



Counter-terrorism Strategy

July 2008



The Charity Commission

The Charity Commission is the independent regulator of charities in England and Wales. Its aim is to provide the best possible regulation of charities in England and Wales in order to increase charities' effectiveness and public confidence and trust. Most charities must register with the Commission, although some special types of charity do not have to register. There are some 190,000 registered charities in England and Wales. In Scotland the framework is different, and the Commission does not regulate Scottish charities.

The Commission provides a wide range of advice and guidance to charities and their trustees, and can often help with problems. Registered charities with a gross annual income or expenditure over £10,000 must provide annual information and accounts to the Commission. The Commission has wide powers to intervene in the affairs of a charity where things have gone wrong.

More information about the Commission together with a range of guidance for charities can be found on our website www.charitycommission.gov.uk, or by contacting Charity Commission Direct:

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Counter-terrorism Strategy

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A

Introduction

The Charity Commission is established by law as the independent regulator and registrar for charities in England and Wales. Our aim is to provide the best possible regulation of charities in England and Wales in order to increase charities' effectiveness and public confidence and trust in them.

The Commission's objectives, contained in the Charities Act 2006, are to:

- increase public trust and confidence in charities;
- promote awareness and understanding of public benefit;
- promote trustees' compliance with the law in their control and management of charities;
- promote the effective use of charitable resources; and
- enhance the accountability of charities to donors, beneficiaries and the general public.

The Commission is a non-ministerial government department that operates independently. The Charities Act 2006 specifically prohibits the exercise of any Commission function being subject to the direction or control of any Minister or any other government department. We are the regulator for over 190,000 registered charities. There are also about 100,000 other unregistered charities which are subject to differing degrees of regulation and/or support from the Commission. Further information on our role, responsibilities and how the Commission goes about its work is available on the Commission's website at www.charitycommission.gov.uk

The Commission applies a risk-based and proportionate approach to regulation. This means that we engage with charities in a way which will make most difference to them and those who benefit from them. As a modern regulator, the Commission's approach emphasises providing support and guidance and promoting best practice as well as ensuring that charities comply with their legal obligations. We

aim to encourage and support charities to improve their performance by working in partnership with them and with umbrella groups, helping to define and facilitate best practice and sharing this knowledge widely. We put an emphasis on enabling charities to maximise their impact and encouraging innovation, effectiveness and collaborative working across the sector.

England and Wales have benefited from a strong and vibrant charitable sector for hundreds of years. Charities exist to create a better society and operate for a vast range of purposes in many different ways. The 190,000 charities registered with the Commission have an annual income of over £40 billion and assets of a further £70 billion, over 600,000 paid staff and 925,000 trustee positions. The charitable sector is diverse and extends from local village halls to national arts organisations to international disaster relief charities. Each of these organisations is united by a commitment to voluntary action and a desire to make the world a better place. Charities provide mechanisms for constructive debate and social action to build a strong civil society. This is an important protection against extremism. Charities make a vital contribution to society and the national economy, as well as a wider impact around the world which addresses many underlying causes of disaffection that may lead people to turn to extremism or terrorism.

The sector's impact is not just domestic. International charities often work in areas of high risk, where the need can be greatest. Charities can often get to the hard-to-reach places and communities that governments cannot. They can work to empower local people to improve the accountability of their own governments; they deliver essential services in spite of extreme and adverse conditions; and their knowledge of local issues is often better informed than that of public or private bodies because of their closeness to local people and issues.

The Commission recognises the importance of a healthy, accountable and independent sector overseas. The Commission's International Programme¹ has an important, continuing role to help create this by supporting the development of effective local regulation.

This document is the Commission's strategy for delivering its regulatory response to the threat of terrorist abuse in the charitable sector. It presents our overall approach and sets out our

aims for the future. The strategy builds on our existing work and expertise in this area and applies our overarching regulatory principles as well as our risk and proportionality framework for compliance work. The risk of terrorist exploitation does not apply equally across the sector and a 'one size fits all' approach is not appropriate or proportionate. Our strategy and approach reflects this.

The strategy, which is set out in more detail at section F, has a four strand approach comprising:

- 1 Awareness
- 2 Oversight
- 3 Co-operation
- 4 Intervention

¹ The International Programme is largely funded by the Foreign and Commonwealth Office's Global Opportunities Fund.

