

Bangor Diocesan Board of Finance and Bangor Diocesan Trust

Report on the Independent Governance Review

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This report has been prepared by Sonnet Advisory & Impact CIC (“Sonnet”) in response to instructions from the Trustees of the Bangor Diocesan Board of Finance and the Bangor Diocesan Trust dated 17th October 2025. It is intended for publication and has been compiled from information and explanations obtained during the course of a programme of investigation which is described in it. The views expressed in the report are Sonnet’s, based on that work, and drawing on the Sonnet team’s professional experience in this arena.

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1. Introduction, and context for the review

Bangor Diocese, like several other dioceses in Wales, operates through three charities which are of significance for ministry across the whole diocese:

- Bangor Diocesan Board of Finance – Charity number 1075931; company number 3655641 (“BDBF”)
- Bangor Diocesan Trust – Charity number 234156; company number 204176 (“BDT” or “Trust”)
- The Dean and Chapter of Bangor Cathedral – Charity number 1158340.

The matters to be considered in this report concern the first two of these: BDBF and BDT. Of the other Welsh Dioceses, three have no Diocesan Trust but do have a Diocesan Board of Finance and a Dean and Chapter. The two others that also have Diocesan Trusts are Monmouth (that has a large portfolio of church schools that are held within the Trust), and Swansea and Brecon that holds a large number of separate restricted funds.

In the Diocesan functions as a whole there are a number of other bodies, some incorporated and some not, that fulfil functions in relation to Social Housing, maintenance of parsonages, and others. The Ministry Areas – groups of churches which serve their local communities – are themselves independent charities, with their own funds, commitments and governance. All of these fall outside the scope of this review.

The BDT holds property and funds for the diocese, both unrestricted and restricted. It seeks to achieve its main aim primarily through the provision of grants to the BDBF and churches in the diocese, which in turn assists Ministry Areas, and its support for the church schools. The Trust is responsible for overseeing and administering the various Ministry Area funds which are vested in it for the benefit of individual Ministry Areas, as well as the larger diocesan trusts established as the result of legacies. It also holds a small number of properties on parochial trust. The diocesan schools fund, to be used for statutory education purposes, is also vested in the Trust.

The BDBF administers annual contributions from across the diocese to support diocese-wide work and ministry (the Bishop’s Ministry Fund). It also receives the annual grants from the Representative Body of the Church in Wales, and oversees the collection of the Bishop’s Ministry Fund. The charity employs the staff team that form Tîm Deiniol, working out of Tŷ Deiniol in Bangor and elsewhere in the diocese.

At some time in the past the two charities probably used to discharge their functions in line with their objects. Governance¹ was perhaps adequate in its time and context, but might not have met the standards expected of larger charities in 2025. As will be explained below, they ceased to operate with good governance, although that has now been partially restored, with a commitment to do so fully in future.

¹ In the context of this paper and the review ‘Governance’ is taken to mean the leadership, decision-making, accountability and effectiveness in actions and in delivery of purpose as demonstrated by those properly appointed to control and guide the charity. This is a precis of the seven principles in the Charity Governance Code <https://www.charitygovernancecode.org/en/pdf> accessed 23rd August 2025

In 2013 DS1² was appointed Diocesan Secretary, and the Company Secretary of both BDT and BDBF. At the same time, from 2021, he was a Trustee, Canon-Treasurer and Sub-Dean of the Cathedral³, effectively fulfilling the role of Dean, which was vacant. In the absence of a reference from the Church in Wales, The Church of England's House of Bishops describe⁴ the Diocesan Secretary as "...the senior executive officer in the diocese, working with the bishop, and helping to co-ordinate and implement diocesan strategy and policy and manage the relationship with the diocesan Synod and Canonical structures." The role in the Church in Wales is very similar. The Cathedral Governance Code (whilst not referring to Welsh Cathedrals) explains that the role of Dean is as Executive Chair of the Cathedral and leader of the Chapter.⁵ There is a clear conflict of roles from a governance and a fund management point of view, compounded by funding going from the BDBF and BDT to the Cathedral Chapter, so leaving someone in both roles as leading both grantee and grantor. DS1 stayed in both posts until February 2025, when he stood down from both roles, having been away from his duties since February 2024. Bishop1 retired as Archbishop of Wales in June 2025 and retired as Bishop of Bangor in August 2025. In January 2025 BDBF and BDT appointed a lay chair, having had clergy chairs since 2012.

