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[Home](#) > [Charity Inquiry: Al-Fatiha Global](#)



CHARITY COMMISSION
FOR ENGLAND AND WALES

Decision

Charity Inquiry: Al-Fatiha Global

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Contents

[The charity](#)

[Background and issues under investigation](#)

[Findings](#)

[Regulatory Action](#)

[Issues for the wider sector](#)

The charity

Al-Fatiha Global ('the charity') was registered on 3 July 1996. The charity has had two previous names: Bismillah and Mirpur Jammu Kashmir National Help Centre. It is governed by a constitution dated 20 June 1996, which has been amended several times. Its original objects were "The relief of sickness by the provision of free clinics for the people of northern Pakistan".

Following engagement with the Commission the charity extended its objects on 2 July 2013 to include to provide humanitarian aid globally in areas disrupted by conflict and natural disaster.

The charity's entry can be found on the [register of charities](#).

Background and issues under investigation

In April 2013 the Commission opened a monitoring case into the charity following concerns that the charity was planning to operate outside of its objects. This was in particular by raising funds for, organising and participating in a May 2013 aid convoy to Syria, prompted by the humanitarian crisis in that country, as well as fundraising activities in support of projects in Palestine and Burma (Myanmar).

The involvement by charities with aid convoys to Syria at this time was an area of potential high risk given the inherent difficulties and risks of operating in a war zone. The Commission was aware that a number of charities, as well as other groups and individuals had been appealing for, and collecting funds in respect of the conflict in Syria.

As a result the Commission issued various regulatory alerts to all charities, [Syria Crisis](#) in December 2012 and again, [Safer giving advice for Syria](#) in April 2013 to ensure that charities, groups and individuals working to deliver charitable relief in Syria were doing so safely and that charitable funds were applied transparently.

The Commission's alerts to charities were clear that if charities decided to use convoys they needed to a) take proper steps to ensure the aid provided was used for lawful humanitarian purposes, b) that they were able to account for its proper use and c) took reasonable steps to protect charity, its funds and people from abuse.

In 2013, the charity organised convoys of food, medicines and clothing from the UK to Syria, using vehicles purchased through public donations. The charity organised an aid convoy to Syria on 26 May 2013. At the time of the May convoy the charity's objects were to relieve sickness in Northern Pakistan. Further aid convoys organised by the charity also travelled to Syria in July and December 2013. These were after its objects had been widened in July 2013.

In January 2014 the Commission conducted a financial books and records review as part of its monitoring case. The charity's records indicated that its income had risen to £391,200, with expenditure of approximately £135,000. The Commission found that the charity held insufficient records about the

end use of its funds. It was therefore not possible to establish what funds had been used for and whether they had all been used as required on their intended charitable purpose.

This was a breach by the trustees of their legal duty under section 130 of the Act to ensure that sufficient accounting records are kept to show and explain the charity's financial transactions.

The Commission's concerns were further increased following the publication of a national newspaper report (The Sun (Main), 17 March 2014, "Charity Chief and AK47 Fighters." Pages 1, 5 and 8) in March 2014 that included a photograph purporting to show a volunteer of the charity (the son of its chair of trustees 'volunteer A') erroneously described in the article as 'the chief' of the charity, posing with masked gunmen said to be inside Syria.

The report further alleged that a number of people accompanying the charity to Syria in 2013 had not returned to the UK and that the charity was linked by social media to a convicted terrorist and another person who at that time was held in custody for alleged terrorism offences.

The media allegations further raised concerns about whether the charity's trustees had ensured and exercised proper control over the charity's affairs and had safeguarded its assets, and also whether volunteer A had acted as a trustee of the charity.

Due to the serious nature of these concerns and the allegations in the public domain, on 21 March 2014 the Commission opened a statutory inquiry into the charity using its powers in section 46 of the Act.

The inquiry closed with the publication of this report.

