



Inspectors find GLEN lacked the financial reporting and disclosure processes required to protect the charity's assets and funds

27 April, 2018

The Charities Regulator has stressed that there are key lessons to be learnt by all registered Irish charities from the inspector's report into G.L.E.N. Company Limited by Guarantee (Registered Charity Number 20060404), which was published today.

The Charities Regulator appointed two inspectors in May 2017 to investigate the affairs of the charity. The Charities Regulator received the inspectors' report on 20 April 2018 and, having reviewed and considered its findings, accepted the recommendations made by the inspectors.

The inspectors found an organisational culture within GLEN where charity trustees appeared to place relatively high levels of trust in staff members without adequate checks and balances being in place to provide necessary oversight of all financial transactions and financial reporting.

The weaknesses in the charity's financial reporting processes meant the board were unable to detect and mitigate the significant risks identified in this report in order to consistently safeguard the charity's assets and funds and ensure that they were used to further the charitable purpose of the charity.

"There are key lessons for all Irish registered charities in ensuring there are financial controls in place and full disclosure by management to charity trustees so they can manage their organisation," Charities Regulator Chief Executive John Farrelly said.

The inspectors' findings include the following:

- Charitable funds were used to support the individual political campaign of the original founder and former co-Chair of GLEN. The inspectors noted that these funds had been repaid;
- Inadequate and inappropriate controls were applied to the use of charity credit cards, including personal expenditure and cash withdrawals. While personal expenditure on credit cards was repaid to GLEN, between January 2014 and May 2017, €51,174 which was spent using company credit cards was not adequately supported by itemised receipts or invoices;
- The absence of formal agreements in place between GLEN and other third parties in respect of expenditure incurred or sums advanced.

The inspectors also highlighted the importance of the need for continuous communication by the external auditor with the charity trustees where significant internal control issues were identified.

“GLEN is currently in the process of being wound down,” Mr Farrelly said. “The Charities Regulator has sought an update from the charity trustees on the status of *other debtor* amounts due to the charity prior to the wind down being completed.”

The Charities Regulator acknowledges the cooperation of the charity trustees and senior management in originally bringing the matter to its attention. “I would like to recognise the achievements and contribution of GLEN to Irish society,” Mr Farrelly said. “However, this report highlights the impact which a lack of robust governance and oversight can have on an otherwise vibrant charity.”

The Charities Regulator urges charity trustees to inform themselves of their obligations as charity trustees by reading its ‘Internal Financial Controls Guidelines for Charities’, ‘Guidance on Charities and the Promotion of Political Causes’ and its ‘Guidance for Charity Trustees’ in respect of which there is an e-learning tool. All of these are available on the Charities Regulator’s website www.charitiesregulator.ie The Charities Regulator also notes that the guidelines on the governance of charitable organisations, planned for later this year, will provide further guidance for charity trustees on issues raised in the inspectors’ report.

To read the [inspectors’ report](#) visit

http://www.charitiesregulator.ie/en/CRA/GLEN%20inspectors%20report%20_270418.pdf/Files/GLEN%20inspectors%20report%20_270418.pdf

For more information: email press@charitiesregulator.ie or contact Eamon Timmins, Head of Communications and Stakeholder Engagement, at 01-6331517 or 087-7520978.

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