Review Team. This information was also provided to Marian McIlhone who saw all the documentation.

It was not claimed as an expense by either Eileen or the Board member as the WNC is to refund it to the Centre. Eileen Calder has been attending these meetings in London for over a year now and while the WNC pays her flight and hotel in advance directly to the airline she has received hardly any of the out of pocket expenses she is owed for her attendance. This is another example of the Review Team having the situation clearly explained yet interpreting things in the most negative light possible and our sentiments are the same as those regarding the Dublin and Edinburgh events where the Centre is being penalised because its staff, board members and volunteers have behaved unselfishly for the good of the Centre and our clients.

The tone of this report is indicative of the total lack of understanding that large government agencies have for the overworked and under resourced voluntary sector especially with regard to an organisation like ours which is responding to the immediate needs of clients in crisis situations.

Childcare Expenses

5.59 **Weakness:** *The Review Team ascertained during testing that expense forms in respect of childcare expenses, although signed by the claimant, were not completed by the claimant.*

5.60 **Weakness:** *Details recorded on the cheque ledger would indicate that expense payments in respect of childcare were paid to a volunteer counsellor. This does not comply with paragraph 5 of Appendix 2 of the RCSAC Corporate Governance – Financial Controls document which states that: “Child care expenses to creche facilities will be paid directly by cheque to the child care provider”.*

5.61 *RCSAC indicated where the Volunteer Counsellor paid the childcare provider herself, this was due to RCSAC having insufficient funds to meet the costs at that time. The Volunteer Counsellor was subsequently reimbursed by RCSAC when funds were available.*

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5.62 The Review Team consider that the need for such actions demonstrates poor financial and budgetary management on the part of the Board.

dd) 5.59 -5.62

This again is another example of one of the Centre's volunteers paying child care out of her own pocket until the Centre could afford to pay her back which is why the cheque was made to her and not the Creche. This is a bona-fide creche in a long -established Women's Centre. Only one volunteers in twenty years have had to claim child care, Angela has a pre school child and no other source of child care other than the creche.

This child care was approved of by the Board as the Review team were aware of at their last visit. Rather than demonstrating the "poor financial and budgetary arrangement on the part of the board" this demonstrates to us the dedication of our volunteers, their commitment to the Centre and the complete lack of consideration and unreasonable actions of the Department in allowing this to happen by with-holding funding for paltry reasons.

5.63 A sample of two out of six childcare payments, which consisted of three childcare expense claims issued in the period 1 November 2004 to 31 December 2005, were selected for testing. The following weaknesses were identified:

*5.64 **Weakness:** In both cases the invoices submitted were not valid as they did not have an invoice number and were not signed by the creche manager/owner. Furthermore, one of the claims was not on company headed paper.*

5.65 RCSAC childcare policy states: "Invoices on headed paper of the provider signed by the manager will be required before payment is issued."

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- 5.66 **Weakness:** *In one case the payment and supporting documentation did not reconcile. The cheque payment was for less than the supporting documentation, with no documented explanation recorded and attached to the claim form.*
- 5.67 **Weakness:** *In both cases the invoice does not record the individual dates when childcare was provided.*
- 5.68 *Due to the termination of the visit, the Review Team were unable to check the RCSAC Appointments Diary to confirm that the claimant was on Rape Crisis business for the number of days claimed on each invoice.*
- 5.69 **Weakness:** *There was no evidence that childcare expenses claims were subject to an independent management check.*
- 5.70 *A recommendation was made in the previous report (recommendation 5.57 on page 23 of this report), which the Chairperson had indicated had been implemented at the commencement of this follow-up review, that all childcare expenses are subject to an independent management check which is evidenced on the expense claim form.*

ee) 5.63 -5.70

We wish to make it clear that at both audit reviews carried out by Niall and Pamela that they were given access to every single receipt no matter how large or small for everything. They did not just look at samples of expenses forms or anything else but had prolonged access to all of the documentation. Over a period of weeks or months. Quite a lot of information was also personally photocopied, by us, for them to save them the trouble of having to return to their office. The time it took them to examine the material showed that they looked at and counted up everything. They also told us during both Reviews that they looked at and added up everything. Our Accountant described it as a complete Audit. When they therefore talk of a sample of two out of six we are most confused.