In June 2025 the Trustee Board of BDBF received a letter from the Charity Commission expressing a number of governance concerns. Separately, in July 2025, the Representative Body of the Church in Wales ("RB") issued a statement calling for "a change of leadership in the Diocese of Bangor." In parallel with this, the Trustee Board itself had become concerned that:

- The conflicts of interest surrounding DS1 were not effectively managed
- Governance and scrutiny⁶ were not effective or of an acceptable standard within BDBF and BDT
- Funds from one or both charities may have been applied without the authority of the Trustees, or through the misapplication of delegated authorities
- The culture within the two charities was not conducive to the good and proper management of their activities or the pursuit of their charitable objectives.

Having taken advice on the position, the Trustee Board resolved to instruct a suitable professional firm to undertake a review of governance.

Aspects of these matters have been discussed in the National and Church media. Whistleblowers have spoken out and reported their concerns to the Charity Commission. The Charity Commission has been in correspondence with the Trustees and raised specific questions in areas of concern. The Trustees, having taken professional advice, and alongside their efforts to explore and address the issues wish to:

- a. Review their own behaviours, as individuals and collectively, in discharging their roles, and in overseeing the charities' staff, and make such changes as will enable them to be more effective in role

² Throughout this report we have used abbreviations of job descriptions rather than refer to named individuals. The detail of those is in Appendix 1.

³ He held the title of Sub-Dean whilst in practice fulfilling the role of Dean, as he had not been ordained for long enough to hold the office of Dean.

⁴ The Key Roles and Responsibilities of Office Holders and Bodies Practice Guidance, Oct 2017, <https://www.churchofengland.org/sites/default/files/2017-11/key-roles-and-responsibilities-of-church-office-holders-and-bodies-practice-guidance.pdf> accessed 23rd August 2025

⁵ AEC's Cathedral Governance Code 2021 <https://www.englishcathedrals.co.uk/wp-content/uploads/2021/05/cathedral-governance-code.pdf> at 2.4.1 and 2.4.2; accessed 23rd August 2025

⁶ The act of challenging and checking undertaken by Trustees, or members of a senior board, over the actions and decisions of the Executive

- b. Examine the composition of the Trustee bodies and the balance between numbers of independent trustees and those with executive responsibility
- c. Reconsider, and if necessary, reform,
 - i. the Constitutions and standing orders of the two charities
 - ii. the terms of reference of the sub-committees, and how these report to the main board
 - iii. the nature and scope of any delegated authorities
 - iv. the role of the Bishop's Council in the governance of the charities
 - v. the process for budget-setting, authorising expenditure, and managing receipts and payments
 - vi. the management and scrutiny of major projects and grant funded projects
 - vii. the approaches to managing the conflicts of interest, power and authority, both implicit in the established structures, and encountered through circumstances from time to time
- d. Re-set the governance and the structures, policies and approaches around it to enable them to run the two charities in the best way possible in the future
- e. Take appropriate steps to rectify any errors, anomalies or gaps that are shown up during the course of the review.

2. The brief, our focus, and the layout of this report

Our focus in this review is on:

- What has happened in the past only in as much as it (i) provides an indication as to what gaps in governance need closing for the future, and (ii) indicates matters that need rectification
- What is to happen to enable the two charities to achieve the best standards of governance in the future.

With this in mind, the review is intended to answer five questions:

1. Looking at what has happened over the last few years, what learning can be drawn about how the charities should be governed in the future?
2. What are reasonable standards and approaches to governance to which the Trustees should adhere?
3. Are they meeting those standards, and how could they enhance and improve what they are doing, the better to meet standards of good governance reasonably expected of charities of their size and remit?
4. What safeguards, policies should they put in place to ensure that they avoid future governance failures similar to those encountered in recent years?
5. What structures need to be put in place to best achieve the above.

The report is laid out as follows:

- Our approach to this review, which explains the sources of evidence we have sought to gather, which balance an extensive document review, interviews of internal and external stakeholders, and observation of key meetings
- What we have learned as to what happened in the past and what we have observed is the situation now, split into two periods:



- Up to Summer 2025, at which point the Trustee Boards were substantially new in their membership, the new Chair was up to speed, and having an influence, and communication between Trustees and the Tim Deiniol staff team was opening up
- From Summer 2025 to now, when we have seen the Board's approach to control and governance repositioning after what has gone before.

The timing of the point of change is open to debate, and we have chosen this point not as a watershed moment but as perhaps a point at which concerns from a number of parties involved were coalescing into action. Our enquiries indicate that the shift to action gained pace through the autumn of 2025, and it could be argued that many of the changes occurred after the 'Summer 2025' that we have taken as the change point. It is also perhaps true that actions being taken in later 2024 have contributed to positive changes being realised in 2025 and beyond.