In order to address these regulatory concerns, the inquiry looked at:

- whether the charity and/or its representatives had been misused for, or had supported unlawful or improper activity, including facilitating military, armed, political or otherwise inappropriate activity for a charity
- the financial controls, due diligence, monitoring and risk management procedures in place at the charity and whether there was an ongoing risk to charitable assets
- whether the trustees had complied with their legal duties and

responsibilities as trustees under charity law, in particular accounting for the end use of charitable funds, decision making, management of risk, and protecting charitable property including the reputation of the charity

- whether there had been a misapplication of charitable assets prior to, or following, the amendment of the charity's objects and whether there had been mismanagement and/or misconduct in the administration of the charity by the trustees and/or individuals associated with the charity
- whether the trustees were capable of acting, as the charity did not have the number of trustees required by its governing document

As is usual in these types of cases the Commission liaises closely with law enforcement agencies and has to ensure that the action it takes does not prejudice the investigation or actions of those agencies, particularly where they are investigating potential criminality.

At the time the inquiry was opened, the police were investigating the allegations set out in the 17 March 2014 newspaper report. They later confirmed they were taking no further action.

Findings

Claims of unlawful or improper activity

Trustees are under a duty to manage resources responsibly, ensuring assets, people and reputation are not exposed to undue risk. Charities providing aid to high risk areas can be an attractive vehicle or cover for those who want to travel for other reasons to those areas, or to promote or facilitate extremist views and criminal behaviour.

Charities, particularly those working in conditions these groups and people seek to exploit, are expected to be vigilant and ensure its property and funds are not being misused, the charity's facilities, staff, volunteers and other resources cannot be used for activities that may, or appear to, support or condone terrorist or extremist activities. If a charity knows or ought to

know its name, people or activities are being used for or closely associated with improper activity but do nothing to stop those activities or distance itself from the inappropriate activity or behaviour, they would be failing in their duties.

Aid convoys to Syria

The inquiry found that the trustees had failed to sufficiently supervise the charity's aid convoys. Responsibilities were delegated to individuals with little to no oversight by the trustees. Trustees must actively understand the risks to their charity and make sure those risks are properly managed; the higher the risks, the greater the expectations and the more oversight is needed.

Despite the risks of operating in high risk environments, such as Syria and neighbouring countries, there was little or no risk assessment undertaken or contingency plans put in place in the event of foreseeable obstacles and challenges. The inquiry found that individuals travelling on the convoys carried with them sums of unattributed cash (between £2 - £3,000 each). The Commission's alerts made clear to charities that transporting cash overseas should be kept to a minimum, be supported by appropriate authorisation and documentation to prove its legitimate source and how these were to be spent. The inquiry further found that there were insufficient records for cash, of how funds and/or aid transported by the convoy were used in country.

The inquiry also received inconsistent accounts about the destinations of these aid convoys. Foreign and Commonwealth Office advice at that time was against all travel to Syria. There were no screening, checks or oversight undertaken by the charity on volunteers prior to their travel.

The trustees' failed to act reasonably and to exercise sound judgement, making sure the charity's assets were only used to support or carry out its purposes. Furthermore, the inquiry found no evidence of any due diligence or risk management systems, procedures or steps being taken, the impact of which was that the charity's volunteers and property had been placed at undue risk.

These failures by the trustees were mismanagement and/or misconduct in the administration of the charity.

Alleged links between the charity, its representatives and inappropriate conduct, including reports of facilitating military, armed, political or other inappropriate activity

The March 2014 newspaper report purported to show volunteer A as the charity's 'chief' posing with masked gunmen inside Syria and alleged that the charity was linked by online social media to a convicted terrorist and another person at the time held in custody for alleged terrorism offences.

In their response to a section 47 Direction of 28 March 2014, the trustees stated that they were not able to comment on the identity, date or location of the photograph which appeared in the newspaper report. At a meeting in June 2014 the trustees informed the inquiry that volunteer A had been suspended from his role at the charity.

It remains unclear to the inquiry what the terms of his suspension were. The trustees told the inquiry they had commissioned an external independent investigation into this matter. The suspension of volunteer A was subsequently lifted.