B

Key factors relevant to our strategy for safeguarding the sector from terrorist abuse

The Commission's existing approach to regulation provides an important context to our strategy. The Commission will continue to:

- take a balanced approach which is evidence and risk-based, targeted and proportionate;
- work in partnership and collaboration with government and the charitable sector itself; and
- maintain its strategic and operational independence in line with its statutory remit.

The key factors relevant to our strategy for safeguarding the sector from terrorist abuse are:

- actual instances of terrorist involvement and abuse of charities are extremely rare but are completely unacceptable;
- the way we tackle the risk of terrorist abuse of charities falls squarely within our existing approach to regulation;
- effective regulation involves putting a strong emphasis on giving support and guidance to charities to prevent problems and abuse occurring in the first place;
- we believe that the most effective way for the sector to minimise its exposure to the risk of terrorist abuse is through implementing strong governance arrangements, financial management and partner management. Charities which implement good general risk management policies and procedures will be better safeguarded against a range of potential misuses;
- it is the responsibility of charity trustees to safeguard their charity from terrorist abuse. We will support them to do this, and will not prevent charities from carrying out legitimate and vital humanitarian and other work, within the law;

- we are uniquely placed to deal with abuse where it does occur, collaborate with other regulators and agencies and other parts of government and support trustees to protect their charities; and
- when allegations of terrorist involvement or links with charities arise, we deal with them as a matter of priority. We will deal proactively, robustly, effectively and swiftly when we have evidence or serious suspicions of terrorist abuse involving charities.

The Commission believes firmly that its success as the civil regulator of charities is largely based on the respect and trust placed in it by the public and charities themselves. The value of this trust cannot be over-estimated; it is one of the most effective regulatory advantages we rely on.

The Commission is committed to complying with its duty to have regard to the principles of best regulatory practice including its activities being proportionate, accountable, consistent, transparent and targeted only at cases in which action is needed. Proportionate means not only taking action that is commensurate to the risk of harm but also looking at what other options there are for achieving the same outcome which are less interventionist.

As a public body, the Commission is conscious of its duty to act compatibly with the Human Rights Act 2000 and to promote good race relations under the Race Relations Act 1976 as amended.



The scale and nature of the threat

Terrorism is a serious and continuing threat both to UK society, UK interests abroad and the wider international community. This threat applies to the charitable sector as much as any other sector.

The true scale of charitable funds being diverted for terrorist purposes, charity links with terrorist activities and other abuse is not known but, as the Home Office Review acknowledges, “actual instances of abuse have proven very rare”. Our own experience indicates that the number of cases in which there is evidence to prove charities have been involved in directly, indirectly, deliberately or unwittingly supporting terrorist activity is very small. However, such abuse is completely unacceptable, and the impact of even one proven case involving a charity is potentially significant for public trust and confidence in that charity and the sector in general.

We have always been vigilant about the risk of potential links between charities and terrorist organisations and people connected to them. Charities are highly valued in society for a number of reasons which can also make them susceptible to unscrupulous abuse. Charities:

- enjoy high levels of public trust because of their voluntary and altruistic nature;
- reach into all parts of society and are diverse in nature. Because of this reach, large numbers of people come into close contact with charities, including those who may abuse them, through their services, the use of their property and through their trustees and volunteers;
- have a global presence, often in conflict areas, or in areas with little infrastructure, and frequently move money, goods and people to these areas;

- often have complex global financial operations dealing with multiple donors and currencies. They can operate cash-intensively, either in the collection or disbursement of funds, and may deal in cash and alternative remittance systems where no formal banking infrastructure exists;
- can pass funds to other organisations based overseas rather than deliver their services directly;
- are often engines for social change that attract people committed to making change happen; and
- are powerful vehicles for bringing people together for a common purpose and collective action, and may inadvertently provide a ready made social network and platform of legitimacy for terrorists or terrorist sentiments.

In addition, charities are subject to different and, in some cases, weaker levels of regulation in different parts of the world.

For all these reasons, terrorists may seek to exploit and corrupt charities for their own purposes.

We also recognise that all parts of the UK economy, particularly the financial sector, are tightening their safeguards and strengthening their defences against terrorist abuse. As avenues for terrorists to exploit in these sectors are closed off, there is an increasing risk of attention focusing on others, including the charitable sector. This increases the threat to the sector. There is a clear need for the Commission to support charities in continuing work to step up their vigilance, risk assessment and management practices, particularly for charities working internationally in high-risk areas of the world.