- Our recommendations, in summary, and in more detail.
- Next steps, which rounds off how we suggest the actions proposed in this report are taken forward.

3. Our approach to this review

The approach has fallen into five workstreams, plus an introductory briefing and a write up and presentation of findings, as shown in the table below.

Introduction and briefing	Meeting with Trustees' Project Lead(s) to (i) understand their perspective of the brief, and the situation for the charities, and (ii) agree the timetable, and the scheduling of the work in workstreams 2 to 4, and 6, below
Workstreams	
1. Document review	Review relevant background documents (constitutions of charities and committees, policies, previous reports by others, board packs – last two years, budgets – last three years, annual accounts – last three years, management accounts/reports – last 24 months, key contracts, and any relevant reports to date by others)
2. Interviews	32 Interviews: (i) all Trustees; (ii) key staff involved in governance; (iii) key external stakeholders; (iv) finance team on finance processes and recording
3. Observation	Attend and observe one of each key meeting across the two charities; each accompanied by a pre-meeting 30 minute call with the Chair of that meeting
4. Exploration of related bodies' remits (high level)	Obtain information about the three other related bodies ⁷ , and explore how their role and responsibility can be distinguished from that of the two charities.
5. Analysis	Desk-top analysis and development of comments, advice and notes
Review of findings with the Charities' leads	Meeting with the Trustees' Project Leads and the Chair to discuss the findings and explore and refine the advice
Writing up	Drafting the report and notes; reviewing these with the Trustees Project Lead(s) and any others that need to comment; refining the report and notes and presenting them to the Trustees; finalising the report

⁷ The Diocesan Standing Committee, The Bishop's Council, and The Dean and Chapter

In the course of our work, we have received support from Trustees, staff, and external parties approached, all of whom have been open and helpful. Our work has been hampered by the poor standard of record-keeping and retention and filing of documents at the Diocese for the period to the end of 2024. This spans inappropriately brief minutes of meetings, missing contractual and other supporting documentation, missing email correspondence, and missing financial summaries and management accounts, albeit we do have a full set of statutory accounts and correspondence. This has posed significant difficulties for DS2, the staff and Trustees in responding to our requests for documents. We are grateful to them, and several third parties, for the considerable efforts they have put into providing what documents were possible to locate or recover. With the approach of gathering information from the three workstreams we have been able to cover the gaps sufficiently to be able to report with confidence on the future governance, but there remain gaps in our understanding at detailed level of aspects of what happened before 2025.

4. What we have learned: operations and governance to mid-2025

This report is focused on what allowed governance to break down or be broken down, how far the BDBF and BDT Trustees have gone in rectifying the situation, and what they need to do next to establish or re-establish appropriate standards of governance across the two Charities. It is not about attributing fault to individuals, or to exploring the intent behind actions, whether collective or individual.

Our insights come from a combination of in-depth interviews with those who were there through some or all of this period, from examination of documents and records, and from exploring their insights with those that have sought to resolve matters with their roots in this period. We have not sought to interview DS1, as it is our opinion that to do so would not contribute to establishing what the Trustees should do to establish good standards of governance across the BDBF and BDT. We have, however, interviewed, and sought comments on the report from, Bishop1. In looking at their involvement we have focused upon what has happened, and how the lack of robust governance allowed that to happen, rather than trying to explore their intentions and actions.

The Diocese took on some ambitious projects during this period (the works at St Cybi's, and the developments within Llan for example). The Cathedral was facing its own challenges in revitalising its ministry, which required funding, and with the same person (DS1) in leadership roles in both The Cathedral (as Sub-Dean) and the BDBF as its potential funder, the conflicts of interest between the roles became very real. DS1's dual role was also a potential stretch in terms of his time and energies, a challenge that can also be seen in Bishop1's dual role as Bishop of Bangor and Archbishop of Wales, albeit the appointment of Bishop 2, and later Bishop 3, appears to have helped that.

These stretches can often be managed where a leader is supported by highly competent assistants who are given a clear remit and the necessary backing to act effectively. In this instance, that level of delegated authority and support does not appear to have been established by DS1.

With DS1 stretched in this way, that is likely to have created a weakness in Bishop1's position when seeking to rely on his Diocesan Secretary and the Cathedral's Sub-Dean.

