

[Press release: Trustees removed and disqualified after failing to account for half of charitable expenditure or perform checks on overseas agents](#)

The Charity Commission has removed two trustees and disqualified an individual from trusteeship as part of its investigation into the charity Peacetrail. The charity's objects were to advance the Islamic faith and relieve poverty by supporting women and children who face financial hardship in the UK and abroad.

An inquiry report published today details a series of failings including a failure to account for at least £92,110 – nearly 50% of the charity's total expenditure.

The Commission opened the investigation on 31 March 2016 and found self-authorized salary payments to the charity's CEO, unmanaged conflicts of interest and a lack of due diligence or monitoring of those the charity worked with. The Commission's findings are set out in this report.

The inquiry concluded that the trustees had failed to exercise control over the charity's finances or oversee the CEO; and the Commission made orders under section 79(4) of the act to remove two individuals as trustees of the charity. These individuals are now disqualified from acting as trustee of any other charity unless they obtain a waiver from the Commission or the courts.

The inquiry was also concerned by the conduct of the charity's CEO and their role in the charity. Therefore the Commission used its powers under section 181A of the act to disqualify the CEO from being a charity trustee or holding a senior management position within a charity for 4 years and 6 months. The disqualification came into effect on 18 January 2018.

The charity, which was a Charitable Incorporated Organisation, has been dissolved in accordance with the Charitable Incorporated Organisations (Insolvency and Dissolutions) Regulations 2012 and ceased to exist when it was removed from the Register of Charities on 31 October 2017.

Michelle Russell, Director of Investigations, Monitoring and Enforcement at the Charity Commission says:

The public rightly expects those entrusted with charitable funds to steward and safeguard them appropriately. That sadly did not happen in this case. The trustees of Peacetrail clearly failed to discharge their legal duties which is why we exercised our powers to remove them.

Charity trustees have an important legal duty to ensure that their charity's funds are spent on the charity's objects. This includes keeping clear accounting records that can evidence exactly where charity money has gone. Transparent reporting in this way is vital for maintaining public trust and confidence in charities.

The Commission's full report of its inquiry is available on [GOV.UK](#).

Ends.

1. The trustees were removed pursuant to section 79(4) of the Charities Act 2011, which also has the effect of disqualifying them from being charity trustees or acting as trustees for a charity under section 178 of the act.
2. The new discretionary disqualification power in section 181A of the Charities Act 2011 brought in by the Charities Act 2016 allows the regulator to disqualify a person it considers unfit from being a trustee, for a maximum period of 15 years.
3. The Charity Commission is the independent regulator of charities in England and Wales. To find out more about our work, see the [about us](#) page on GOV.UK.
4. Search for charities on our [check charity tool](#).