The inquiry could not identify sufficient evidence to either support or contradict the published claim that the photograph was taken after the convoy crossed the border into Syria in 2013.

During its engagement with volunteer A, the inquiry was informed that the photograph had been taken in Gaza, Palestine during 2012, while on an aid mission and before he started volunteering for Al-Fatiha Global. The inquiry noted that a later version of the [newspaper's online report](#) had omitted the photograph.

Nor did the inquiry identify or see evidence (other than the convoy leader's understanding) to support or contradict the claim of both volunteer A and the trustees that he was not a trustee of the charity, although it established that volunteer A had played a significant operational role in fundraising and partnership working for the charity.

However, the inquiry found that volunteer A's conduct in posing for a photograph with masked gunmen in a conflict zone – irrespective of whether he was acting as a representative of the charity at the time and irrespective

of whether it was in 2013 in Syria or 2012 in Gaza – was not behaviour appropriate for a charity to be associated with; it was conduct likely to be damaging to public trust and confidence in a charity.

The photo, which Volunteer A admitted was of him, made it possible for the newspaper article to draw a negative inference from the image, which had the impact of damaging the charity's reputation and public trust and confidence in it.

It also raised serious questions about the adequacy of the charity's oversight and guidance to its volunteers. The trustees' failure to provide meaningful training, instructions and/or guidance to volunteer A regarding appropriate behaviour and/or how to manage such situations whilst volunteering for the charity was mismanagement and/or misconduct in the administration of the charity.

Public trust and confidence, negative media reporting and alleged serious wrongdoing

The inquiry established that following the March 2014 newspaper report containing allegations against volunteer A and about the charity's activities, the trustees commissioned an external independent investigation, which concluded in June 2014.

The inquiry saw no evidence of a media handling process, policy or any mechanisms in place for making public statements, which would be expected for a charity of this size undertaking high risk activity overseas and likely to attract adverse media attention. The impact of this was that the trustees failed to respond effectively to manage and/or remedy adverse media reporting about its representatives and activities that damaged public trust in the charity. This was mismanagement and/or misconduct in the charity's administration by the trustees.

Financial controls, due diligence, monitoring and risk management

Adequately accounting for the end use of charitable funds

The inquiry established that the charity submitted its annual accounts and returns to the Commission every year since its registration, although its returns for the years ending 31 December 2007 and 2010 were submitted 236 and 120 days late respectively.

According to its bank account records, the charity went from having an income of £4,038 and an expenditure of £500 for the year ending 31 December 2012 to an income of £1,229,928 and an expenditure of £464,654 for the year ending 31 December 2013. The charity held funds totalling £590,111.56 on 12 December 2014, not including funds held in its name by online fundraising platforms, or donations received in the form of goods in kind.

It was clear that the size of the charity had grown enormously in this period. The inquiry found that the trustees had not put in place adequate internal financial and governance controls and processes to appropriately manage an increase in income of this magnitude, and size of the charity's operations. For example, the inquiry established that there were no delegated or authorisation limits on spending using the charity's bank account debit card and in general there was a lack of financial policies and procedures.

This was no longer a small charity. The trustees and its supporters had been highly effective in generating significant income from donors in a short amount of time. However, the inquiry found that the charity's internal governance had not kept pace with its rapid growth and as a result the trustees could not fully account for all of the charity's expenditure as they are required to do.

The inquiry noted that the charity's annual accounts for the year ending 31 December 2013 were qualified accounts. According to the charity's auditors, there were insufficient records of goods donated. Detailed records of the nature and quantities of goods that were donated should have been kept in order to then be included in the total value in both the charity's income and expenditure. As a result, both the charity's income and expenditure were understated by an unquantifiable amount.

From the qualified annual accounts for 2013 and the inquiry's financial books and records analysis of January 2014, the inquiry found that

insufficient accounting records had been kept. Consequently the charity and its trustees were unable to provide the charity's auditors with all the information and explanations they required to properly audit the charity's annual accounts for that year.

These failings were mismanagement and/or misconduct in the administration of the charity.