A, if not the, key element in a well-run and financially sound Diocese is the dynamic balance between a Bishop's vision and the critical friend he or she has in the Diocesan Secretary and the BDBF. The Bishop has the vision and insight to set Ministry strategy and plans that reach more people and grow the church and the good it does. That drive and vision has as its critical friend the BDBF (and Trust) and the Diocesan Secretary who together will make that vision possible and tell the Bishop honestly what is not possible and needs to be adjusted. That did not happen here. The Board of the BDBF was not a critical friend, and was in practice chaired by DS1 or Bishop1, with their appointing other clergy as Chair (DBF Chair 1 and DBF Chair 2) with the explanation that they were to be Chair in name only. Effectively their main function as Chair was to represent the BDBF on the Representative Body Board of Trustees. DS1 was also on both sides - Ministry and BDBF - given his dual role, so as Diocesan Secretary he could not be an effective critical friend. We have heard that it was apparent to those around them that they should not challenge what was being done because it was already agreed, and dissent would not be appreciated. That messaging and the lack of induction and training of, and information given to, Trustees left staff, and Trustees, disempowered and reluctant to challenge what might be going on.

With that fundamental undermining of the dynamic balance between the Bishop's Ministry focus and the BDBF and Diocesan Secretary some further factors were able to happen which compounded the risks the Diocese faced:

- Proper and necessary internal controls were dismantled – whether deliberately or not we cannot tell
- Record-keeping and storage and retention of documents did not align with what was needed
- Decisions were being made without adequate analysis and supporting information, perhaps notably financial information and budgets going to the Board
- The structures and dynamics of the Boards and the executive reporting lines were not sufficient to challenge the gaps in control and governance
- At times, diocesan roles and responsibilities (both existing and new appointments) appear sometimes to have been allocated without adequate assessment of whether they had the key areas of experience necessary for their roles, and were changed with little notice or communication of the rationale.
- Audit functions were at a distance from the Trustees as a Board and did not sufficiently highlight the weaknesses in controls and documentation that existed.

The effects of this were as follows:

a. The Bishop's Council was formed, and, as it developed its remit spread to take decisions away from the Trustees

Matters of financial impact were noted or decided-upon at Bishop's Council (including financial decisions made without any apparent financial input or due diligence), and then either taken to the Trustees as matters already decided, or not taken to the Trustees at all, leaving Trustees not on the Bishop's Council oblivious to key financial commitments.

b. The BDBF and BDT Trustees' authority was bypassed

In addition to matters not going to the BDBF and BDT at all (see above), DS1 appears to have been making material financial decisions alone or perhaps with the support of Bishop 1 without appropriate delegated authority, so not involving the Trustees.

c. Independent views and voice on the Board were reduced or silenced

A Diocesan Board of Finance is expected to have a majority laity membership, and to have a lay chair. The reason for this is to create a positive and effective challenge between the Clerics' focus on mission and the BDBF's focus on resourcing that. On the Board the laity and independents were severely outnumbered by those in Diocesan clerical leadership roles (4 lay in a membership of 13 for much of 2023, for example). The laity naturally tended to defer to clerical authority outside the boardroom and let that come into the Boardroom, and they too often faced a wall of agreement from the clerical leadership which was combined with insufficient information or insight presented to meetings to be able to scrutinise and challenge. In addition, the clergy on the Board were solely from managerial positions in the Diocese, rather than being from across the whole Diocesan clergy.

d. Limited financial information went to the Trustees

Habitually annual budgets and forecasts were not prepared. Monthly or quarterly management accounts, even on the occasions they were apparently prepared in summary, were not taken to the meeting in a meaningful format or with acceptable detail. Trustees had little or no useful interaction with members of the Finance team which does not appear to be because the Finance Team resisted contact. The auditors have presented the annual accounts to the Trustees, but we cannot determine whether that happened every year. It appears that the auditors were not apprised of material matters that affect the accounts, in particular the nature and extent of the BDBF's commitment to the St Cybi's project (see k below). We understand that questioning from Trustees was about specific figures in the accounts, and not about the audit work that had been done. At no stage, we understand, were control weaknesses discussed with the Trustees as a group.

e. Where matters went to Trustees' meetings, there was little debate and little effective scrutiny

This came partly from the way the meetings were chaired, partly from papers being presented too late to be read⁸, partly from the lack of any useful induction for individual Trustees, lay or clergy, and partly from the lack of collective experience of the Trustees in scrutinising financial and operational risk matters. It also came from the composition of the Board. The majority of the Board were clerics, and they were, until 2025, chaired by a cleric. All of the clerics are in their day jobs subject to the power and authority of the Bishop/ Archbishop. The Board, both clerical and lay members, had little or no training in charity governance and scrutiny. The clerical members of the Bishops Council were both management *and* Trustees at the same time, so as individuals were standing on both sides of the Ministry and Finance divide. For most of the second half of 2024, these people in management roles made up 50% of all Trustees, and the number of lay people had fallen to just two. It is perhaps unsurprising, therefore, that they applied little or no scrutiny to matters put forward by DS1 to a meeting chaired by him and Bishop 1.

