



Charity Commission's Counter-Terrorism Strategy

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This document describes the Charity Commission's role and approach to dealing with concerns about the abuse of charities for terrorist purposes and its strategy for tackling the risk of terrorist abuse in the charitable sector.

The strategy outlines a four strand approach:

Awareness - raising awareness in the sector to build on charities' existing safeguards

Oversight and supervision - proactive monitoring of the sector, analysing trends and profiling risks and vulnerabilities

Co-operation - strengthening partnerships with government regulators and law enforcement agencies both nationally and internationally

Intervention - dealing effectively and robustly when abuse, or the risk of abuse, is apparent

A. Introduction

A1. 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 2011, 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
- enhance the accountability of charities to donors, beneficiaries and the general public

A2. The Commission is a non-ministerial government department that operates independently. The Charities Act 2011 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 160,000 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. In carrying forward its compliance objective, the Commission has statutory functions directed towards identifying and investigating apparent misconduct or mismanagement in the administration of charities and to encourage and facilitate the better administration of charities. Consequently, as well as intervening in a charity's affairs where the assets, services, beneficiaries or reputation are at serious risk of abuse or harm, we will also work with charities in such cases to ensure compliance in the first place. 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

A3. Our aims include assuring the public that money intended for charitable purposes is used by charities in accordance with the law and that organisations with the status of charity are legitimate and act wholly in pursuit of those purposes. The Commission has a risk-based approach to regulation¹. This means our starting point is that charities are publicly accountable for the funds they receive and privileges they enjoy because of their charitable status, and the responsibility for their administration and management rests with the trustees. However, we do have regulatory powers, including the power to institute statutory inquiries and to compel the provision of information along with temporary and protective powers of intervention to protect charitable property and more permanent and remedial powers to resolve issues of concern in the longer term. We will use our powers where necessary and proportionate to do so although often the best regulatory outcomes, and the best use of our resources, will be achieved by us providing trustees with corrective regulatory advice and guidance to put the charity back on a secure footing. Our approach to managing risk 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. What is proportionate depends on the nature and level of the risk and the potential impact.

¹ See further the Commission's Risk Framework "Our regulatory approach to protecting the public's interest in charity – how we assess and manage the risks" and associated publications

A4. As a modern regulator, we place an emphasis on preventing problems arising in the first place by providing a wide range of online guidance to help trustees discharge their legal duties. We aim to encourage and support charities to improve their performance by working in partnership with each other and with umbrella groups, helping them to promote good practice and high standards of governance and accountability, and sharing this knowledge widely.

A5. England and Wales have benefited from a strong and vibrant charity 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 160,000 charities registered with the Commission have an annual income of over £53 billion and assets of a further £77 billion, over 600,000 paid staff and around 800,000 trustee positions. The charitable sector is diverse and extends from local community based organisations 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 communities better places. 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 can address many of the underlying causes of disaffection that may lead people to turn to extremism or terrorism.

A6. 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 help 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.

A7. The Commission recognises the importance of a healthy, accountable and independent charitable sector in other countries. This is particularly so given the significant amount of funding from charities established in England and Wales which is remitted to other countries to further humanitarian and other charitable work. The Commission's International Programme² has an important role in continuing to help create this by supporting the development of effective international and local regulation under which civil society can thrive. It does this by working with foreign governments and the charitable sector to strengthen and support the development of accountable and effective regulatory systems both internationally and domestically in other countries.

A8. This document is the Commission's strategy for delivering its regulatory response to the risk 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 framework.