Due diligence, monitoring and risk management

Trustees can rely on delegated authority to ensure that the charity's work is carried out and that its policies and internal assurance mechanisms are properly implemented in practice. However the onus is on the trustees to ensure they provide the right scrutiny and oversight and hold the people to whom they delegate to, to account, particularly on issues of high significance or risk to the organisation and its work.

The inquiry established that the trustees had delegated all responsibility for volunteer recruitment and partnership working to a single convoy leader and volunteer A. The inquiry saw no substantive evidence of any control or oversight of these two persons by the trustees.

The trustees provided the inquiry with some records to account for the charity's spending in the United Kingdom and in relation to food packages ordered from Turkish companies, together with some limited video footage and photographs showing humanitarian aid being distributed. However, the inquiry established that the trustees did not hold sufficient records to account for all of the aid and funds provided or demonstrate that the aid had been received by its intended beneficiaries.

Furthermore, the inquiry established that the trustees were unaware of some of the systems and processes in place for the distribution of aid in country, a significant part of which had been delegated to the convoy leader. Following the charity ending their relationship with the convoy leader, the trustees then had even less of an oversight of this and these processes. It was unclear how the trustees could be satisfied that the charity's funds were being spent exclusively in furtherance of the charity's objects.

The inquiry established that the trustees had engaged in partnership

working with other charities and companies in Turkey and Syria. The inquiry saw no evidence of any due diligence or risk assessments having been undertaken by the trustees before, during or after those engagements. Furthermore, the inquiry established that the charity had no policies or procedures in place regarding work with external partners.

The trustees' lack of oversight and control on these matters and lack of due diligence and risk management was mismanagement and/or misconduct in the administration of the charity.

Compliance with and fulfilment of trustee duties

Decision making and management of risk

The trustees were unable to demonstrate to the inquiry that their decisions were made in the charity's best interests in compliance with the Commission's guidance and followed the legal principles which apply to decision making. These include making sure they were sufficiently informed, took account all relevant factors, ignored irrelevant ones and acted in the interests of the charity.

The inquiry noted that discussions and/or decisions regarding risk in relation to the charity's activities in Syria were not recorded. The records on volunteers were inadequate; it was not clear who were volunteers in the warehouse, who were volunteers on the convoy. The convoy records did not match the police records taken at the port. Where discussions and decisions did take place they appeared to be based on informal conversations between the trustees and key volunteers.

This was mismanagement in the administration of the charity by the trustees.

Recruitment and management of volunteers

The Commission's alert to charities also made clear that charities had to ensure that volunteers were properly vetted before being able to fundraise or travel on behalf of the charity and that they receive proper and appropriate training and briefings prior to travel to ensure they are aware of

the risks involved before they travel.

Although the trustees confirmed in their response of 1 April 2014 to the Commission that volunteer A had been engaged by the charity as a volunteer using his social media skills for marketing and fundraising and acting as co-ordinator for the charity's aid convoys. During its engagement with the trustees, the inquiry also established that they had delegated all responsibility for volunteer recruitment to the convoy leader and volunteer A.

The inquiry saw no evidence of any efforts made by the charity to assess the skills and suitability of volunteers. The inquiry established that volunteers were brought together informally. The trustees put forward explanations for the selection of two volunteers to the key roles of fundraising and leadership of the aid convoys. They were unable to satisfy the inquiry that they had carried out appropriate due diligence and knew what skills, qualifications and/or experience these volunteers possessed to carry out delegated tasks and be capable of leading and being responsible for such a significant and important role as the management and security of the charity's aid convoys in a high risk area such as Syria.

The convoy leader gave evidence to the inquiry that both he and volunteer A were tasked by the trustees with recruiting 22 volunteers in Turkey and an additional 60 inside Syria. The inquiry established that the precise role of these locally recruited volunteers remains unclear, as it was not recorded by the charity at the time. The inquiry saw no evidence of any instructions, guidance or oversight of this recruitment by the trustees.