It is recognised that the government and the Commission needs to better understand the nature and scale of the terrorist threat to charities. Further analysis of the specific risks charities face and where they are most vulnerable is crucial in assisting charities to protect themselves from abuse. The Commission, in partnership with the sector and other government agencies, will seek to provide further clarity on this. We have significant and wide-ranging experience from our compliance casework in this area which we will analyse and draw on, and we will link this to expert knowledge within the sector and from the counter-terrorism community. We will reassess our strategies as we become better-informed about the nature of the threat and the risk to charities.

D

The Commission's role and approach

We are uniquely placed to contribute to protecting charities from abuse from terrorism, and strengthening safeguards to minimise the risk they face from terrorist abuse. We have a clear role to play in taking regulatory action independently, and, where appropriate, in conjunction with the work of law enforcement agencies who deal with the criminal aspects of this abuse. We are well placed to liaise with them, other regulators and agencies and with other parts of government, and to support trustees themselves to protect their charities from abuse. This position is primarily a result of our:

- independent regulatory role and oversight of the charitable sector;
- broad and unique knowledge of the sector, its diversity and the way it operates;
- access to protective and remedial powers which can be applied to disrupt abuse and protect charity assets and beneficiaries whilst also enabling legitimate activity to continue; and
- hard-earned credibility and the trust and confidence placed in us by the sector and the general public.

The way we tackle the terrorist threat to charities fits within our existing approach to regulation. We act robustly, swiftly and decisively where deliberate wrongdoing, criminality and serious abuse, including terrorist abuse, takes place, or where there is a risk that abuse may occur. Effective regulation places a strong emphasis on giving support and guidance to charities, helping to identify best practice - in partnership with the sector - and making charities aware of the standards to which they should aspire. This prevents problems arising in the first place and reduces the need for us to intervene later.

The effectiveness of our approach depends on striking the right balance between the provision of advice and guidance and, where necessary, intervention based on evidence and proportionality. We aim to regulate in a way which effectively addresses abuse and risk while minimising the regulatory burden and, as far as possible, enabling the continuing flow of funds for legitimate charitable activity.

It is important that the Commission and government work hard to ensure one of the consequences of taking greater steps to prevent the risk of abuse is not to stop legitimate charities, operating within the law, from undertaking valuable work. This could harm international aid in areas of high risk and would have a negative impact on beneficiaries. Great humanitarian need often exists in the same places where there is conflict or where it is thought terrorist groups, or those connected with them, operate. It would be profoundly undesirable if an unintended consequence of a counter-terrorist strategy were to make it impossible for legitimate overseas aid charities to be involved in providing aid, or make it impossible for any charity to provide aid in particular parts of the world. This is a difficult and complex challenge for charities, the Commission and government.

We recognise that many charities face particularly challenging dilemmas when operating in specific areas of the world. Political and legal contexts can complicate matters and organisations that are considered to be terrorist, or linked to terrorists, can exercise significant influence or control in some areas; for example, in the different and difficult contexts in Sri Lanka and the Occupied Palestinian Territories. This is further complicated by the differing stances taken by members of the international

community to certain organisations, which often impose varying conditions on the aid they provide to these areas. Charities need assistance to see how they can overcome the practical difficulties they face in carrying out their work in these areas, while ensuring they comply with the law and do not support terrorism directly or indirectly. We will continue to work with government and the sector to clarify how humanitarian aid can continue in such areas while remaining within the law.

We must also be alert to the unintended risk that a higher burden of regulation may encourage money to be donated to unregistered organisations or to others overseas and therefore beyond the regulatory scope of the Commission.

The Commission can make a particularly important contribution to tackling the terrorist threat to charities through an emphasis on prevention. We believe that we will have the greatest impact on minimising the sector's exposure to the risk of terrorist abuse by encouraging and supporting the development in charities of robust, accountable and transparent governance, strong financial management and good general risk management policies and procedures. We aim to build a greater awareness of the risks charities face from terrorism and promote the steps that should be taken to minimise the risks and lead to the prevention and early detection of terrorist abuse. We will promote a keen awareness of risks and responsibilities and the knowledge by charity trustees of what to do if and when suspicions are aroused. We will expect all charities to effectively manage risk and strengthen safeguards against all abuse, including abuse by terrorists.