A9. The Commission's work in this area is held in high regard both nationally and internationally. This strategy was developed in line with wider national and international developments, taking on board the Financial Action Task Force (FATF) recommendations and the UK Government's strategy for Countering International Terrorism, called CONTEST³. Since we first published our strategy in 2008, the government's counter-terrorism strategy has been updated and the Prevent work stream, in particular, has undergone a formal review. The Prevent work stream, emphasising the role of

² The International Programme is largely funded by the Foreign and Commonwealth Office

³ [The Counter-terrorism strategy | Home Office](http://www.homeoffice.gov.uk/counter-terrorism/uk-counter-terrorism-strat/) <http://www.homeoffice.gov.uk/counter-terrorism/uk-counter-terrorism-strat/>

prevention, aims to stop people becoming terrorists or supporting terrorism. The Prevent Review identified the need to focus on work with a wide range of sectors and institutions where there are risks of radicalisation that need to be addressed. The Review also recognised that various sectors were helping to prevent people from becoming terrorists or supporting terrorism, and highlighted the education, faith, health, criminal justice and charity sectors as priority areas to work with going forward. The Review identified how charities play an important part in supporting the Prevent strategy. The Commission's existing counter-terrorism strategy through its "Awareness" strand encompasses and complements these aims.

A10. The strategy, which is set out in more detail at section F, has a four strand approach comprising:

Awareness; Oversight and supervision; Co-operation; Intervention

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

B1. 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 both the government and other relevant regulators and agencies and the charitable sector itself
- maintain its strategic and operational independence in line with its statutory remit

B2. The key factors relevant to our strategy for safeguarding the sector from terrorist abuse are:

- when allegations of terrorist involvement or links with charities arise, we deal with them as a matter of priority. We will deal with concerns proactively, robustly, effectively and swiftly when we have evidence or serious suspicions of terrorist abuse involving charities
- terrorist involvement and abuse of charities will be dealt with under the current UK counter-terrorism legislation
- 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 prevention and supporting charities to take action themselves 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 and effective 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 ensure that charities do carry out their valued, 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, law enforcement and other government agencies and support trustees to protect their charities

B3. The Commission's efficacy and its success as the civil regulator of charities is in part due to 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.

B4. 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.

B5. As a public body, the Commission is conscious of its duty to act compatibly with the Human Rights Act 2000 and its other public law duties including its duties under the Equalities Act 2010.

C. The scale and nature of the threat

C1. Terrorism is a serious and continuing threat both to UK society, UK interests abroad and the wider international community. This threat applies to the charity sector as much as any other sector.

C2. 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 Review⁴ acknowledged, "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 supporting terrorist activity whether directly, indirectly, deliberately or unwittingly is very small in comparison to the size of the sector. 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.

C3. 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 poor 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 and work in partnership with other organisations, including NGOs⁵, based overseas rather than deliver their services directly
- are often engines for social change that attract people committed to making change happen

4 Review of safeguards to protect the charitable sector (England and Wales) from terrorist abuse. A consultation document. Home Office, HM Treasury May 2007

5 Non governmental organisations, sometimes referred to as NPOs or "Not for Profits"

- are often 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 ideology

C4. In addition, charities are subject to different and, in some cases, weaker levels of regulation in different parts of the world.

C5. For all these reasons, terrorists and those who support them and their causes may seek to exploit and corrupt charities for their own purposes.

C6. 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.

C7. It is recognised that the government and the Commission need to ensure they understand the nature and scale of the terrorist threat to charities and how that threat may evolve. We have significant and wide-ranging experience from our regulatory work in this area that we will continue to analyse and draw on in implementing this strategy and carrying out our work. We will link this to expert knowledge within the sector and in the counter-terrorism community. We will continue to refine our strategy and aims as the nature of the threat and the risk to charities change.

D. The Commission's role and approach

D1. 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 charity 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
- hard-earned credibility and the trust and confidence placed in us by the sector and the general public

D2. 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, take place, or where there is a risk that abuse may occur. We expect all charities to effectively manage risk and strengthen safeguards against all abuse, including that by terrorists.

D3. Effective regulation places a strong emphasis on prevention, encouraging the sector to identify and spread good practice itself, and on ensuring charities are aware of their legal duties and 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 prevention and deterrence 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.

