

# Regulator takes action against 5 trustees after finding over £1m of charity funds not properly accounted for

A Charity Commission inquiry has found that over £1m in the Orphan Relief Fund and Charitable Trust's funds could not be properly accounted for. The funds were claimed to have been sent to Iraq.

Five trustees have been removed or disqualified for their actions and the charity has been wound-up by Order of the Commission and removed from the register.

The charity was established to support young people suffering after the loss of one or more of their parents. It operated exclusively in Iraq.

In 2017 the Commission opened a statutory inquiry into the charity after it identified several serious regulatory concerns about its governance and financial management. This includes £998,746.13 being transferred from the charity's bank account purportedly for use in Iraq, but without the trustees being able to provide the Commission with evidence of how this was spent.

Further concerns included that payments had been made from the charity to the chair of trustees for personal expenditure.

After the inquiry opened, the Commission learnt that the charity had transferred a further £88,515.63 purportedly to Iraq for its charitable work. The regulator immediately froze the charity's bank accounts to protect its remaining funds. Action was also taken to suspend and then remove the chair of trustees from the charity.

The inquiry found failings by five of the charity's trustees, including failing to:

- provide any records that demonstrated how over £1m had been expended, purportedly in Iraq, in response to a Commission direction requiring information
- demonstrate proper financial controls and accountability over the charity's funds
- set up sufficiently robust governance measures to prevent decision-making being controlled by its chair
- protect over £10,315.15 of the charity's funds which were paid to the chair of trustees for his own personal expenditure. Despite assertions that this money had been repaid to the Iraqi based charity, no evidence was offered to support this claim

Four trustees resigned after the inquiry opened and were disqualified by

Orders of the Commission for a period of 8 years. Four trustees were appointed during the inquiry but three left before its conclusion.

Since January 2019, there was one trustee left at the charity. The inquiry ordered this trustee to wind up and dissolve the charity and it was removed from the charity register on 16 September 2020.

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

“The public expect charities to make a real positive difference for the people they help or the cause they pursue. Charities must use their resources efficiently and effectively and be accountable to those that support them and to the Commission as regulator. Former trustees of this charity failed to meet these expectations.

“I hope other trustees consider this case carefully and note particularly their shared responsibilities to ensure that their charity’s funds are applied solely for its charitable purposes and are fully accounted for.”

#### **Notes to Editors:**

1. Read [the inquiry report](#) into the charity
2. The charity had 9 trustees during the Commission’s engagement with the charity, of which 1 (the chair) was removed from the charity and 4 were disqualified from being trustees for their actions.
3. The chair of trustees, Wathib Salman Al-Amood, was removed under section 79(4) of the Charities Act 2011 (‘the Act’) as a trustee at the charity. The consequence of removal is automatic disqualification from being a trustee in any other charity unless given a waiver by the Commission. Ahmed Al-Amood, Husham Al-Amood, Bushra Al Neama and Sulieman Adam were disqualified under section 181A of the Act from being a charity trustee or trustee for a charity for a period of 8 years. These trustees are also prevented from holding any office or employment with senior management functions in any charity in England and Wales throughout the period of their disqualification.
4. The charity wound up and dissolved following the Commission’s use of its power directing it to do so under section 84B of the Act.
5. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.