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However :- The Creche which provides child care for our volunteer also provides it for other voluntary organisations and Further Education Colleges. A letter to the Department will be sent from the creche manager which will show that they have never had any trouble or complaints about any of their invoices or documentation except from Niall and Pamela. Indeed the Creche had to change the form of invoice they supplied to us in response to the demands made in the last Review Report. The Centre does not have control over how other agencies and businesses issue invoices, however noone has ever described the invoices of Greenway Women's Centre's Creche as not being valid before this.

The audit sub committee regularly inspect all invoices and expense claims we do not know what more we can do to meet the Department's unreasonable verification demands. Again the Team could have contacted the creche if they had any difficulties with invoices and again Marian McIlhone had seen and approved the invoices as justifiable expenses that the Department would pay out on.

Other Expenditure

- 5.71 Weakness: *Three payments identified from the cheque stubs could not be supported by adequate documentation to verify expenditure. The details of these three payments are as follows:*
- 5.72 Cheque no. 196 *payable to Modern Office Supplies for £198.58. There was inadequate documentary evidence to support this payment. The only evidence available was a statement of account for £198.58 and a reminder for £198.58.*

ff) 5.71-5.72 Other expenditure

If this documentary evidence was inadequate why did the Review Team not ring MOS. As we have already said original invoices were sent to the Department on a monthly basis. There were two documents, a statement and a reminder for the same amount, that same amount was written on the cheque stubb and showed

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up in the bank statement. We have been told by people who do the same type of job as the Review Team that this is an example of scraping the bottom of the barrel to find fault where none exists.

5.73 Cheque no. 201 payable to petty cash for £50.00. There was no documentation to support this payment apart from remarks entered on the cheque stub: "EK £27.20 Centre £22.80". The Review Team were informed that RCSAC no longer operate a petty cash system. The Chairperson agreed to find out the date when the petty cash system ceased operation. However, no response had been received by the time the visit was terminated. The Review Team are therefore unable to verify this payment.

gg) 5.73

The Review Team did not ask Eileen Kelly about this payment at the time when they had ample opportunity to do so. The Centre no longer keeps money in a petty cash tin but that does not negate the need for cash for household and other essential items for the everyday running of the Centre. Nor did the Review Team return to speak to Pearl again as they were supposed to. The Review (see response on Summary re- "termination of the review")

5.74 Cheque no. 209 payable to Modern Office Supplies for £108.57. There was inadequate documentary evidence to support this payment. The only documentary evidence available was a copy of the original invoice.

hh) 5.74

We are totally confused by this, they saw a copy of the original invoice, the cheque stubb and ledger correctly detailing the payment, the bank statement showing the payment had come out, yet this is not enough! We intend to ask Modern Office Supplies to write to the Department on this matter.

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- 5.75 **Weakness:** *Review of bank statements revealed two instances where it appeared cash was withdrawn over the counter at the bank by an official from RCSAC without using a cheque.*
- 5.76 *The Review Team regard this practice as inappropriate and not good business practice.*
- 5.77 **Weakness:** *From review of financial records presented to the Review Team during the visit, there were inadequate supporting records for these two cash withdrawals.*
- 5.78 *In light of the method of these two transactions, the Review Team consider that comprehensive documentary records should have been maintained for each transaction, including detailed notes (signed by the person undertaking the cash withdrawal and independently countersigned by a member of the Board) stating the reasons for the need to withdraw cash over the counter at the bank and why a cheque(s) was not written. Such actions should have been identified through checks performed by the RCSAC Audit Sub-Committee and brought to the attention of the Board.*
- 5.79 *Details of these 2 instances are as follows:*
- *Transaction date: 17 October 2005
Amount: £3,000*
 - *Transaction date: 29 November 2005
Amount: £100*
- 5.80 **£3,000 cash withdrawal on 17 October 2005.** *The Chairperson indicated that she withdrew £3,000 cash from the bank to pay for salaries of the two staff. From RCSAC financial records presented to the Review Team during the visit, there was inadequate documentary evidence to support this withdrawal. In support of this cash withdrawal, RCSAC presented the Review Team with a letter from the bank, dated 17 January 2006 (some 3 months after the date of withdrawal), confirming a temporary overdraft*

