## New board addresses governance failings at Christ Embassy following regulator's inquiry

A <u>statutory inquiry</u> has led to significant improvements in the governance and oversight of Christ Embassy (<u>1059247</u>), after investigators uncovered numerous failings in the charity's management. As a result of the inquiry, a new board of trustees has strengthened the administration and management of the charity.

Christ Embassy operates over 90 churches throughout the country, providing religious services to over 5000 people, and has a substantial international following. An inquiry was opened following a number of concerns about the use of charitable funds on large connected party payments.

Charities can have positive collaborations with organisations they have links to, however these must be managed appropriately. Investigators established that a number of informal grants and payments were made, including over £1.2 million\* to a broadcasting company, Loveworld Television Ministry, which was wholly owned by a trustee of the charity. Also, for six years the charity had allowed Loveworld free use of a £1.8 million property it had purchased, and was subsidising a proportion of the company's utility bills. The inquiry found a lack of formal contracts or appropriate record keeping, and a lack of evidence of proper decision-making or of conflicts of interest being appropriately managed.

Financial management at the charity was also found to be poor. The trustees claimed 9 bank accounts held funds belonging to Christ Embassy Nigeria, and that 3 UK properties belonged to Christ Embassy Nigeria, however the inquiry concluded that all of these in fact belonged to the charity.

The inquiry considered that there was serious misconduct and/or mismanagement in the administration of the charity, and took action to remove two of the trustees of the charity, however the individuals resigned before the sanction was applied. The Commission has since been granted new powers to address this loophole, which it secured under the Charities (Protection and Social Investment) Act 2016.

The Commission also took temporary and protective action by freezing bank accounts, protecting over £600,000 of charitable funds, and appointing an interim manager. He took over the running of the charity to the exclusion of the trustees, and successfully resolved issues of concern\*\*, as set out fully in the report.

The interim manager instigated a full governance review, following which a new board has made significant progress to address the governance issues and improve oversight and control of the charity.

## Amy Spiller, Head of Investigations Team at the Charity Commission said:

This was a complex inquiry that unveiled numerous failings by those running Christ Embassy over a number of years, which exposed the charity to undue risk. I am pleased that these issues have been resolved and that the new board of trustees has shown a clear commitment to move the charity forward responsibly.

Those running a charity should always be guided by their charitable purpose. Trustees have an important responsibility to ensure that they act in the best interests of their charity at all times, and take care to safeguard their charity's assets. Our guidance around governance arrangements is there to help trustees ensure they do just that.

Charities are trusted in a way that is unique, and people often put a lot of faith in religious charities. It is therefore vital that trustees, particularly those with a large following, do all that they can to inspire public trust, so that they can help to uphold wider public confidence in charities.

The full report is available on <u>GOV.UK</u>.

## Ends

## Notes to editors:

- 1. \*The payments were made between 2009 and 2011.
- 2. \*\* The inquiry identified other issues of concern which are set out in the report including the continued unauthorised use of charity premises as a place of worship, and the charity incurring significant penalties due to late tax return submissions to HMRC.

For any media enquiries directed to the charity please contact Jonathan Goldberg QC at jongold@btinternet.com or 07831586273.