



Inquiry Report made under Section 33 of the Charities and
Trustee Investment (Scotland) Act 2005

Breaking Chains Global

Scottish Charity number SC048087

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Executive summary

OSCR has concluded an inquiry into Breaking Chains Global, Scottish charity number SC048087 following media reports and receipt of concerns about the running of the charity, particularly high profile fundraising events that resulted in a significant amount of money being collected by the charity.

Following consideration of a significant amount of information provided by the charity trustees, OSCR identified some weaknesses in the charity's governance that required action to improve how the charity operates in the future. To support the charity in taking appropriate steps to addressing these weaknesses, OSCR made a series of recommendations to the charity, some of which have already been addressed. OSCR will monitor progress against these to ensure the improvements in governance continue.

Given the significant amount of interest in the public domain in this charity and the events that led to OSCR's inquiry, this report has been prepared to provide a balanced overview of our inquiry and the conclusions reached.

Introduction

Breaking Chains Global, formerly PAH (Scotland), is a Scottish charitable company established to raise awareness of mental health issues. In 2019, the purposes were amended to include raising awareness of human trafficking and modern slavery to protect and safeguard vulnerable people. In 2018, the charity had well publicised plans to undertake large-scale fundraising activities with the aim of raising £1million that would be distributed to other primarily mental health charities. Following these activities taking place, OSCR received concerns about how those funds had been used. OSCR deemed it appropriate to undertake an inquiry to identify whether any regulatory action was required. At the time our inquiry commenced, there were two charity trustees in place at the company and further charity trustee was appointed during our inquiry.

It was clear that the charity had attracted significant media attention due to its links to high profile individuals and that substantial amounts of money had been raised through its fundraising efforts. In order to protect public trust and confidence in charities, it is important to OSCR that there are robust controls around fundraising activities so that the public can donate with confidence that the charity will protect donations and use the money for the purposes of the charity.

The focus of our regulatory interest was in:

- The management of significant fundraising activities undertaken by the charity and the stewardship of the funds collected as a result of those activities and spent in supporting those activities
- Compliance by the charity of its legal requirements in relation to the preparation and external scrutiny of its annual report and accounts
- Changes made by the charity to its governing document and whether the changes had been carried out in line with legal requirements.

Our inquiry

OSCR determined that it was necessary to seek further information from the charity trustees to understand more about what had happened in relation the areas of regulatory interest. The charity trustees fully cooperated throughout OSCR's inquiry with all requests for information. OSCR was then able to consider and reflect on the information provided in order to draw conclusions and determine appropriate action. We also met with the charity trustees virtually in the course of our inquiry to obtain further clarification on some matters and to allow discussion and explanation of the concerns to ensure the trustees were aware of their responsibilities going forward.

When considering the information provided by the charity trustees, we did so in the expectation that charity trustees should always meet their legal duties to act in the interests of the charity at all times and with due care and diligence. In this context, this means that charity trustees should:

- take appropriate steps to protect charitable assets, including the charity's reputation
- ensure strong management and planning of significant fundraising activities, carefully considering how such activities are undertaken and who undertakes them and understanding the implications for the charity of the choices they make
- be open and transparent about the resources the charity has and how those resources have been used.

Our conclusions

On the basis of our consideration of the information gathered during our inquiry, there were weaknesses in the governance and stewardship of the charity's assets by the charity trustees.

We concluded that the charity trustees need to better understand:

- the need for strong, well documented, and transparent decision making
- the need for robust planning of significant events
- the need for exercising strong financial management
- the need to consider the reputation of the charity, particularly where there are links to high profile individuals and events.

While the weaknesses identified do not appear to have been deliberate, OSCR must consider whether any regulatory action is necessary and proportionate.

On taking into account the steps that the charity trustees have already taken to improve the way in which the charity operates, OSCR determined that the most appropriate course of action was to provide recommendations to support the charity to function better in the future. Our recommendations focus on the areas of weaknesses we identified and we will monitor the progress made by the charity in putting these recommendations into practice.

Learning lessons for the sector

Here are some key points that other charities and those advising and supporting charities may find useful to consider and act upon where necessary:

- Charity trustees should ensure all actions and decisions they take are grounded in what is in the best interests of the charity. Possible implications and consequences should always be taken into account in making a good decision.
- When considering holding a major fundraising event, charity trustees should properly plan and prepare for the event so that there is clarity for all involved and all relevant factors are taken into account when making significant decisions. This would include putting written contracts in place where appropriate and ensuring that they are in the interests of the charity.
- Be open and transparent about what your charity is doing and how it is operating – use the Trustees' Annual Report to your advantage in explaining the charity's finances and its annual accounts.
- Ensure the charity complies with all legal requirements including those relating to the proper preparation and external scrutiny of accounts.
- Trustees need to understand how they make changes to the charity and when consent is required from OSCR in advance of any such action being taken.

Other sources of help

OSCR has guidance available to help charities and those supporting them on these matters:

- [Guidance and Good Practice for Charity Trustees](#)
- [Being a Charity in Scotland](#)
- [Accounting and Reporting](#)
- [Conflicts of Interest](#)
- [Remuneration \(Paying charity trustees and connected persons\)](#)
- [Making changes to your charity](#)

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