The Commission is committed to supporting work to develop effective strategies and procedures for preventing and dealing with the risks of terrorist abuse of charities. For example, we will work to define a 'know your beneficiary' principle and set out expectations of how it should be applied by charities. We recognise that many charities, including those

working overseas in high risk areas, already have good standards in place to minimise the risks from terrorist abuse and a great deal of experience in working in complex operating environments. We will also draw on our own extensive operational casework experience when developing guidance and advice. We enjoy a good working relationship with the sector and aim to further develop this relationship to build on existing safeguards and facilitate the identification and sharing of existing best practice.

Charities are subject to the provisions of UK anti-terrorism legislation and the obligations that flow from it. The Commission will work with government to provide clear guidance on charities' legal obligations under the Terrorism Act 2000 and other financial sanctions legislation.

As well as ensuring charities know about their legal obligations, adding value to charities' work and enhancing public understanding will be important drivers for the Commission when producing new or revised guidance. We will continue to make a distinction between what charities 'must' do according to legal requirements and what they 'should' do to meet common standards of good practice. We recognise the importance of being clear about this distinction in any guidance we produce.

The Commission is committed to working in partnership to co-ordinate more effectively with other regulators and law enforcement agencies in the UK and internationally in order to prevent and disrupt terrorist finance abuse. In some circumstances we will be best placed to take the lead in disrupting terrorist abuse of charities through our compliance operations and by using our civil regulatory powers. In others, we can help ensure other agencies better understand the sector when they are investigating abuse connected with it. We can also use our knowledge of the charitable sector to provide information and analysis of trends and the risks facing the sector, and to complement knowledge and analysis carried out by the sector itself in relation to the terrorist threat.

E

The Commission's compliance work and the risk and proportionality framework

Charities must comply with the law. When trustees act reasonably and honestly we respond flexibly and will take this into account in deciding whether to take regulatory action against trustees, and in assessing how to support trustees to put the charity back on a secure footing. Deliberate wrongdoing, criminality and serious abuse, including terrorist abuse, will be dealt with rigorously and decisively based on the evidence and targeting the core of the abuse. Where possible we will ensure that legitimate charitable activity can continue both during an investigation and afterwards. Regulatory action inhibiting the flow of funds must be justified by evidence that this is a necessary and appropriate step to take. An effective compliance and enforcement function in the Commission is, therefore, of vital importance.

The Commission's Compliance and Support function is responsible for the delivery of our 'compliance objective' involving regulatory work with charities where their assets, services or beneficiaries are at serious risk of abuse or damage. This includes risks to the reputation of individual charities and, by extension, concerns about public confidence in charities generally and the effective regulation of the sector. Its function is to identify and investigate apparent misconduct or mismanagement in the administration of charities and to resolve difficulties encountered, either by providing support to trustees or, where necessary, intervening to protect the charity by using the Commission's legal powers. The Commission's Compliance function also disseminates lessons learned from casework experience to the sector and the public to promote good practice and to minimise risk.

As part of a risk-based and proportionate approach to regulation, we have developed a risk and proportionality framework for our compliance work. This ensures that our decisions and actions are appropriate and consistent, and that our resources are targeted where we can have the greatest impact. Our approach recognises that we cannot eliminate or seek to control all risks as a regulator. We do not have the capacity to do so. It would also place an unacceptable regulatory burden on charities and would stifle the innovation and adaptability that characterises the sector. Our approach allows us to deliver effective, timely, proportionate and targeted regulation. It ensures that our intervention is appropriate, and that it properly reflects the seriousness of the problem and the potential impact of failing to regulate it. In addition, it allows us to identify, at an early stage, charities that may be facing problems and provide them with support or advice to mitigate or avoid those problems – moving from reactive to proactive casework. We will take an evidence-based approach based on continuous evaluation and research into how serious problems arise in charities, where the current risks lie, and emerging trends and changes to those risks.