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permission of £3000 to cover wages. The Review Team do not regard this letter as adequate supporting documentation. In addition, the bank has no evidence that the cash withdrawal was in fact for wages.

5.81 The Review Team sought clarification from the Chairperson, on two occasions during the visit, why salary cheques were not written. No response had been received from the Chairperson at the termination of the visit.

5.82 £100 cash withdrawal on 29 November 2005. The Review Team were informed that £100 cash was withdrawn over the counter by RCSAC to cover expenses for the RCSAC AGM. At the termination of the visit, the Review Team were awaiting evidence of receipts from RCSAC.

ii) 5.75 - 5.82

We have already responded to this matter (discussed in the Summary and under Pay Roll) The Bank manager did not see it as either "inappropriate" or "not good business practice." It happened twice over twelve months and has been fully explained both in person to the Review Team and to Marian McIlhone before that in the electronic ledger. The Board was of course made aware of both these instances the withdrawal made by the Chairperson herself. The full Board was present on the day of the AGM and some had to contribute to the day's costs themselves as the £100 withdrawn was totally insufficient for the Centre's needs that day. The Department failed to return to the Centre to allow Pearl to answer questions they had put to her nor did they provide written questions to which we could respond as they did at the end of the last review.

Cancelled Cheques

5.83 Testing was performed to ensure that all cancelled cheques identified from the cheque stubs could be evidenced and correctly cancelled.

*5.84 **Weakness:** Of the 6 evidenced cheques 1 was not adequately cancelled.*

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jj) 5.83-5.84

The one cheque which was not "adequately cancelled" was unusable (the writer of this report believes this was due to a spillage of coffee and is now of course beyond a date whereby it could be encashed)

6. INCOME

- 6.1 **Weakness:** *From the financial records presented at the commencement of this follow-up review, the Review Team had difficulty in clearly identifying the source of some income received in the period 1 November 2004 to 31 December 2005. The absence of comprehensive records of income received and lodged to the bank contributed to this difficulty.*
- 6.2 *Records at the back of the 2005/06 cheque ledger listed three items of income amounting to £488.25. However inadequate details were recorded including the date of receipt of income, the date lodged to the bank and in one case it was not recorded who the income was received from, although it appeared to relate to money paid back in respect of expenses.*
- 6.3 *These income records would appear to be incomplete as review of the bank statements record nine lodgements, amounting to £35,183.05 during the period 1 April 2005 to 31 December 2005.*
- 6.4 **Weakness:** *There is an inadequate audit trail linking income recorded at the back of the general ledger with supporting documentation and to details recorded in the lodgement book with bank statements.*
-

kk) 6.1 -6.4

The Centre's funding from the DHSS and Belfast City Council is paid directly to the bank and these payments are not lodgements by the Centre to the bank so why would they appear in the lodgement book ? Money coming in can be clearly

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calculated from bank statements and the Centre Manager would have been happy to assist the Review team with this matter had they asked. The notices the Department send us to inform us when they have forwarded funds to our bank were available to the Review Team on paper which says DSD at the top. The Centre does not know why this is the case as our funding comes from the DHSS. The Review Team made no comment upon this despite the fact they describe the Creche invoice as not being on valid headed paper.