D4. It is important that the Commission and the rest of 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. The greatest humanitarian needs often exist 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-terrorism 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 the rest of government.

D5. We recognise that many charities face particularly challenging dilemmas when operating in some 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 complex and difficult contexts in East Africa 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 help them 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 have been working with government and the sector to clarify how humanitarian aid can continue in such areas while remaining within the law and we will continue to do so.

D6. 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.

D7. Charities, their trustees and others involved in their work are subject to the provisions of UK counter-terrorism legislation and the obligations that flow from it. The Commission is a civil regulator and not an investigating or prosecuting authority in respect of criminal offences. It is the role and responsibility of the police and the law enforcement agencies to investigate terrorism and its related offences.

D8. Various concerns related to terrorism come to our attention. These can, for example, include allegations of terrorist financing through charities to concerns that a charity or trustee is connected to a proscribed organisation. Whatever the concerns, they are assessed against the Commission's Risk Framework. Concerns of this nature are always made a high priority but any action we take will be based on the particular circumstances, the seriousness and scale of the problem and the strength and credibility of the evidence. When issues of this nature are reported to us it does not automatically mean that we will intervene using our powers in the affairs or administration of a charity.

D9. When we identify a concern through our work that charities, or those connected with them, may 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. This is in line with our general approach to issues of criminality within, or associated with, charities. Conversely, those agencies may approach us where they have concerns or suspicions linked to a charity and/or its trustees, so an effective relationship between the Commission and the police and law enforcement agencies is crucial. Where there are suspected links or associations to terrorist activity or incidents of suspected terrorist abuse within or connected to a charity, these can raise serious issues of potential misconduct or mismanagement in the administration of the charities which trigger the Commission's intervention. In addition, the Commission's regulatory role is to ensure that the charity and its funds are not put at further risk and we may have to use our powers to protect the charity even if an incident is being investigated by the police.

E. Strategic Objective and the four strand approach

E1. The overarching objective of 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"*

E2. The strategy has a four-strand approach to furthering this objective and protecting charities from the risk of terrorist abuse. This approach reflects a balance between prevention, deterrence and investigative intervention. The risk of terrorist exploitation does not apply equally across the sector and a 'one size fits all' approach is not appropriate or proportionate. The Commission's strategy and our approach reflects this. The four strands are:

Awareness - raising awareness in the sector to build on charities' existing safeguards

Oversight and supervision - proactive monitoring of the sector, analysing trends and profiling risks and vulnerabilities

Co-operation - strengthening partnerships with government regulators and law enforcement agencies both nationally and internationally

Intervention - dealing effectively and robustly when abuse, or the risk of abuse, is apparent

E3. There is a limit to what we can say publicly about our investigatory work and our liaison with the counter-terrorism community so as not to prejudice our own or other agencies' work. However, under each strand of the strategy, we describe more about what we are seeking to achieve and, where possible, we refer to work that has been or will be done.

E4. To implement the strategy we will continue to consolidate our working relationships with other regulators and law enforcement agencies in the UK and internationally while maintaining our independence. We will continue to take steps to monitor activity in this high-risk area with an eye to early intervention where possible; particularly where regulatory guidance is not followed

and requirements are not met. We will continue to put an emphasis on preventative work, raising trustees' awareness of the legal requirements so that charity funds, property and beneficiaries are properly protected. This will ensure that the public can continue to give with confidence to charities knowing that their money is used for legitimate purposes and reaches the intended beneficiaries.

F. The four strands:

Awareness

F1. This strand aims to prevent abuse by ensuring that trustees are aware of the risks charities face from terrorism, that they take steps themselves to protect their charity from the risk of abuse and they act responsibly if concerns arise.

F2. 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. This is a core message in our work in this area.