⁸ Frequently within 48 hours of the meeting, and in some cases presented at the meeting itself

f. Trustees received no training and no induction

Notwithstanding the statements to the contrary in the Trustees' Annual reports, Trustees are not given an effective induction or any regular training. They also had little or no opportunity to understand and rely upon each other's skills in delivering effective financial and operational scrutiny.

g. Internal controls were dismantled and undermined

Division of duties – the proper separation of authorisation for a payment and control over funds, and the record keeping – was not applied to an acceptable degree. Lines of supervision and review were blurred or non-existent.

h. Record-keeping and retention of documents was poor, with some critical gaps

Until recently there was no ledger system for BDT, which just maintained cash books, with analyses on spreadsheets. BDBF had a ledger system, maintained in Sage, but it did not reflect all matters and balances, requiring analysis on spreadsheets to produce management accounts. Documents were not consistently filed and retained, and key documents are missing, or never existed. Minutes of meetings are sparse, and no repository for papers taken to Board meetings seems to exist.

i. Tim Deiniol staff were disempowered and their input removed from Trustee decision-making

On few occasions did staff go to Board meetings, and rarely were they expected to speak if they were there. Papers prepared by them were habitually heavily edited or summarised by DS1 and the originals not presented to Trustees. Within the Diocesan Office, key directorates were effectively operating in silos with DS1 as the link between them. Combined with frequent changes of role or remit for senior members of staff, some members of staff being appointed to roles for which they were not trained, and DS1 making changes to strategy without fully briefing those involved, they felt, and were, disempowered.

j. Commitments were made to apply BDBF and BDT funds without the authority of the Trustees

Material commitments to third parties were confirmed in writing by DS1 and apparently in the name of DBF Chair 1 without any documented consideration of them by the Board of Trustees. We have been unable to ascertain whether the commitment signed by DBF Chair 1 was made with that person's authority.

k. Major projects initiated and run with poor planning and control, and inconsistency of delivery

Based on our detailed review of two major projects – St Cybi's in Holyhead as part of the wider plans of Llefa'r Cerrig/Stones Shout Out; and Llan and its three streams of Pererin (pilgrimage), Welsh Language, and Menter (Social Enterprise) – it is clear that the creativity in their conception and DS1's ambition for them were not followed through well. Areas of good practice are clear, particularly when relying on good external specialists, but internal planning and budgeting, and certain areas of internal management were poor. Project governance was patchy, and largely kept away from the Trustees, despite their needing to authorise expenditure and take on responsibility and risk for delivering externally funded works. Llan's Menter stream, as just one example, appears to have lacked leaders experienced in social enterprise bringing the insights to make it happen. Another example

is the lack of someone appropriately experienced to review and manage the work of the Diocesan staff member leading the St Cybi's funding budgets and bids, which led to budgeting and paperwork errors.

5. What we have learned and observed: operations and governance mid-2025 to date

In February 2024 DS1 stood back from his roles. In July 2023 two new Archdeacons had replaced two of the former three, with the third – DBF Chair 2 – continuing in office, and they started by 2024 to take a more questioning position on the two Boards. Two new Area Deans joined the Board in ex officio roles and started questioning what had gone before. Some cover for the DS role and a push for improved governance was provided by the Archbishop's chaplain, and various members of Tîm Deiniol (the staff team for the Diocese of Bangor) stepped up to assist where they could. At the October 2024 Diocesan Conference three new lay trustees were elected unopposed, taking office in January 2025. Shortly after that the Archbishop's chaplain moved to a new role outside the Diocese, leading the Archdeacons to taking a greater role in covering the vacant DS position. That, and the appointment of one of the longer-serving laity as Chair in January 2025 has led to a significant change in control and balance on the Board and in the Diocesan office, albeit it still has a clergy majority. In October 2025 the then Director of Education was appointed as Interim DS (DS2), and that has coincided with an increased focus and steady progress in terms of governance and control.

