

INQUIRY REPORT

The Kiltwalk

Scottish Charity Number: SC042580

As a result of a concern raised with us and related media coverage, we opened an inquiry on 27 February 2015 into the above charity. We considered this appropriate, given apparent concerns that the charity trustees were failing in their legal duties by allowing the costs of the charity to increase, thereby reducing the donations made to other charities. In addition, changes in the distribution of funds resulted in some charities being dissatisfied with the proportion of donations that they received causing some to withdraw as partners. These issues culminated in a number of articles in the media questioning the running of the charity.

Given the publicity surrounding the concerns raised, we feel that it is in the public interest to publish this report.

Based upon the information provided to us, we consider that the actions of the charity trustees to have been wholly consistent with their general duties in charity law. We have not identified any matters of a regulatory nature that warrant any further action by OSCR at this time and have therefore closed our inquiry.

Background

The charity was registered on 9 September 2011. It is a Scottish Charitable Incorporated Organisation (SCIO), and its purposes are:

- To relieve the poverty, advance the education and promote the welfare of children in need; and
- To work together with children's charities to support disadvantaged children; and
- To provide children's organisations with a means to fundraise for their own charitable purposes as well as for disadvantaged children.

According to the charity's own website the idea of the Kiltwalk event was developed while Carey McEvoy was the chief executive of the Tartan Army Children's Charity (TACC) – SC038330. While the event was a success under TACC, the decision was taken to establish The Kiltwalk as a charity in its own right. In the first year, the beneficiaries of The Kiltwalk included CHAS, Aberlour, CLIC Sargent and TACC.

Our Inquiry

Our inquiry looked at the running of the charity since it was awarded charitable status and the considerable growth it has experienced in a short time. We met with the charity trustees in April 2015.

It was clear that The Kiltwalk events have been far more successful than was initially anticipated.

The trustees clearly understood that the unprecedented success of the Kiltwalk events resulted in sudden and largely unplanned costs. However, due to the nature of the events many of these costs were necessary and unavoidable owing to legal requirements relating to the health and safety of large numbers of people. The charity trustees have in their own words been 'outrun' and as a result have had to review their previously planned budgets. They have now introduced measures to reduce costs and to seek run more efficient operations that do not impact on the success of the events.

Despite the intention to attempt to return 100% of every pound raised for charity, the vast expansion has meant that this was impossible. As a result, the charity could only return 68p in the pound in 2013. The charity's 2014 accounts have not yet been fully audited and therefore we cannot state what the pence in the pound ratio is until they have been signed and officially submitted to us. However, we have had sight of the draft version, and found that the return in 2013 and 2014 to be consistent with the average of similar mass participation events. Additionally, the charity does not have central funding and has very little corporate sponsorship, which might have increased the return ratio.

The trustees are confident that all of the expenditure has been necessary, and have sought in good faith to operate consistently in the interests of the charity and in line with its purposes.

Prior to our contacting the charity, Mr Carey McEvoy resigned from his position as CEO in the wake of the media criticism. However there is nothing to suggest any impropriety in his management of The Kiltwalk, and his leaving was solely to protect the charity from further harm.

Conclusion

We are satisfied that the charity trustees have been fully aware of the financial transactions of the charity, the actions of the management team and have approved the courses of action taken. We are also satisfied that they were acting in the best interests of the charity.

Based upon the information provided, we consider the actions of the charity trustees to be consistent with the legal general duties described in section 66 of the Charities and Trustee Investment (Scotland) Act 2005. We have not identified any matters of a regulatory nature that warrant any further action by us at this time. As a result we have closed our inquiry.

Issues for the wider sector

Over the past few months there has been considerable media coverage of significant and negative allegations made against the charity. It is our view that the charity has suffered reputational damage which has impacted materially on its fundraising activities in the short term.

Trustees need to be aware that they could become the focus of media attention at any time and should consider seeking advice and/or having a policy in place on how to deal with media interest. In the case of The Kiltwalk, the charity had a Frequently Answered Questions page on its website which helped to address some of the allegations. Transparency is key for charities, especially for those who raise substantial amounts of funds.

Where trustees experience challenging or unexpected situations in the running of their charity, they may wish to consider including additional information to explain these in their Trustees' Annual Report to assist readers in understanding what has happened within the charity and considering the financial results in an informed context. It is good practice for charities, in the interests of transparency and good governance, to consider publishing a copy of their finalised accounts on their website after they have submitted them to us (they are in any event required to make them available on request).