

**CHARITY COMMISSION FOR ENGLAND AND WALES**

**DECISION REVIEW AND FINAL DECISION**

**of**

**INTENTION TO ISSUE AN OFFICIAL WARNING UNDER SECTION 75A OF THE CHARITIES ACT 2011**

**In connection with**

**THE DEAN AND CHAPTER OF THE CATHEDRAL CHURCH OF CHRIST IN OXFORD OF THE FOUNDATION OF KING HENRY VIII (1143423)**

**9 November 2022**

**Introduction**

1. This document records the outcome of the Charity Commission's ('the Commission's') review of its intention to issue an Official Warning to The Dean and Chapter of the Cathedral Church of Christ in Oxford of the Foundation of King Henry VIII ('the Charity') under section 75A of the Charities Act 2011 ('the Act') and makes the final decision regarding the intention to issue the Official Warning.
2. The review and final decision has been undertaken by Chris Sladen, Head of Proactive Casework, Regulatory Services ('the Reviewer') under the Commission's Decision Review procedure which is set out in the publication 'Dissatisfied with one of the Charity Commission's decisions: how can we help you?' available on the Commission's website<sup>1</sup>. Mr Sladen has not had any involvement in the Commission's cases about the Charity prior to commencing this Decision Review.
3. The decision is set out as follows:
  - Background to the proposed intention to issue an Official Warning
  - Notice of intention: summary of grounds
  - Summary of the relevant legal framework
  - Summary of the representations made
  - Consideration of representations
  - Other considerations taken into account by the Reviewer
  - Conclusion

**Background to the proposed intention to issue an Official Warning**

4. The Charity is governed by a Royal Charter dated 16 March 2011, charters dated 20 November 1546 and 11 December 1546 and statutes last amended on 16 March 2011. The Charity's objects include the advancement of religion, education and learning and also the advancement of the arts, culture, heritage and science.
5. In January 2019, the Commission opened a Regulatory Compliance Case into the Charity to explore concerns that had been raised (primarily) about the Charity's relationship with one of its then trustees, Martyn Percy, the then Dean of the Cathedral ('the Dean'). As the Regulatory Compliance Case progressed, it became clear that a

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<sup>1</sup> [Dissatisfied with one of the Charity Commission decisions.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/107111/dissatisfied-with-one-of-the-charity-commission-decisions.pdf)

very divisive internal dispute had developed between different parties within the Charity that threatened the effective administration and management of the Charity.

6. On 12 July 2022, after extensive engagement with the Charity, which has included:

- several meetings with key personnel within the Charity
- numerous rounds of correspondence
- a books and records inspection
- formal written regulatory advice and guidance being issued to the Charity's trustees under section 15(2) of the Act
- the assessment of numerous complaints received about the Charity in connection with the dispute (and having put these concerns to the Charity's trustees and having assessed their responses)

the Commission issued Notice of its intention to issue an Official Warning to the Charity ('the Notice') under section 75A of the Act.

7. The Charity, and its trustees, were invited to make any representations to the Commission's Notice by 9 August 2022. Five sets of written representations were received, and Mr Sladen was allocated as the Reviewer to consider these further.

8. Four of those making representations subsequently took up the offer of making additional oral representations and met with the Reviewer for this purpose.

#### **Notice of intention: summary of grounds**

9. The Reviewer noted the Commission's grounds as set out in the Notice as being (in summary):

- In the context of a long running dispute with the former Dean, the Commission has determined there has been mismanagement and/ or misconduct in the management and administration of the Charity. This is because the trustees have not: (a) managed the Charity's resources responsibly; (b) ensured that the Charity is accountable.

10. In more detail, the Commission had significant concerns that legal and associated costs in connection with the dispute had risen to over £6m, that the trustees had not had sufficient oversight of these costs (or in fact authorised them properly), that some powers had been improperly delegated, that there were inadequate internal controls and that the Charity had not been transparent when asked about costs by members of the public, by the Commission and in the presentation of its annual accounts.