When assessing whether to engage and how quickly, the Commission uses an approach which is based on levels of tolerance and identifies a number of 'zero-tolerance' issues. When we have concerns that such issues have or potentially may arise in a charity, they receive immediate attention in the Compliance and Support function due to the risks they pose to the public, beneficiaries and the integrity and reputation of charities. Using our risk and

proportionality framework we rapidly assess the most appropriate and proportionate course of action to take. This means we determine whether we will engage further with the issue, the level of priority and attention we will give it and where in the Commission it will be dealt with. Any action we take will be based on the particular circumstances, the seriousness and scale of the problem and the available evidence. When 'zero-tolerance' issues may or have arisen, it does not automatically mean that we will intervene using our powers in the affairs or administration of a charity. In the context of our response to the Review, the relevant 'zero-tolerance' issues are:

- connections to proscribed organisations;²
- charity links to or support for terrorism, financial or otherwise;

- misuse of charity to foster criminal extremism;
- fraud and money laundering; and
- sham charities.

These issues will be subject to review and modification.

When charities, or those connected with them, have committed a criminal offence this is a matter for law enforcement agencies and we will refer suspicions of criminal activities, including terrorism, to them as appropriate. This is in line with our general approach to issues of criminality within, or associated with, charities.

² Those which are criminalised under the Terrorism Act 2000, as amended by the Anti-Terrorism Crime and Security Act 2001, and appearing on the UK, EU and UN lists of designated organisations.

Strategic objective and the Four Strand Approach

Our overarching objective for the Commission's counter-terrorism strategy is:

"To identify, disrupt and prevent terrorist and other serious abuse of the charitable sector. We will do this ourselves and in co-operation with other relevant agencies through:

- *support - encouraging and enabling the sector to build its awareness and strengthen its safeguards and defences;*
- *supervision - through proactive regulatory oversight; and, where necessary,*
- *intervention - using the Commission's legal powers of protection and remedy."*

The strategy has a four-strand approach for identifying and minimising the risk of terrorist exploitation of charities. This reflects a balance between support and guidance, prevention and compliance intervention. We will continue to build and strengthen our compliance work and develop expertise in this area. We will, in particular, consolidate our working relationships with other regulators and law enforcement agencies while maintaining our independence. In addition, we will seek to proactively monitor this high-risk area with an eye to early intervention, particularly where guidance is not followed and requirements are not met. We will put great emphasis on preventative work, seeking to clarify legal requirements and to support and build best practice in collaboration and partnership with the sector. The four strands are:

F1. Awareness

We will work in close co-operation with the sector to build on charities' existing safeguards to minimise the risk of terrorist abuse. We aim to:

- analyse risk factors and build a shared understanding of risks so that different profiles of charities are made aware of their potential vulnerabilities to the threat of terrorist abuse;
- produce periodic bulletins for the sector and the wider public providing key, up to date information on the evolving terrorist risk to charities, informed by our risk profiling work, our casework experience, the outcomes of research and analysis and, where possible, by information from other regulators and law enforcement agencies;
- develop a 'toolkit', in partnership with the sector, to assist charity trustees and their advisors in undertaking risk assessment to better identify and minimise the risk of terrorist abuse and to disrupt those that seek to exploit charities for terrorist purposes. This will build upon already embedded good practice within the sector and learn from those charities that already have significant experience of managing these risks in their activities;
- provide updated advice and guidance including: our Operational Guidance on *Charities and Terrorism* (OG96) and our guidance on *Charities Working Internationally*; guidance on charities' legal obligations including under the Terrorism Act 2000, other

financial sanctions legislation and relevant EU legislation; guidance on proscribed and designated lists – what they are and how to use them; guidance on ‘good governance’ and financial controls, including raising funds, transmission of funds overseas and verifying the end use of funds; and in defining ‘know your’ principles for due diligence and the minimum standards we expect charities to reach in applying them;

- promote guidance and best practice advice widely through outreach work and tailored communications; and
- signpost to other sources of information, advice and guidance provided by sub-sector groups and other parts of government.

Ensuring charities understand their legal obligations, adding value to charities’ work and enhancing public understanding will be important principles for this aspect of our work.

F2. Oversight and supervision

We will take a more proactive approach to analysing trends and profiling risks and vulnerabilities in the sector in relation to the threat from terrorism. We will monitor the sector in areas we recognise as high risk in order to identify, at an early stage, those charities that may be facing problems, so that we can alert them to the risks and provide them with advice and support. We will monitor the sector in order to anticipate and react to concerns affecting it.

