

Inquiry Report

The Apostolic Faith Mission International Ministries UK Charity

Registered Charity Number 1096543



A statement of the results of the class inquiry into double defaulter charities in particular The Apostolic Faith Mission International Ministries UK (registered charity number 1096543).

Published on 24 January 2014.

The Class Inquiry

On 20 September 2013, the Commission opened a statutory class inquiry ("the Inquiry") into charities that were in default of their statutory obligations to meet reporting requirements by failing to file their annual documents for two or more years in the last five years and met certain criteria, including that

- the charities were recently (or in the case of charities that would become part of it in due course, would be) given final warnings to comply by a specified date; and
- on the day after the specified date they were still in default (partially or otherwise).

At the point a charity met the criteria they would become part of the Inquiry. The Commission started by looking at and sending final warnings to charities with a last known income over £500,000.

The Charity

The Apostolic Faith Mission International Ministries UK ("the Charity") was registered on 17 March 2003. It is a trust governed by a trust deed dated 4 June 2002, and supplementary deeds dated 25 January 2003 and 11 March 2005.

The Charity's objects are:

'The advancement of the Christian religion according to the holy scriptures as contained in the confession of faith set out in the schedule hereto.'

More details about the Charity are available on the Register of Charities which can be accessed through the Charity Commission's website¹.

Issues under Investigation

The Charity failed to submit to the Commission annual accounts, reports and returns required for the financial years ending 31 March 2011 and 31 March 2012. The Charity was sent various computer generated reminders from the Commission regarding the submission of their annual accounting documents.

¹ <http://www.charitycommission.gov.uk/find-charities/>

In addition, the Charity was contacted by telephone on 4 September 2013 and asked to supply accounts. Further to this the Commission wrote to the Charity with a final warning on 9 September 2013 requesting that the missing documents be provided by 20 September 2013. On both occasions, the Commission warned what would happen if the Charity remained in default. The Charity has been in default of its obligations under the Act for a lengthy period of time, in respect of more than one set of documents and in spite of being sent numerous reminders.

The Charity met the criteria and became part of the Inquiry on 23 September 2013.

The Inquiry is confined to dealing with the trustees' mismanagement and misconduct² and remedying the non-compliance in connection with the annual accounting documents.

During the Inquiry the Charity filed the missing annual accounts, reports and returns for the financial year ending 31 March 2011 on 7 October 2013, and for the financial year ending 31 March 2012 on 8 November 2013.

The trustees informed the Inquiry on 29 September 2013 that they were unaware of who had received the telephone call or letters from the Commission and that the reason for not complying was a result of problems with "management, due to a centralised structure, whereby people accountable are far from the activities." However, the Charity was taking steps to address this and was decentralising to "bring accountability closer to the activities, by registering our Churches as local charities with its own trustees. We are in the process of doing this and most of our churches are now registered."

The correspondent of the Charity also stated on 8 November 2013 that "we are at an advanced stage of decentralisation and only four assemblies are still in the process, the rest are now independent registered charities. We shall be having a meeting shortly to discuss any other changes and strategies to ensure that there is no recurrence of failure of compliance on the main charity and by the independent charities."

When the Charity's missing documents were submitted, the accounts were referred for scrutiny by the Commission's accountants and any issues have been or are being followed up separately.

Conclusions

The Charity's trustees were in default of their legal obligations to file accounting information with the Commission. This was mismanagement and misconduct in the administration of the Charity and a breach of their legal duties.

The reasons the charity gave for non compliance was not a legitimate excuse.

As a result of the Inquiry, the Commission ensured the Charity complied with its legal obligations to submit their annual accounting information.

The Charity ceased to be part of the Inquiry when it was no longer in default of its accounting obligations. This happened on 8 November 2013 when the Charity filed the last missing documents.

² The terms misconduct and mismanagement are taken from section 76 of the Charities Act 2011. Misconduct includes any act (or failure to act) in the administration of the charity which the person committing it knew (or ought to have known) was criminal, unlawful or improper. Mismanagement includes any act (or failure to act) in the administration of the charity that may result in significant charitable resources being misused or the people who benefit from the charity being put at risk. A Charity's reputation may be regarded as property of the charity.

Regulatory Action Taken

The Commission used its information gathering powers under section 52 of the Charities Act 2011 (the “Act”) to order and obtain bank records and financial information of the Charity relating to the missing years accounts. These will be used in connection with the Commission’s scrutiny of the accounts.

On entering the Inquiry the Commission exercised powers under section 84 of the Act to direct the trustees to prepare and complete the relevant missing annual accounts, reports and returns for the Charity and provide copies of these to the Commission. After filing the relevant documents for the financial year ending 31 March 2011 the trustees requested an extension to the deadline to comply with this order which was granted by the Commission.

The Commission provided regulatory advice and guidance about the trustees’ duty to file the Charity’s annual accounting information.

Issues for the wider sector

Trustees of charities with an income of £25,000 or over are under a legal duty as charity trustees to submit annual returns, annual reports and accounting documents to the Commission as the regulator of charities. Even if the Charity’s annual income is under £25,000 trustees are under a legal duty to prepare annual accounts and reports and should be able to provide these on request. All charities with an income over £10,000 must submit an annual return.

Failure to submit accounts and accompanying documents to the Commission is a criminal offence. The Commission also regards it as mismanagement and misconduct in the administration of the Charity.

For those individuals who were not trustees at the initial date of default, when they became a trustee, they became responsible for making good the default.

It is important that the financial activities of charities are properly recorded and their financial governance is transparent. Charities are accountable to their donors, beneficiaries and the public. Donors to charity are entitled to have confidence that their money is going to legitimate causes and reaches the places that it is intended to. This is key to ensuring public trust and confidence in charities.