#### **Summary of the relevant legal framework**

11. Section 75A was introduced by the Charities (Protection and Social Investment) Act 2016 in October 2016. Pursuant to section 75A(1), the Commission may issue a warning:

- a. to a charity trustee or trustee for a charity who it considers has committed a breach of trust or duty or other misconduct or mismanagement in that capacity, or
- b. to a charity in connection with which it considers a breach of trust or duty or other misconduct or mismanagement has been committed.

12. Pursuant to section 75A(5), the Commission's notice of its intention to issue an Official Warning must specify:

- (a) the power under subsection (1) to give the warning, and the grounds for the warning;
  - (b) any action that the Commission considers should be taken, or that the Commission is considering taking, to rectify the misconduct or mismanagement referred to in subsection (1);
  - (c) whether and, if so, how the Commission proposes to publish the warning;
  - (d) a period within which representations may be made to the Commission about the content of the proposed warning.
13. Section 75A(6) states that where the Commission gives notice under subsection (3) of its intention to issue a warning:
- (a) it must take into account any representations made to it within the period specified in the notice, and
  - (b) it may (without further notice) issue the warning either without modifications or with such modifications as it thinks desirable.
14. In its notice of intention to issue the Charity with an Official Warning, the Commission relied on the power specified in section 75A(1)(b), that is, to issue the Official Warning to the Charity rather than individual trustees.
15. In approaching the interpretation and application of the section 75A power, the Reviewer has had particular regard to:
- The Commission’s statutory objectives pursuant to section 14 of the Act. The Reviewer notes the first, third, fourth and fifth of the objectives, namely the public confidence, compliance, charitable resources and accountability objectives as being particularly relevant.
  - The Commission’s Regulatory and Risk Framework, which sets out the Commission’s regulatory approach and how it assesses risk when deciding how to deal with individual cases<sup>2</sup>.
  - The Commission’s Operational Guidance 404 (Official Warnings by the Commission)<sup>3</sup>.
  - The Commission’s Q and A guidance on Official Warnings<sup>4</sup>.
  - The Commission’s duties as a public authority to act in accordance with the Human Rights Act 1998, the Equality Act 2010 and the principles of best regulatory practice and the Economic Growth Duty.
16. The issues for the Reviewer to consider were whether the statutory criteria in section 75A were established; whether making the Order is consistent with the requirements of public law; and whether the Commission should now proceed to issue the Official Warning.

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<sup>2</sup> [Charity Commission Regulatory and Risk Framework - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

<sup>3</sup> [g404a001 Official Warnings by the Commission \(charitycommission.gov.uk\)](http://charitycommission.gov.uk)

<sup>4</sup> [Guidance - Official warnings to charities and trustees: Q and A \(publishing.service.gov.uk\)](http://publishing.service.gov.uk)

## Summary of the representations made

17. The Reviewer has considered with care the five written representations made and the submissions made in the additional four oral representations. The most salient points are summarised below and then responded to in the section that follows.

### Representations no 1 (Name withheld at individual's request)

18. The first set of written representations were received from a current trustee, making an individual representation. This individual initially argued against the Official Warning stating, amongst other things, that:

- Had the Commission acted to remove the Dean as a trustee some of the subsequent expenditure could have been avoided.
- Much of the expenditure was 'non-discretionary', that is, it had to be incurred once legal actions commenced as part of the dispute.
- The trustees *had* scrutinised the Charity's accounts and budgets but given the size of the Charity reviewing every line of expenditure would have been confusing and complex.
- The Charity's finances have been managed 'extremely well' overall; it was not fair to criticise one particular matter.

19. A few days later this individual wrote again to the Commission to state that the Charity 'should accept that the aspect which you intend to warn us is something which was not as well handled or clear as it could have been' and that 'the prospects of leaks should not have prevented much greater transparency for all the trustees'. This individual did not take up the offer of oral representations.

### Representations no 2 (Nigel Biggar)

20. Written representations were also received by a second current trustee and, in oral representations, the following points were amplified and expanded upon.