F3. Our key achievements in this strand include:

- publishing an online 'toolkit', [Protecting Charities from Harm](#), which gives trustees the knowledge and tools they need to manage risks and protect their charity from harm and abuse. [Chapter 1: Charities and terrorism](#) provides information for charities on key aspects of the UK's counter-terrorism legislation, showing how particular provisions are likely to affect charities and their work. It ensures trustees are aware of the legal requirements placed on them in relation to both UK legislation and charity law so that they can properly discharge their duties in the interest of their charity. This includes advice on the implications of working with organisations appearing on the UK, EU and UN designated lists and organisations designated by other governments. Produced in partnership with the sector and the counter-terrorism community, it builds upon established good practice within the sector and learning from those charities that already have significant experience of managing these risks in their activities
- producing new guidance [Due Diligence, Monitoring and Verification of the End Use of Charitable Funds](#) which now forms Chapter 2 of the toolkit, aimed at making charity trustees aware of their legal duties and responsibilities in carrying out due diligence checks and monitoring in relation to the charity's involvement with external bodies and individuals
- publishing Chapter 3 of the toolkit: [Fraud and financial crime](#) to raise awareness of the risks and assist trustees in managing them, and Chapter 4: [Holding, moving and receiving funds safely in the UK and internationally](#) which provides practical advice on financial controls and risk management. The toolkit has been welcomed by both charities and our government partners nationally and internationally
- updating our existing guidance including: our Operational Guidance on [Charities and Terrorism \(OG 410\)](#) and our guidance on [Charities Working Internationally](#)
- issuing various compliance alerts for the sector and public, informed by our regulatory work and from the work of other regulators and law enforcement agencies
- running a number of safer giving campaigns and warnings, including during the humanitarian appeals for the Pakistan floods in 2010 and for the crisis in East Africa in 2011

F4. Going forward we will:

- continue to run safer giving campaigns and focus our advice to charities, particularly where they work in higher risk situations where terrorist groups are known to operate
- continue to engage on key policy and strategic issues with the sector, focussing on engagement through umbrella bodies and key sector representatives
- produce new guidance on how trustees can manage the risks when charities arrange events or meetings that provide a public platform for speakers who may seek to abuse these, in particular by expressing or promoting inappropriate extremist ideas and ideology that may be conducive to terrorism
- continue to make a distinction in our guidance between what charities 'must' do according to legal requirements and what they 'should' do to meet common standards of good practice, where we update or produce new guidance
- continue to promote our guidance and toolkit and its use by the charitable sector
- continue our commitment to work with the sector in raising awareness of trustees duties and in disseminating good practice and learning
- through our work in the International Programme, to ensure that charities and civil society organisations working in other jurisdictions are aware of the risks posed and preventative means needed to guard against misuse of such organisations for terrorist purposes

Oversight and supervision

F5. We take a proactive approach to analysing the risks and vulnerabilities in the sector in relation to terrorism abuse. We monitor the sector in areas identified as being at higher risk in order to detect, at an early stage, those charities that may be facing problems and take appropriate steps to resolve the issues, which may include providing them with regulatory advice to mitigate or avoid problems. Specialist staff in our monitoring unit continue to carry out this proactive work, including carrying out on-site regulatory compliance visits. Through our regulatory work we exercise oversight including ensuring charities file their accounts and returns. Where appropriate, we carry out financial books and records inspections to ensure charities are complying with key financial obligations and identify any areas of weakness. These activities act as an important deterrent against those who may seek to abuse charities for unlawful purposes.

F6. Going forward we will continue to carry out this monitoring work, using our knowledge and other sources of information to ensure we carefully and effectively target our resources so that when we engage with individual charities it is where we can have most impact.

Co-operation

F7. The Commission can conduct its work in this area only through close and effective partnership with the police and other law enforcement agencies both in the UK and internationally, as well as with those other regulators and government departments that have a role to play in dealing with the terrorist threat, whether at a policy or operational level.

F8. In some circumstances, we will be best placed to take the lead in disrupting the abuse of charities through our investigative work 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 the risks affecting the sector.

