

Inquiry Report

Palestinians Relief and Development Fund (Interpal)

Registered Charity Number 1040094



This report dated 1 June 2012 is supplementary to the Commission's Statement of Results of an Inquiry of 27 February 2009.

The Charity

The Palestinians Relief and Development Fund, also known as Interpal ("the Charity") is a registered charity delivering aid and other charitable relief to the Palestinians, mainly in the Occupied Palestinian Territories¹, Jordan and Lebanon.

Commission's Inquiry

1. In February 2009 the Commission closed its Inquiry into the Charity and published a statement of the results of the Inquiry report².
2. In light of some of the conclusions reached during the Inquiry, on 26 February 2009 the Commission made an Order under section 19A of the Charities Act 1993 ("the Order") directing the trustees to:
 - carry out a review of the trustees' due diligence and monitoring procedures ("Action 1"). The review was required to ensure that the Charity undertook adequate due diligence checks on local partners and to verify that the Charity's funds were properly applied for charitable purposes. This was particularly important for the Charity in light of their area of benefit and method of working with local partner organisations
 - end the Charity's membership of, and in all other respects dissociate from, the Union for Good³, including ceasing to provide it with any facilities or other resources ("Action 2")
 - ensure that no trustee of the Charity holds any office or has any role whatsoever within the Union for Good ("Action 3"). The membership of and linkage to the Union for Good represented a risk to the Charity due to the nature of the allegations made about the Union for Good, as set out in the Inquiry report published in February 2009. This was also due to the fact that the Inquiry found that at least four organisations listed (by the Union for Good) as members of the Union for Good were designated in the UK and some organisations (so listed) had also been designated by the UN.

1 Comprising the Gaza Strip and the West Bank.

2 A copy of which is available on http://www.charitycommission.gov.uk/Library/interpal09_archive.pdf.

3 Union for Good described itself as a coalition of charities.

Action since the Inquiry closed

3. The timeline for compliance with the Order was 26 November 2009. Post closure of the Inquiry the Commission stayed in close contact with the Charity to monitor their progress in complying with the Order.
4. The Charity managed to comply with Actions 2 and 3 as required and on 9 July 2009 the Commission informed the Charity that it was satisfied that the trustees had complied with Actions 2 and 3 in relation to the Union for Good. In doing so the Commission took into account the following evidence to substantiate the Charity's claim that they had concluded the action:
 - evidence from the Union for Good confirming that the Charity was no longer a member
 - evidence from the Union for Good accepting the resignation of one of the trustees of the Charity as General Secretary
 - a public interview in an online publication Humanity Voice⁴ on 7 April 2009 confirming that the Charity was no longer a member of the Union for Good and that the Charity trustee had stepped down as General Secretary
5. Following compliance with Actions 2 and 3, the Charity found it necessary to request that the Commission extend the timescale for completion of the Order in relation to Action 1 as the nature of the exercise was such that the timescale was insufficient to enable them to effectively complete this. The Commission agreed to extend the timescale to 26 May 2010 provided that the Charity met the following targets:
 - submission of the completed Partnership and Funding Operations Manual ("the Manual") by 25 January 2010
 - provision of evidence to the Commission of how the implementation of the Manual had been undertaken by 29 March 2010
 - submission of evidence of verification of local partners and other recipients by 30 April 2010
6. In order to satisfy itself that the extensions were necessary and ensure final compliance with the Commission's directions, the Commission met with the trustees on 2 February 2010, 13 April 2010, 5 May 2010 and on 17 May 2010 and closely monitored their progress during the extended period.
7. The Charity met all of the targets stipulated within the extended timeline and on 27 May 2010 the Commission therefore, informed the trustees that the Commission was satisfied that the Charity had put in place a number of procedures to take account of and address the failings identified by the Inquiry which required rectification through the terms of the Order. These processes and procedures were contained in the Charity's Partnership and Funding Operations Manual which clearly set out the Charity's procedures for the selection, due diligence and monitoring of their partners and beneficiaries, so as to safeguard the Charity's funds and its reputation.

⁴ <http://www.humanityvoice.net>.

Post Compliance Interaction

8. In addition to the work undertaken with the Charity to ensure full compliance with the Order and to ensure continued compliance with their legal duties by the trustees the Commission and trustees agreed that a follow up monitoring visit would be undertaken by the Commission once a sufficient period of time had elapsed. The purpose of the visit was to ensure that the trustees had implemented in practice the procedures they had set out in the manual.
9. On 6 September 2011 the Commission carried out this monitoring visit to the Charity to follow up on the implementation of the procedures. The Commission examined evidence of the implementation of its due diligence and monitoring procedures at this date. Prior to the visit, the trustees provided examples of how the partnership agreements worked in practice and set out how they were verifying the end use of funds. During the visit the Charity explained that they had reduced the number of local partners and had taken robust steps to ensure that these partners were complying with the Charity's processes and procedures in selecting beneficiaries. These explanations were supported by the documentation examined by the Commission during the visit. These processes appeared to be conducted in line with the Charity's established processes defined within their manual.
10. The trustees demonstrated to the Commission that they had developed appropriate procedures and systems to ensure that they are able to satisfy themselves that the Charity has appropriate partners to work with. The responsibility lies with the trustees in administering their Charity to continue to review these procedures to ensure that they remain fit for purpose. The Charity must continue to undertake due diligence on any local partner in order to mitigate the risks of the Charity's funds being abused or misapplied.

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