21. This individual wrote in support of the proposed Official Warning, but argued, amongst other things, that:

- It was not fair in the draft Order to refer to 'the trustees' as a collective body when referring to information that had been provided to the Commission in the course of the engagement. It was explained that it was the *executive officers* who had been providing information to the Commission and that some trustees had not been informed of responses or of the amounts that had been spent by the Charity in the course of the dispute with the Dean.
- The Official Warning being issued to the Charity as a corporate body allowed individuals to escape censure for their conduct.
- The Official Warning did not go far enough. It was explained that only a statutory inquiry into past conduct was suitable for what was regarded by this trustee as apparent misconduct and fraud.
- The information contained in the draft Official Warning about the total legal fees incurred was inconsistent with the fees that had been declared to the trustees and in Freedom Of Information ('FOI') responses issued by the Charity.

### Representations no 3 (Martyn Percy)

22. The Commission also received representations from the Dean, with whom the Charity had been in dispute. At the time that the Commission issued the Notice, the Dean had ceased to be a trustee and had come to a legal settlement with the Charity. The Commission did not issue a copy of the Notice to the Dean.
23. However, having received the representations from the Dean, the Reviewer gave thought to whether he should consider the representations made.
24. Weighing up the factors, the Reviewer determined that while the Dean was a person with a clear interest in the dispute, the Dean was also a trustee during most of the relevant time and therefore his views are a relevant matter for the Reviewer to consider and come to a rounded opinion on the merits of the proposed action.
25. The Reviewer noted that there were no restrictions in the Act on who could make representations for the Commission to consider.
26. The Reviewer determined that he would consider the representations advanced by the Dean so as to ensure the full background to the dispute could be determined from various positions and to ensure that all relevant information informed this decision. The Reviewer kept in mind that the Dean was clearly personally interested in the matters at hand.
27. The representations advanced by the Dean were in favour of the Official Warning but concerns were raised by him that:
  - No individuals would be named in the Order and individuals would therefore not be held accountable for their actions.
  - What had been alleged in the Charity went beyond allegations of misconduct and/ or mismanagement in the administration of the Charity and were much more serious than this, potentially reaching the threshold of criminal offences.
  - There were instances of bullying and serious abuse of charitable funds.
  - Keeping those individuals responsible for what had happened in the Charity in their posts will place at risk the credibility of any future governance reviews that might take place.
  - Trust and confidence cannot be restored in the Charity whilst those responsible for the alleged wrongdoing remain in their posts.
28. In short, the Dean welcomed the proposed Official Warning but argued that it did not go far enough; only a statutory inquiry would uncover the wrongdoing that had taken place in the Charity in his view.

### Representations no 4 (Peter McDonald)

29. The fourth set of representations were received from an individual who also explained that they were a current trustee writing in an individual capacity. They considered that 'the grounds for this warning to be entirely accurate, and the warning itself therefore justified'.
30. Concerns were expressed however that issuing the Official Warning to the Charity as a corporate body rather than to specific individuals allowed those who were most responsible for the alleged misconduct and/ or mismanagement identified to 'shelter behind collective responsibility'.

### Representations no 5 (the Charity trustees collectively)

31. The Charity's legal representatives submitted a lengthy submission on behalf of the Charity's trustees as a collective. They also submitted approximately 800 pages of evidence to rebut the allegations of misconduct and/ or mismanagement alleged by the Commission in the Notice.
32. After the Reviewer met with the Charity's representatives and heard their oral arguments, the Charity made further written submissions. To ensure that the conclusion reached in this Decision Review was fair, the Reviewer also considered these additional representations, although they were strictly received out of time.
33. In summary, the Charity's representations argued that the proposed Official Warning should not proceed on the basis that:
  - There were overarching flaws in the Notice and the draft Official Warning including that it had been improperly served and had not properly identified misconduct and/ or mismanagement
  - It was factually inaccurate in relation to:
    - The costs incurred in relation to the Smith Tribunal and what the Commission said at the relevant time
    - Costs incurred between 2020 and 2021
    - Budgeting arrangements in the Charity
    - Delegated powers
    - Reporting back to the trustee board once delegation powers had been granted
    - The lack of financial controls
    - Disclosure of information under FOI
    - The transparency of the Charity's accounts etc.
34. The representations also argued that the proposed Official Warning would have a detrimental impact on the reputation of the Charity, might cause individual trustees to be subject to disciplinary measures by the associated University and may cause individuals affected by the dispute between the Charity and the Dean to re-live aspects of the dispute that had occurred, causing them serious detriment.
35. It was requested that the proposed Official Warning should be replaced by a mutually agreed Action Plan under section 15(2) of the Act.