Our review, and observation of meetings, has identified real progress in this period when compared with the position previously, described in section 4. Key features of the present situation, in our opinion, are as follows:

a. A trusted, diligent lay Chair has been appointed, and is developing in the role

DBF Lay Chair has taken on this role and seems to be widely trusted. He is managing the conversations in an open way and is taking time to plan for the meetings. He is liaising with DS2, staff and other stakeholders and leading the resolving of issues between meetings.

b. Real meetings are happening with a fuller agenda

Trustees' meetings have happened, and an agenda issued, throughout much of the earlier period. What has changed is that, increasingly an appropriate range of topics is coming to the board, with supporting papers that are more detailed than they were (even if they need still to be improved), and the discussions about each item are more open and informed.

c. The balance of conversations in the Board is more open

Input to conversations is heard from staff members, and from members of clergy staff who are informed on particular matters. Trustees are able to contribute to discussions, and the tenor of those conversations seems for the most part to be open, respectful and focused on the needs of the BDBF and BDT in supporting the work of the Diocese.

d. Individual Trustees are finding their new roles in the debate

Given that they are now able to speak more openly, particular Trustees are developing their own positions, voice and recognition, which is starting to help the balance in discussion.

e. Leadership is improving

Whilst time-limited in the role, DS2 is bringing structure and leadership to Tîm Deiniol, and the RB's initiative across the whole province of having an HR Officer (an RB-funded support role shared with the Diocese of St Asaph) is also helping. Filling the role of Bishop is now moving beyond the search for an Interim to be an accelerated process to find a permanent replacement. This should provide additional, fresh leadership at a diocesan level and enable the BDBF to fulfil its role in creating the positive tension with the Ministry plans whilst working collaboratively with the wider diocese in providing sustainable resources.

f. Meaningful budget-setting has started with a clear process

The Board has established a Finance Task & Finish Group to develop a three year financial plan for the two charities. We assisted in setting the brief and programme for this. It is due to report in early March, when it will give a means of returning to a balanced annual budget, and a foundation for discussions with the incoming Bishop about Bishop's Ministry Fund (budgeted contributions from Ministry Areas to cover shared costs – "BMF") and the wider development of the Diocesan Ministry Plan.

g. Accounting information is starting to flow to the Board

Quarterly management figures are now being presented to the Trustees, with a comparison to an apportioned budget, which will be still better informed by the Finance Task & Finish Group's work. Income from BMF for each of the three Archdeaconries is also presented and discussed. The St Cybi's project summary cost report was tabled at the Board meeting in November 2025, albeit within two weeks, when some further review work had been completed, it was shown to need significant updating. This constant discovery is a challenge that is facing all of those involved, and whilst it should lessen as time goes on, the Trustees need to stay alert as the landscape evolves.

h. General information flow to the Board is improving

By comparison with the dearth of information in the past (see section 4, above), there is significantly more now available. The support from advisors from other dioceses, trustees' engagement and developing understanding and input from the RB is helping to improve the Trustees' access to explanations.

i. Trustees and DS2 and the HR Officer, and others are working together to unpick and resolve key challenges

Those involved are working hard and working together. There is an underlying sensitivity in the face of old fears and uncertainties that can mean that challenges that arise are met with a fear and desire to protect oneself, and that is undoubtedly present and visible on occasion during the course of Board conversations. The DBF Lay Chair,

DS2, and others amongst the Trustees are working to combat that and to bring fairness and certainty wherever possible. That being said the two charities are still at the stage where new challenges are being uncovered, often with further difficulty getting together enough information to resolve them. This is, in our opinion, being handled appropriately.

j. Open, productive conversations are happening with the Dean and Chapter

The Cathedral's finances are difficult, and it has been left with a debt to the BDBF that will take a time for it to clear. That, together with expensive service charges for some shared assets, need resolving if it is to return to a balanced budget. This is being handled with openness and honesty between the charities. The appointment of a new Dean with relevant experience is having a positive effect on the relationship between the charities, and the resolution of financial and management matters between them.

The Task & Finish group working on this has recently finalised proposals (to which both parties have agreed) to move the debt with the Cathedral forwards.

There are opportunities for improvement, as explained in the recommendations section, but the length of that should in no way detract from the progress which we can see has been made already.

6. Our recommendations

The detailed recommendations from our work have been shared with the Trustees, DS2 and key stakeholders in a detailed analysis. They still require completion for two areas:

- Policies required or required to be redrafted
- Recommendations relating to Llan.

These will be completed shortly but are not expected to change the recommendations summary below.

We can summarise the key points under eight headings as follows:

A. Reforming the structure and membership of the two charities

The two charities should be merged into a single entity, using one of the two previous charities as the relevant body. Whichever one is used it will need a redrafted constitution and should show on the Charity Commission register as merged, so not losing the traceability of the two entities. We recommend that we work with the Diocesan Registrar to determine a plan, and the documents for doing this.

The Trustee membership and the means of appointment should be adjusted to provide for a majority of lay members, and a reduced clergy contingent. The Board of the BDBF should have the right to co-opt a given number of Trustees to assist with getting an appropriate skills balance on the Board. No Trustee should also be a Trustee of the Dean and Chapter. This new constitution should have a category of people with a right to attend and be heard, and a right for the Chair to call them to assist the business of a meeting on a given topic. This revised structure and representation will need confirming by the Diocesan Conference, which itself needs to reform and clarify its constitution.