Furthermore, the inquiry saw no evidence of any candidate selection or background/character checks being carried out. The inquiry saw no evidence of any training or support processes in place for these volunteers. This was particularly concerning given the high-risk conditions and environment they were operating in and the clear risks to the safety and security of them whilst on the convoy.

A volunteer had been abducted from the charity's December 2013 aid convoy (the volunteer was subsequently reported to have been murdered). The trustees were unable to explain why they had not submitted a Serious Incident Report to the Commission as soon as they had learned of the abduction. The inquiry also did not see any evidence of the expected liaison

with the FCO and UK or local authorities.

The trustees stated that the person abducted was volunteering for another charity, Aid4Syria, not their charity. This explanation was disputed by the convoy leader. The inquiry found, on the balance of probabilities based on records obtained from the police regarding the volunteer, that he was a volunteer for the charity. The fact that they did not know or regard him as a volunteer of the charity when he was, and his safety was in their custody whilst on the convoy was further evidence of lack of adequate oversight and management of the charity's activities and risks arising from them.

The trustees' lack of oversight over the recruitment, management and safety of volunteers, was mismanagement and misconduct in the administration of the charity.

Application of charitable assets

It remains unclear to the inquiry how or where money was spent by the charity in Syria, as the trustees were unable to provide any record of decision making, identification or determination of need, due diligence and monitoring/evaluation of the end use of funds. The inquiry was unable to establish through further enquiries, including enquiries made with key convoy participants, what money the charity had spent in Syria and how that spending had been authorised, recorded and monitored.

The failings in the basic areas of not properly accounting for the expenditure of charitable funds were mismanagement and/or misconduct by the trustees.

Acting lawfully in accordance with their governing document

Decision-making processes

Clause 10(3) of the charity's governing document required that, 'There shall be a quorum when at least one third of the number of members of the

Executive Committee for the time being or three members of the Executive Committee, whichever is the greater, are present at the meeting.’

The trustees make up the Executive Committee and according to the register of charities, on 21 March 2014 (the date of the opening of the inquiry), the charity had only two trustees. Two trustees meant the charity was unable to make valid decisions as meetings would be inquorate. Without at least a third trustee it prohibited the charity from taking action except the recruitment of more trustees so as to make the charity quorate.

In addition to being inquorate at relevant meetings, the inquiry established that the charity had also been operating without the minimum number of trustees (Clause 7 of the charity’s governing document stated five, formally amended on 17 February 2015, reducing the requirement to three) more generally for some time. As a consequence the trustees were operating in breach of their governing document.

Meeting minutes provided by the trustees showed that decisions were made at meetings in which the two trustees and between six and seven volunteers usually attended. Those decisions were taken by votes where each person present had an equal vote. The inquiry found no record of any separate meetings at which only trustees were present.

The inquiry found these failings were mismanagement in the governance and administration of the charity.

The inquiry established that the trustees did not have an adequate understanding of the charity’s governance, and governing document requirements to operate lawfully. The inquiry found that some of the issues appeared to be brought about by the rapid growth of the charity’s income and operations. The trustees indicated a willingness to work with the Commission and the Interim Manager it appointed (see conduct section below) on a temporary and protective basis to address the regulatory concerns identified.

Appointment of an Interim Manager

The Commission decided it was necessary to appoint an interim manager to

the charity, on the basis that it found that there had been mismanagement and/or misconduct in the governance and administration of the charity and that appointing the Interim Manager was necessary to act to safeguard the charity's income and property and secure its proper application.

An Order under section 76(3)(g) of the Act was made on 23 December 2014 appointing an Interim Manager to manage and administer the charity to the inclusion of the trustees. To ensure that proper controls were exercised and the charity's funds protected, the Interim Manager took sole control of the charity's finances and the right to veto expenditure of charitable funds that was not in furtherance of the charity's objects or in its best interests.

The Interim Manager was also responsible for assessing the overall governance and activities of the charity and where appropriate taking remedial action to regularise the charity's governance and activities.