### **Consideration of representations**

#### Representations no 1

36. Having reviewed the corresponding files, the Reviewer acknowledges that some expenditure of charitable funds on legal and associated costs was inevitable once it was determined that disciplinary proceedings should commence against the Dean. Equally, once these initial disciplinary proceedings ended and a clear dispute developed between the Dean and others, the Reviewer also considers that it was inevitable that expenditure of further charitable funds would follow as the Charity defended its position, took legal advice on how its trustees should properly discharge their duties and then later in connection with further disciplinary action that was considered and then commenced against the Dean. Associated costs connected to FOI requests, media handling etc were

also all inevitable in the Reviewer's opinion but the question as to whether they were reasonable in quantum and properly incurred has been at the fore front in the Reviewer's mind when considering whether the Official Warning should proceed.

37. The Reviewer also acknowledges the evidence provided by the Charity in its submissions (as also advanced in these representations) that general budgets were drafted and scrutinised by the Charity and its trustees, its Treasury Department and its Finance Committee. The Reviewer notes that this scrutiny was in the *general* rather than the *specific*.
38. The Reviewer has considered whether the prominence of the dispute in the Charity and the sums of charitable funds that were increasingly being spent in connection with the dispute (which was clearly impacting on the day-to-day governance of the Charity and its reputation) and the *general* budgeting and scrutiny that existed was reasonable or should have gone further in the circumstances. The Reviewer notes that this individual's representations make a similar point (see paragraph 19 above) and places weight on them being someone with a clear understanding of the Charity's internal processes.
39. In summary, the Reviewer has noted nothing in these representations that should prevent the proposed Official Warning being issued.

#### Representations no 2- 4

40. The Reviewer has analysed the arguments made in these three representations together as they make similar submissions.
41. It is noted that concerns have been raised about the reasonableness and fairness of holding the entire trustee body collectively responsible for the apparent misconduct and/or mismanagement in the Charity.
42. The Reviewer's view, however, is that in law the trustees of a charity are collectively responsible for their charity's successes and failures and for the purpose of section 75A of the Act, it is not necessary for the Commission to establish whether individual trustees bore greater or lesser culpability; it is simply enough that either a breach of trust or duty or other misconduct or mismanagement has been identified and that it is reasonable for that to be attributed to the trustee body as a whole.
43. The Reviewer's assessment is that the governance of the Charity has at times been less than adequate (as set out in this decision and in the Notice) and the trustees collectively must bear responsibility for that.
44. It was also a feature of these three sets of representations that the proposal to issue an Official Warning to the Charity was not challenged as being somehow unreasonable; it was clearly supported, but all three representations (to different extents) argued that it did not go far enough.
45. It is not the purpose of this Decision Review to determine if the Commission should take additional regulatory action in connection with the Charity at the current time. The issue for the Reviewer to decide is whether the representations submitted demonstrate that the grounds for the Official Warning in the Notice have or have not been established.
46. The Reviewer has not identified anything in these three sets of representations to indicate that the grounds for the Official Warning have not been met.

47. The Reviewer has analysed the submission in respect of alleged inconsistencies in information provided in FOI responses issued by the Charity (as raised in the second set of representations received and summarised above in paragraph 21) in paragraphs 85-88 below.