The strength and constitution and the developing culture of the BDBF Board should ensure it, but the Bishop and the Ministry team should work to maintain and enhance the positive dynamic tension between the Bishop and Ministry team and the Diocesan Secretary and the BDBF Board.

The BDBF should produce a guide outlining its role and responsibilities, and how these are carried out, for publication across the Diocese and to serve as a foundation for the induction of all Trustees and Diocesan staff.

A skills audit, focused recruitment including the introduction of co-opted Trustees, and a clarification of responsibilities and delegated authorities are also needed.

B. Financial budgeting and management to be revitalised

The move to Xero as an accounting platform in November 2025 is helpful to creating a complete and easily maintained ledger system. Staffing and leadership of the finance function needs review, and we recommend a full review of internal controls around the finance function as the system was substantially deconstructed between 2020 and 2024, and the present finance team were not able to protect and correct it.

The three year financial plan and budget should be completed and needs to show changes in BMF and the cost base to establish and regularise a balanced budget within two to three years. That is likely to require cost cuts in some areas. This then needs to be regularly updated and reported against.

Regular and complete financial reporting needs to be baked into the regular business of the Board, and the Diocesan Secretary needs to be accountable for ensuring that this happens.

The external investment managers' performance is not delivering what the BDBF needs. It needs improvement or a new manager to be instructed. The endowments require a full review to check and confirm that those that have been merged have been appropriately merged and that the way in which they are applied does not breach their original terms of grant.

C. Risk analysis and management addressed, and risk appetite established

Risk analysis and management need resetting, and the whole Board needs to deepen its understanding of, and focus upon, it. This should include training for Trustees on how to approach risk in both planning and scrutiny roles, and structured discussion of the Board's risk appetite and tolerance, at both collective and individual levels, so that they can better define the level of risk they are prepared to tolerate and when intervention is required. The process of developing this governance view, and presenting its findings, has helped towards that and has included elements of training on risk analysis and management.

D. Trustee practice and training to be improved

The agendas of meetings and the order in which matters are addressed need revision to bring a better use of time in the meetings. This should be linked with training for those leading the meetings in other methods of involving people and facilitating their input, and training for all Trustees, especially on scrutiny and how to deliver it.

Papers for meetings need to be complete, well formatted, and delivered in good time to allow them to be ready and digested before they are discussed at the meeting.

The Finance and Staff committee responsibilities should be reviewed and reframed to assist better with getting through the huge agendas facing the Board. The way in which they report back to the Board can also be reframed to enable their prior work to sit as a foundation for the further work of the Board.

A Trustee code of conduct should be developed, and every Trustee – lay or clergy – needs to sign up to it, and learn how it is applied in practice. A draft was sent to the Chair on 6th February 2026. To add to this, we recommend the appointment of a Trustee (other than the Chair) responsible for Governance as a nominated Governance Lead.

E. Staff and resources to be regularised

We recommend undertaking a comprehensive review of the staff team structure and required roles, alongside a reassessment of the skills and experience needed for each post. This should be followed by a supportive review of the skills, qualifications and experience of existing staff, identifying any development or upskilling required to ensure colleagues are equipped with the relevant expertise for their roles.

Reporting lines, accountabilities and sources of support should also be clarified and, where necessary, reframed to promote effective working. All staff should have up-to-date job descriptions and contracts of employment that reflect appropriate terms and conditions. Finally, pay arrangements and contractual terms should be reviewed to ensure they are consistent, equitable and aligned with the expectations of each role.

F. Audit trail re-established, and audit and annual accounting improved

The 2024 BDBF accounts and Trustees report should be subject to a detailed review to identify inaccuracies and determine, with appropriate advice, what adjustments are appropriate. If necessary, the accounts and report will need to be corrected and refiled, although our review suggests that it may be sufficient to reflect any adjustments in the 2025 accounts, albeit perhaps as prior year adjustments. The Board should set its protocols for drafting, reviewing and signing the accounts, and for dealing appropriately with management letter points raised by the auditors.

The audit has not been re-tendered for a considerable period. The Trustees need to address this and should set appropriate criteria for selection of a firm that will support the strengthening of governance at Board level.

The systems and practices for filing and storing documents in the Diocesan Office's systems need to be reviewed and a proper, reliable system established. All documents, emails covering material decisions or authorisations and other material communications should be stored, and the file names adjusted to a protocol that enables them easily to be identified. The preparation, approval and secure retention of minutes should be reviewed to ensure consistency, accuracy and appropriate record-keeping.