The inquiry remained open whilst the Interim Manager ensured proper and adequate due diligence, monitoring and risk management procedures were put in place and adopted by an expanded trustee board and that any potential risk to charitable assets was being adequately managed.

Conclusions

The Commission concluded that there had been numerous serious mismanagement and/or misconduct in the administration of the charity, including through the trustees' failures to

- act reasonably and exercise sound judgement, making sure the charity's funds were only used to support or carry out its charitable purposes
- protect the charity's property, assets and people
- properly safeguard their volunteers by failing to exercise any due diligence or risk management procedures, to provide any meaningful training, instructions and/or guidance to its volunteers
- put in place adequate internal financial and governance controls
- fully account for the charity's income and expenditure
- undertake due diligence and exercise adequate oversight and control

- regarding partner organisations
- comply with its governing document

Regulatory Action

During the course of its engagement with the charity the Commission exercised the following powers:

- information gathering powers under sections 47 and 52 of the Act
- section 84 order directing the trustees on 1 May 2014 to remove all references to a “100% donation policy” or similar wording from the charity’s public material, including its online and social media accounts
- section 76(3)(g) order on 23 December 2014 appointing Mr Michael King then of Stone King LLP as Interim Manager to manage and administer the charity. This appointment was discharged on 2 December 2015. The full costs of remuneration and disbursements for the Interim Manager’s appointment came to £88,906.13 (excluding VAT)

Issues for the wider sector

The Commission does not condone or support aid convoys as an effective means of delivering humanitarian aid. There are inherent risks associated with them, which the Commission has seen trustees of a number of charities fail to adequately manage.

Charities and their trustees need to be vigilant to ensure that the charity’s facilities, assets, staff, volunteers and other resources cannot be used for activities that may, or appear to, support or condone terrorist or extremist activities. The normal steps to ensure good governance and strong financial management should help protect a charity against all kinds of abuse, including these risks. What other steps are required will depend on the charity’s individual circumstances.

Operating internationally, across multiple legal jurisdictions and cultural

contexts and in the midst of humanitarian crisis, is a profoundly complex and difficult endeavour and lives depend on the work of UK charities and the thousands of charity workers and volunteers across the world. Public expectations of charities operating in this space are high precisely because of the critical importance of this work. Failure to take reasonable steps to protect people cannot be excused by the difficult context a charity is working in, nor can incidents of harm be justified in relation to the importance of the cause.

Trustees are collectively responsible for their charity and ultimately accountable for everything done by the charity and those representing the charity. Trustees must actively understand the risks to their charity and make sure those risks are properly managed; the higher the risk, the greater the expectation and the more oversight is needed.

In some charities the executive or volunteers may carry out day to day activities but the trustees must still be willing and able to hold them to account. Trustees must ensure accountability within their charity, particularly where they delegate responsibility for particular tasks or decisions to staff or volunteers. This does not absolve the trustees of their responsibilities and they remain ultimately accountable.

All charities must have adequate financial records and controls in place and be able to properly account for the charity's income and expenditure. Charities are accountable to their donors, beneficiaries and the public, and donors to charity are entitled to have confidence that their money, including donated goods and items are going to legitimate causes and reaches the places intended, ensuring public trust and confidence in charities.

Further guidance on [Internal Financial Controls for Charities \(CC8\)](#) is available on GOV.UK.

Fundraising is often a key way in which charities interact with supporters, donors and the public. This means that a charity's approach to fundraising has the potential to significantly build or damage its reputation. Charities which grow significantly over a short period of time need to ensure that their governance and infrastructure keep pace by having effective and appropriate systems in place to identify and manage key risks their charity may face from a rapid growth in its income and activity.

Further guidance on managing risk can be found on GOV.UK.

[Regulator warns charities against the use of cash couriers](#)

[Tackling Abuse & Mismanagement 2013-14](#)

[UK National Risk Assessment of Money Laundering and Terrorist Financing 2017](#) p.73-5.

[UK National Risk Assessment of Money Laundering and Terrorist Financing 2015](#) p.94-5.

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