#### Representations no 5

48. Lengthy representations were made by the Charity's legal advisors on behalf of the trustees collectively. The Reviewer has considered each point made separately under the headings below.

#### *Issue 1 – Overarching flaws in the Notice and draft Official Warning*

49. Concerns have been raised that the Commission's Notice refers to the view that 'misconduct and/ or mismanagement' has occurred in the administration and management of the Charity. The Charity's representations suggest that the Notice is defective because it does not specify which individual has committed the said act (or omission) amounting to misconduct or mismanagement and suggests too that referring to misconduct **and/ or** mismanagement rather than specifically one or the other is legally improper. The representations also suggest the Notice does not set out the grounds for suggesting whether misconduct or mismanagement has actually happened.

50. The Reviewer has considered carefully the Notice and disagrees with the Charity when it says that the grounds have not been set out. The Reviewer also does not agree that when an Official Warning is issued to a charity, rather than its trustees, that the grounds need to identify which individuals are responsible for the misconduct and/ or mismanagement identified.

51. In the Reviewer's view the Notice clearly sets out why the Commission considers misconduct and/ or mismanagement has occurred. The Notice sets out under two broad headings ('managing the Charity's resources responsibly' and 'ensuring the Charity is accountable') where it considers whether the legal test set out by the wording of the Act (misconduct or mismanagement in this instance) has been met. The Notice then recounts a set of events before concluding whether the legal test set out in the Act has been met in relation to those events. In the Reviewer's opinion, this narrative clearly represents the grounds/ reasons for the proposed action. The Reviewer has considered these individual reasons and whether they are reasonable in the paragraphs that follow.

52. The Charity has also raised concern about the draft Order and that its provisions are inconsistent with the wording set out in the accompanying Notice. The Reviewer agrees that there are instances of inconsistency with the language used in the Notice and the draft Order and the Reviewer considers that any final draft of the Order must properly reflect what is in the Notice and vice-versa.

53. The Reviewer does not agree, as argued in the Charity's representations, that the Commission has not identified and specified what the alleged misconduct and/ or mismanagement is that needs to be remedied- that is set out clearly in the accompanying Notice and in brief but clear terms on the face of the Order.

54. The Reviewer does not consider that references to 'breaches of trust' in the draft Order when the Notice refers to 'misconduct and/ or mismanagement' means that the proposed Order is fundamentally flawed. The draft Order is consistent with the Commission's usual practice and reproduces the text of the relevant statutory provision. Section 75A(1)(b) states that the Commission can issue an Official Warning 'to a charity in connection with

which it considers a breach of trust or duty or other misconduct or mismanagement has been committed’.

*Issue 2- Managing the Charity’s resources responsibly- in relation to the Smith Tribunal*

55. The Notice sets out, across the first two paragraphs under the heading ‘Managing the Charity’s resources responsibly’ the Commission’s concerns in relation to the costs incurred in relation to the first disciplinary process against the Dean (‘the Smith Tribunal’).
56. The Charity has responded to this expressing its concern that the Commission’s narrative now is not consistent with the facts and that at the relevant time (2019 to 2020) the Commission’s staff member who was leading on the engagement with the Charity, did not indicate concerns in the same way as is now expressed in the Notice.
57. The Reviewer has considered the Commission’s files and correspondence at the time and broadly agrees with the Charity’s submissions on this point. It is clear that the Commission was aware of the approximate costs of the Smith Tribunal (and was concerned) but having explored the reasons with the Charity, appeared to be content with the explanations provided.
58. As such, the Reviewer does not consider that these paragraphs in the Notice can remain as reasons for the proposed power in the current format proposed. They may be useful as a background note to set the context (and in fact may have been drafted with that intention) and to show that the Commission has raised concern about the costs being incurred and of the need for careful management of those costs in the future but the Reviewer’s view is that they cannot stand as reasons for the use of the power; the Commission was broadly satisfied with the explanations at the time (despite its concerns about the total cost incurred, which the Commission said it ‘cannot condone’) and it is difficult to see a slightly different interpretation applied some years later.