Last year and for no apparent reason Marian McIlhone decided that the Department would no longer pay our accountants fees (even though they had been paid for many years out of our grant along with the VAT on the rent, staff expenses, office supplies and other items which she cut from the budget without warning refusing to give us a proper or written explanation of her actions) How the Department can claim publicly they have tried to help us when they have refused to pay our Accountant we can only wonder. After a meeting Marian left behind her scribbled notes, a copy of which was given to her colleague Patricia McVeigh at our meeting just after Christmas with Andrew Hamilton. Mr Hamilton said we should have a proper written explanation of her decisions, we still have not received it. Neither have we received the remainder of our last years funding which he said we were entitled to. Patricia McVeigh told us at that meeting that the Verification Team could explain the funding cuts, when we told them this they looked at us in amazement and said it had nothing to do with, them we have recorded this in the Centre's Diary.

The Department criticise the financial record keeping of our tiny under-funded organisation and yet the quality of their own paperwork leaves a lot to be desired. The letter of offer we received for 04 -05 was exactly the same as the one we received from 05 - 06 yet Marian has tried to claim they mean two entirely different things because one has etc written on it and the other has ... If we were to believe Marian's garbled version it would mean that the Department had intended to fund us exactly the same amount bar inflation but that we were to have that same amount to cover significantly less budgetary items. No reasonable person could look at these actions or read those letters and regard our Centre's treatment as ethical or just or in line with government guidelines. Despite Mr Hamilton's open acknowledgement that both letters meant the same thing and that we are entitled to a written explanation if we ask for it. We are still awaiting a

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logical, reasonable explanation for the cuts Marian made and for a written explanation of the same.

Under Corporate Governance the Review team criticises the amount of information they believe our Board get. Yet it is clear to us that one hand does not know what the other is doing in the Department - one is demanding we send her original invoices through the post, the other tells us we should never do that and criticise us for allowing original invoices to leave the Centre. Mr Hamilton tells us that if we make a list of all money that's outstanding to us the Department will pay it out. Yet last year Marian refused to pay out money for overdue rent until we had already paid it to the Landlord and provided her with a receipt. She knew that we could not afford to do this. Then when she was paying out the next instalment of money she deducted the amounts we could not afford to pay the last time as she interpreted this as us not needing the money because we had not paid it out last time???

We believe the Centre's Board is kept much better informed than Mr Hamilton is by his staff. We do not believe for one minute that either Andrew Hamilton or Andrew McCormick know what is being covered up or they could not have arrived at the decision they did.

We consider it unnecessary at this point to go into detail on Corporate Governance when the Review Report clearly states that they terminated the visit before examining these issues. We are happy to discuss these with anyone our policy is exactly as the charity commissioners website recommends and we have worked hard to adhere by it.

Our Conclusion

We have documentary evidence which will show that the Department's treatment of our organisation, particularly our staff and Chairperson has been totally unreasonable and unethical. We require a meeting to ensure a change of personnel to deal with us in the future as it is clear that the relationship between the DHSS civil servants we have had contact with and our Centre has irretrievably broken down. If our funding is not restored and the money we are

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owed paid immediately we will have no alternative but to make an application to the High Court for leave to take a Judicial Review.

This response to the report and the Department's letter was written within fourteen days - a much shorter period than the seven months the Department had with the Review and their Report and during which time there was no consultation with or feedback to us. The Centre is in debt with the Tax office, our rent and utility bills, salaries and volunteer expenses are overdue, Therefore we are giving the Department fourteen days to respond to us.

The Centre will not meet with the Department without our solicitor, Chairperson and the relevant member of staff who deals with the issue on the agenda. We will no longer be bullied by the Department trying to silence the most qualified and experienced people from representing our Centre.

Yours sincerely,

Pearl Gray

Pearl Gray Chair On behalf of the Board Of Directors

Eileen Calder

Eileen Calder & Eileen Kelly on behalf of the Staff

Angela Rice

Angela Rice on behalf of the Counselling Collective