G. Major projects process to be established so that opportunities can be well governed and managed

Major projects are important to creating a vibrant and engaging ministry across the different areas of the Diocese. Projects that are properly conceived, designed, planned, resourced, run and governed can bring much that is special. The Diocese needs to define what is a major project, and set a process for this, with checklists, approaches to resourcing, recording, measuring impact and judging risk amongst other aspects. Resourcing them properly includes, perhaps most essentially, involving experienced managers to develop, lead and run them. The selection of suppliers needs a revised process, and the Trustees need training in governing these.

There are some areas in which corrective action is needed on Llefa'r Cerrig's St Cybi's project. The Board should formally examine and approve the match funding (confirmed in writing on behalf of BDBF and BDT in May 2022 but not formally approved by either body) and how the budget shortfall in grant funding identified in November 2025 (£550k) will be met, based on appropriate analysis and documentation. Roles and responsibilities for completing the project should be agreed by DS2 and confirmed by the Board.

H. Policies to be rationalised, renewed, and gaps filled

Further recommendations on this will follow.

7. Recommendations for the Church in Wales or the RB

In addition to the recommendations for Bangor Diocese, there are three recommendations for the Church in Wales, and its Dioceses as a whole. These are outlined below.

There are two areas in which the overall risk of recurrence of problems such as have been experienced in Bangor Diocese could be reduced by the RB adjusting its approach and procedures, and one where there may be a benefit:

RB1- Review of core compliance and risk

We need to develop a simple framework for this, but there are areas in which the RB could spot warning signs about dioceses that show them as being in higher risk positions than the others. At such a point a conversation with the Chairs of the charities (or the Governance and Scrutiny Trustee if appointed) could bring the issue and the heightened risk to the charities' attention. Triggers for this could be, by way of example:

- Successive years of material financial deficits
- Appointments into key roles (perhaps DS, FM, Property Director) without the obvious skills or experience
- Audit qualifications

RB2 – Trustee induction and training

Introduction of a system for Trustee induction and training that includes the following elements:

- Annual core training modules
- Elective additional training, covering both individual and group elements
- Confirmation of completion each year sent to the RB

Perhaps the RB could, being helpful and bringing efficiency to the whole:

- Develop for online versions, or select and make available to recommended formats, training for some of the key modules, not least so that each Diocese does not have to invent its own
- Maintain an online facility for Diocesan charities or individual Trustees to log their training, rather in the way professional bodies do for CPD

RB3 – Recruitment of specialist Trustees with key skills

We are recommending co-opting to get certain key skills amongst lay members onto the Boards. The RB could work with a specialist recruitment agency such as Get-on-Board to locate and make available individuals with specialist skills as a pool of talent, given the difficulties that Dioceses may encounter finding them working on their own.

8. Next steps

The Trustees, and DS2, should review our recommendations and determine their response to them. Where they see a different solution, or different timing or prioritisation, they should adjust the schedule accordingly, checking with us as necessary. They should then complete the RACI⁹ analysis for each action and assign tasks to staff or outside advisors as appropriate to getting this done.

Particularly if actions are complex or require specialist expertise, we recommend that the Trustees seek external support and advice in getting those actions to happen, and at suitable pace. We also recommend that for any action designated critical or key the Trustees should ask us to re-review once the actions have been partly or fully completed, giving an opinion on the effectiveness of the solutions.

⁹ Responsible, accountable, consulted, and informed.

Appendix 1: abbreviations used

This report is focused on what allowed governance to break down or be broken down, how far the BDBF and BDT Trustees have gone in rectifying the situation, and what they need to do next to establish or re-establish appropriate standards of governance across the two Charities. It is not about attributing fault to individuals, or to exploring the intent behind actions, whether collective or individual.

With this in mind we have avoided naming individuals. Rather we name roles, and in doing so we use the following abbreviations:

Bishop 1	Bishop of Bangor from 2008 to 2025
Bishop 2	Assistant Bishop of Bangor January 2022 to January 2023
Bishop 3	Bishop of Bardsey May 2024 to February 2026
DBF Chair 1	Chair of the DBF and of BDT to April 2023
DBF Chair 2	Chair of the DBF and of BDT April 2023 to December 2024
DBF Lay Chair	Chair of the DBF and the BDT January 2025 to date
DS1	Diocesan Secretary holding office from 2013 until February 2024
DS2	Interim Diocesan Secretary appointed in September 2025
Sub-Dean	In practical application, the role of Dean of the Cathedral in Bangor from April 2021 to January 2025

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