Charities identified as potentially at risk will be followed up through casework to give them guidance in putting adequate systems in place for minimising and managing that risk. On-site visits will be appropriate in certain circumstances as part of our risk-based approach to regulation; on occasion, we will make these visits overseas.

Our intelligence led Proactive Monitoring Unit will undertake this work. By producing and updating risk profiles and specific risk indicators the Commission will be better able to carry out preventative work in relation to charities’ vulnerability to terrorism and other high risk areas. These risk indicators will be regularly reviewed in the context of our risk and proportionality framework for our compliance work, and in light of developments within the sector, our own operational experience, and information and risk typologies developed by other government agencies involved in counter-terrorism work.

F3. Co-operation

In addition to maintaining close links with the charitable sector, we will work with other government regulators and law enforcement agencies by formalising our protocols and strengthening our operational arrangements. These will clarify and set the framework within which the Commission liaises and works in partnership with another agency to better ensure the disruption of those that seek to exploit charities for terrorist ends. This will include:

- providing support in instances which fall within the Commission's statutory remit, but where there is no immediate regulatory requirement for operational action by the Commission;
- ensuring that all suspicions of terrorist criminal activities within, or affecting, charities, are promptly reported to the Police, either by ourselves or by the charity affected; and
- facilitating reciprocal awareness sessions to help other agencies better understand the sector when they are investigating abuse connected with it.

F4. Intervention

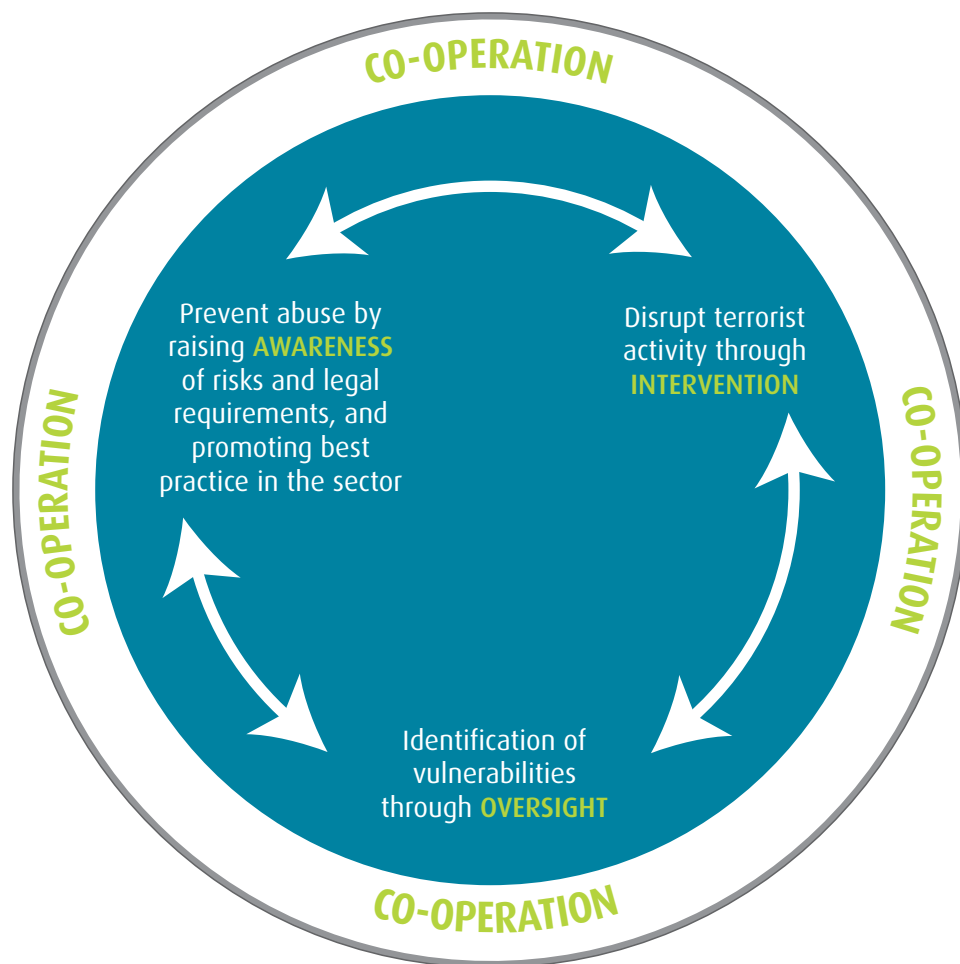
We will deal proactively, robustly, effectively and swiftly when we have evidence or serious suspicions of terrorist abuse involving charities.