F9. We have built strong strategic and operational relationships with the key law enforcement agencies, other regulators, and government agencies involved in counter-terrorism work. We have agreed formal protocols and put in place memoranda of understanding to clarify and set the framework within which the Commission liaises and works in partnership with them. As a result, we are able to collaborate effectively together to act on identified concerns and disrupt those that seek to exploit charities for terrorist ends.

F10. We have continued to strengthen our relationship with the National Terrorist Financial Investigation Unit in the Metropolitan Police and with the regional Police Counter-Terrorism Units and other law enforcement agencies, as well as ensuring we contributed our expertise to government counter-terrorism policy and plans, including on the Prevent Review. We have also been developing our regulatory engagement with other regulators and agencies internationally to assist our work in this area, which is vitally important given the international dimension of the threat of terrorist abuse.

F11. Looking forward, our engagement and cooperation with the counter-terrorism community will continue to 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
- sharing information and intelligence where relevant and appropriate and within the confines of the law
- ensuring appropriate strategic as well as operational level relationships with other agencies are maintained and strengthened
- sharing expertise and encouraging reciprocal awareness sessions to help other agencies better understand the sector when they are investigating abuse connected with it
- providing advice to other agencies on our regulatory responsibilities and approach
- through the work of our International Programme, to support and provide technical assistance in foreign jurisdictions, both to governments and regulators, to enhance and develop their own regulatory systems to deal with terrorist abuse in charities and civil society organisations operating in their jurisdictions

Intervention

F12. The Commission's regulatory role focuses on the trustees of a charity. Where something goes wrong we expect the trustees to take responsibility for putting it right. 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. However, generally speaking, when

trustees act reasonably and honestly we will take this into account in deciding whether to take regulatory action against them, and in assessing how to support them in putting the charity back on a secure governance footing. Where possible we will ensure that legitimate and essential 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 investigation and enforcement function in the Commission is, therefore, of vital importance.

F13. As the public and charities would expect, we treat allegations or suspicions of terrorist activity connected to charities, or involving individuals associated with charities, as a high priority. Each case is individually examined and the action we take will depend on the circumstances. We always work closely with other agencies on these investigations as well as assisting them with their investigations where a charity or charity trustees are thought to be involved. Sometimes we may not be able to open an investigation or take particular action so as not to prejudice the investigations of other agencies.

F14. Our own investigations are informed by the intelligence and evidence we have, 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
- minimise the disruption any incident can cause to the wider sector

F15. We have a range of statutory powers that we can use to stop abuse and protect charitable assets and beneficiaries, including:

- information gathering powers which enable us to obtain information or documents or require named individuals to meet us to answer questions
- temporary protective powers which allow us to protect charity property for a temporary period while we continue investigating
- remedial powers which allow us to implement long term solutions to problems often identified by an inquiry

F16. Looking back, in 2010–11 sixteen investigations included dealing with allegations and suspicions of links to terrorist related activities or organisations. Eleven of these terrorism related investigations were completed during the year: nine were regulatory compliance cases and two were statutory inquiries. In 2009-10, eleven investigations included dealing with allegations and suspicions of links to terrorist related activities or organisations. Eight terrorism related investigations were completed during the year: five were regulatory compliance cases and three were statutory inquiries.

F17. Going forward we will continue to look into concerns raised about terrorism related issues and charities and carry out investigations into these. We will maintain our capacity to deal with work involving terrorist abuse and ensure we continue to develop the knowledge of our experts and specialists to deal with these kinds of cases. We will continue to maintain the security of our own information and communications infrastructure to ensure we are able to link in properly with law enforcement agencies and the rest of government in this area.

F18. We will continue, as part of our annual public reporting on the Commission’s regulatory work to 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
- the wider lessons learned from our investigative and regulatory casework in this area

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

Charity Commission: Counter-terrorism Strategy - the Four Strand Approach

