

# [Press release: Poor due diligence and monitoring put charity assets at risk](#)

The Charity Commission ('the Commission') has today published a [report](#) of its statutory inquiry into [Human Aid UK \(registered charity number 1138111\)](#) ('the charity'). The charity describes itself as an international humanitarian charity which strives to alleviate the suffering of the oppressed and says it works in collaboration with dedicated partner organisations in remote areas of the world, including Africa, Middle East and South Asia. The inquiry was opened to examine issues identified at visits to the charity regarding their controls around fundraising and the end use of charitable funds.

The inquiry found that whilst the charity acted on some of the earlier regulatory advice provided by the Commission to address vulnerabilities in its financial controls and management of fundraising, the charity had not exercised sufficient oversight of its work with partners, particularly in areas which are considered to be high risk or where conflict prevails.

The Commission found that the charity's records and systems regarding its activities in Turkey/Syria and/or on the Syrian border did not sufficiently account for the proper end use of all the funds transferred from the charity to partner organisations. The inquiry could not reconcile some costs with the records and systems inspected at the time on one project with a partner organisation based in Turkey for an emergency medical service convoy to Syria and found further deficiencies in relation to the charity's monitoring of the end use of funds relating to a baby milk project with another UK partner.

The inquiry did not find evidence of specific misapplication of charity funds. However, due to the overall lack of adequate documentation to demonstrate the charity's due diligence checks and monitoring of the end use of funds, the inquiry concluded that the trustees had failed to adequately protect the charity and its assets.

The Commission has exercised its powers and directed the trustees to carry out a number of actions to address compliance with key trustee duties including a review of the charity's financial management and controls as well as its due diligence policies and record keeping. The Commission is monitoring the charity's compliance with the order.

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

Many charities doing vital humanitarian work rely on partner organisations to help them carry out activity in the UK and overseas. The findings in this report are a reminder to those charities about the need for them to carry out proper due diligence on partners that receive money from or work closely with the charity and proper monitoring and verification of spend of the

charity's funds.

A fundamental basic is the need to keep adequate and appropriate receipts and other records of spend and have proper systems and procedures in place to request, analyse, record and hold these on a systematic and regular basis.

Monitoring is important to ensure that trustees are able to account for the proper use of the charity's funds and that they maintain donor confidence. Our experience of talking to and visiting charities that work in this field is that good record keeping is a basic given but there is also the need to use a combination of monitoring and verification techniques adapted to the different working environment and areas the charity is working in. This is particularly important where a charity works with or through partners, or works in high risk areas.

Further guidance about trustees' obligations and responsibilities can be found in [The essential trustee: what you need to know, what you need to do \(CC3\)](#). Further guidance on due diligence and monitoring is available in the Commission's compliance toolkit – [Chapter 2: Due diligence, monitoring and verifying the end use of charitable funds](#).

The [full report](#) is available on GOV.UK.

Ends

PR 13/17

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#### Notes to editors

1. [The Charity Commission](#) is the independent regulator of charities in England and Wales. To find out more about our work, see our [annual report](#).
2. Search for charities on our [online register](#).
3. Details of how the Commission reports on its regulatory work can be found on [GOV.UK](#).

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## [Respiratory care improving and smoking rates are falling – Vaughan Gething](#)

Smoking rates are falling and GPs across Wales have been offered new equipment to improve diagnosis and support for those with respiratory

conditions, according to the first Annual Statement of Progress for Respiratory Conditions published today.

Friday 03 March 2017

Health Secretary Vaughan Gething today welcomed the publication of the statement which shows progress made against the actions set down in the Respiratory Health Delivery Plan.