We will treat allegations or suspicions of terrorist activity within charities, or involving individuals associated with charities, as a zero tolerance issue. Each case will be assessed promptly and efficiently and acted on proportionately according to the risk posed to the charity, the sector and wider society. Our investigations will be robust, thorough and informed by intelligence and evidence, aiming to:

- immediately disrupt the activities of those seeking to abuse charity for terrorist ends;
- ensure that the charity, or charitable funds are put to their proper use for the benefit of their beneficiaries; and
- minimise the disruption any incident can cause to the wider sector.

We will increase our capacity to deal with work involving terrorist abuse by developing a pool of counter-terrorism expertise with specialist, trained and skilled staff to deal with these kinds of cases. These staff will be trained in specialist financial investigation and other relevant skills. We will improve the security of our own infrastructure to ensure we are able to link into the rest of government in this area.

Counter-terrorism Strategy - the Four Strand Approach



G

Building expertise

The Commission is in a unique position to inform the debate on charity-related terrorism issues. We are committed to building upon the expertise and knowledge base of our staff. Our staff have deep and wide-ranging knowledge of charity law, regulation and best practice as well as being aware of the day to day difficulties charities face in doing their work. This expertise will be used to facilitate and raise awareness amongst other agencies involved in counter-terrorism work, and those professionals that advise charities. The Commission is also committed to learning from those agencies, so that as new trends emerge and threats and risks evolve the Commission's staff are informed and equipped to respond and deal with them appropriately.

Measures of success

Benchmark indicators of success are set in the wider context of the Commission's statutory objectives. Our headline indicators of success for each strand of our counter-terrorism strategy are:

Awareness:

- publish, promote and invite feedback on the Commission's draft counter-terrorism strategy following completion of the government's consultation process.
- within the first six months, engage with and listen to the sector in order to identify and agree an appropriate range of guidance and best practice 'products' that will be most useful to revise or develop for the sector. This will include:
 - guidance on charities' legal obligations under the UK's anti-terrorism legislation and will cover the background to the various designation and financial sanctions regimes. The issues arising for charities from these regimes will focus on the risks and implications of working with designated organisations appearing on the UK, EU and UN lists and also of designations by foreign governments.
 - defining 'know your' principles, which will clarify minimum standards for due diligence in relation to a charity's beneficiaries, partner organisations and donors. This will assist in identifying and forestalling funding connections either to proscribed terrorist organisations or to designated persons, groups or entities or to recipients whose activities may give support to terrorism.
- set priorities for the production of guidance and publicly set out a timetable for their delivery, aiming to consult on and publish the first elements of a 'toolkit' of guidance and best practice within 12 months.

Oversight:

- develop and establish a proactive monitoring capability in the Commission within 12 months.
- undertake risk profiling to identify and proactively monitor high-risk sub-sectors within the broader charitable sector.
- undertake targeted, proactive casework informed by risk profiling, including on-site visits where appropriate.

Co-operation:

- establish strong relationships with other key regulators, law enforcement and other government agencies including (i) putting in place formal agreements and operating protocols, and (ii) a structured programme of strategic liaison, within 12 months of finalising our strategy.
- closely monitor and control the exchange of relevant information with other regulators and agencies.

Intervention:

We will aim for the timely and appropriate resolution of cases where we do intervene.

As part of our annual public reporting on the Commission's compliance work we will report on:

- our use of powers of protection and remedy on cases involving possible links to terrorism;
- the impact of our intervention, including the protection of charity property and assets, and significant and necessary improvement in charity governance;
- the amount of charity funds protected or redirected by Commission action; and
- the wider lessons learned from our compliance casework in this area.

We will not measure success in terms of increased numbers of investigations, as this can be misleading.

Resources & further information

The additional £1 million funding contribution from HM Treasury for 2007-08 along with some redirected Commission resource will allow us to invest in awareness and outreach work, and to further develop and strengthen capacity in our Compliance function for casework involving possible or alleged links to terrorism in charities. In future years the additional £1 million per annum will be built into our funding baseline.

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