

Charity operating in high-risk areas

'reckless' with charity's money

Former trustees of the charity ANO ([registered charity 1155123](#)) were responsible for misconduct and/or mismanagement in the administration of their charity over a period of years the Charity Commission has found. One former trustee has been disqualified.

The charitable objects of ANO are to relieve suffering via financial provision and medical aid in Leicestershire, Bangladesh, Indonesia, Malawi and Turkey.

In 2016 a then trustee of the charity was stopped at Manchester Airport carrying £19,300 in cash, most of which they said was for 'purchasing aid' in Turkey for the benefit of Syrian refugees. The funds were seized by the police.

Subsequent engagement with the charity found another incident of cash courierring, a practice discouraged by the Commission due to the risks associated with it. Other concerns identified at the time included funds being transferred to the personal bank accounts of trustees and employees, and a failure to declare money in excess of €10,000 when leaving the European Union.

The Commission opened an inquiry in April 2017, finding the charity's due diligence, risk assessment and monitoring of how funds were applied and accounted for was inadequate.

For example, a project run by the charity, which was operating on the Turkish/Syrian border was planned without acceptable due diligence on the partner organisation or sufficient risk assessment for the trustee travelling to a high-risk area.

Due diligence on another of the charity's partners, in Somalia, was similarly inadequate as was the monitoring of a project with that partner. The project in Somalia relied on videos and photographs of individuals receiving sums of cash, but without sufficient information on how this was spent, who received money or how beneficiaries were identified.

Other findings included that:

- The charity had been poorly managed. One trustee was responsible for much of its work overseas
- The former trustees failed to demonstrate they had followed their own policies or procedures on due diligence or monitoring end use of funds.
- One former trustee received a wage from the charity between November 2016 and January 2017, in breach of the governing document. Once identified by the Commission this amount was paid back.
- The trustees, at different times, did not manage conflicts of interest

and/or loyalty adequately, for example a van was purchased from a company which one of the then trustees had an interest in, but this was not declared or managed in accordance with charity law.

- The relationship between the charity and a private business of one of the then trustees was not transparent and not properly managed by the trustees at that time.
- The charity was heavily reliant upon cash transactions for its day to day business.

Overall, the conduct of the former trustees fell below the behaviours and standards expected of trustees which placed the charity and its assets at risk.

Tim Hopkins, Assistant Director of Investigations, Monitoring and Enforcement at the Charity Commission, said:

Our inquiry found that the former trustees were reckless with charity funds. Former trustees failed to carry out adequate due diligence on overseas operations and partners, operating in high-risk areas without adequate risk assessment, and cash courioring, a practice discouraged by the Commission. The reckless conduct of one former trustee warranted further action and they have rightly been disqualified.

The charity now has a new trustee board who are working with the Commission to improve governance and financial management at the charity. The Commission will continue to monitor its progress and compliance with an order directing certain actions be taken.

The Commission disqualified a former trustee of the charity from acting as a trustee of all charities in England and Wales and from senior management functions for a period of 3 years. This decision was challenged at tribunal, but upheld. The disqualification order took effect on 31 December 2019.

The full report is available on [GOV.UK](https://gov.uk).

Ends.

Notes to Editors:

1. Funds seized by the police in 2016 were returned to the charity in January 2018.