The main achievements highlighted in the report include:

- Fewer people are smoking than ever before, with rates now below the 2016 target of 20%
- Every GP practice in Wales has been offered a new spirometer, which help diagnose and monitor certain lung conditions;
- Over 400 health professionals have begun training as accredited spirometry practitioners, with the aim of every GP practice having at least one trained member of staff;
- In South Wales, the introduction of a specialist service to support the management of a complex group of lung conditions known as Interstitial Lung Diseases has led to a significant reduction in referral to diagnosis. A similar team is about to start work in North Wales
- Improved support and self-management training for patients to manage their chronic obstructive pulmonary disease (COPD) and asthma

Vaughan Gething said:

“These changes are improving the quality of life for many of those affected by respiratory conditions, although we know there is more work to do.

“We are seeing real progress in improving respiratory care, and we will continue to work with health boards to support patients.”

[March 2017](#)

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## [News story: Defence Secretary applauds service of globally deployed Scots](#)

During a visit to Edinburgh, Sir Michael met soldiers from Scots-based Army units. Many have either recently returned, or are about to deploy on missions with the UK's allies overseas.

Defence Secretary Sir Michael Fallon said:

Scotland is on the frontline defending the United Kingdom from growing threats at sea, in the air, and on land. Whether countering Daesh, improving security in Afghanistan, or playing a leading role in peace-keeping missions, Scottish troops deserve our gratitude for the incredible job they do.

At any time, at least 20% of the troops from Army units in Scotland are actively involved in operational, defence engagement or training with other nations.

Midlothian-based personnel of The Royal Highland Fusiliers, Second Battalion the Royal Regiment of Scotland (2 SCOTS) are part of the UN mission in South Sudan. They are also supporting NATO's Very High Readiness Joint Task Force and is currently deployed to Kenya where it is leading battle group training for 950 personnel.

Scotland's 51 Brigade have taken part in exercises with the Emiratis, Kuwaitis and the Qatari Armed Forces.

Scotland is also home to the UK's nuclear deterrent submarines at Her Majesty's Naval Base Clyde, and the Quick Response Aircraft at RAF Lossiemouth.

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## **[News story: Ministers in latest dialogue with financial services firms](#)**

During a roundtable yesterday, Ministers underlined their commitment to maintaining London's position as a global financial hub.

Hosted by Ministers from the Department for Exiting the European Union and HM Treasury, discussions centered around topics including the Great Repeal Bill, the movement of skilled workers and opportunities to increase the sector's global competitiveness in the future.

As the leading European centre for fund management, the UK asset management industry plays an important role channelling capital into businesses and infrastructure in the UK, the EU and around the world – enabling individuals to plan and invest for their future.

Commercial Secretary to the Treasury, Baroness Neville-Rolfe, said:

I am delighted to have this opportunity to hear from this vital part of the financial services industry. UK-based firms manage more assets than those in France, Germany and Italy combined.

We are determined that the UK will continue to be a global financial hub and are focused on negotiating the best deal for financial services, including asset management, to ensure the sector continues to be one of Britain's great success stories.

DExEU Minister, Robin Walker, said:

The financial services sector is a vital part of the UK economy. We have been clear that we want the best deal for the UK. One that allows British companies the maximum freedom to trade with and operate within European markets – and let European businesses do the same in Britain.

Investment and the management of investments are a crucial part of the UK's success in global financial markets and will be key to the success of a Global Britain. Hearing directly from the sector about the potential impacts and opportunities for them is hugely valuable – providing us with the information we need as we prepare to enter the negotiations.

Chris Cummings, Chief Executive, Investment Association said:

The Investment Association is calling for the UK and the EU to strike a bespoke post-Brexit agreement, which will allow UK based asset managers to continue to provide products and services to millions of savers across the EU and the world to the extent that they do today. This kind of agreement could be part of an EU-UK Free Trade Agreement or a similar type of treaty.

In attendance at the event were senior executives from the following businesses and organisations:

- Allianz Global Investors
- Barings Europe
- BlackRock Investment Management
- HSBC
- Independent Franchise Partners
- Investec
- Investment Association
- M&G
- Pictet Asset Management
- Schroders
- Vanguard