*Issue 3- Managing the Charity’s resources responsibly- in relation to costs incurred between February 2020 and November 2021*

59. The Notice makes reference to the Commission asking for information from the Charity on 24 November 2021 (the Reviewer notes that this was actually on 4 November 2021) and to the trustees not being able to respond in full as the Commission requested (in their letter of 10 December 2021).
60. The Reviewer further observes that it is clear to him that the Commission was becoming increasingly concerned about the apparent inability of the Charity to answer with clarity what charitable funds had been spent on actions taken in association with the dispute with the Dean at this point. The Commission responded to the Charity’s letter of 10 December 2021 on 29 December 2021 expressing its unhappiness with the level of detail received. The Charity responded to this on 21 January 2022 providing a more comprehensive breakdown of costs.
61. The Notice articulates a view that the inability of the Charity to respond in full shows that ‘between February 2020 and November 2021 the trustees did not act on the Commission’s [previous] advice to ‘have close oversight of costs’’. The Charity has responded to this by stating that effectively they did have oversight of costs but that they couldn’t respond to the Commission’s letter of 4 November 2021 because the way records had been kept did not tally with the format of how the Commission had asked its question. In a strictly literal sense this may be correct, but the Reviewer observes that it was quite clear what the Commission was seeking to obtain clarity on at this time and

interpreting the question asked in such a narrow way does not convince the Reviewer that the Charity had a real grip on the cumulative cost of action taken in connection with the dispute with the Dean or in seeking to assure the Commission as regulator that it was managing the Charity's finances responsibly. The Reviewer is also not convinced that the Charity's responses to the Commission's correspondence at this time was as transparent as it could have been.

62. The Reviewer considers that given the prominence of the dispute within the Charity at the time, the considerable expenditure of charitable funds in connection with the dispute (subsequently confirmed as being £6.6m) and the obvious public and regulatory interest that was present, it was reasonable to have expected a more forthcoming and fuller response in relation to the legitimate concerns expressed by the regulator.
63. The Reviewer considers that the defensive way in which the Charity responded to legitimate questions from the Commission as regulator indicates that 'close oversight of costs' in relation *specifically* to the dispute was not present- responses should have been straight-forward to provide if there was.
64. The Reviewer has considered whether this lack of oversight amounts to either misconduct and/ or mismanagement in the administration and management of the Charity sufficient to warrant the use of the proposed power. On balance, the Reviewer considers that, as a minimum, this lack of oversight amounts to mismanagement because substantial charitable funds have been spent in connection with the dispute and some of the Charity's trustees were clearly unaware of the extent of the expenditure. The Reviewer considers that an argument could be made that this is also misconduct because it ought to have been obvious to the Charity and its trustees that given the high level of public interest in the ongoing dispute, not keeping readily accessible records would likely be regarded as not in accordance with the duty to manage the Charity's resources responsibly. The Reviewer considers that this ground as set out in the Notice has been met.
65. The Reviewer forms this view notwithstanding the wider internal scrutiny of the Charity's finances that was taking place (as evidenced by the documents provided by the Charity in their submissions and mainly found in its appendices 3(i) 3(ii) and 3 (iii) of its 9 August 2022 letter).
66. The Reviewer has analysed the material provided in these appendices. The Charity's submissions argue that that these appendices show the financial oversight exercised by the Charity via its Treasury team, its Finance Committee and its Governing Body (its trustees), but the Reviewer observes that whilst evidence *has* been provided by way of minute or extract of minutes from trustee meetings that *some* costs were discussed, what rarely appears to be discussed is whether costs were reasonable, whether costs should have a limit and whether expenditure should be capped.
67. For example:
  - Page 40 of bundle 3(i)- There is a meeting dated 11 January 2021 to discuss the second potential tribunal action against the Dean. There are references to costs and an estimate that these might be expected to be between £150,000 and £200,000 plus VAT. It is noted that 'the cost was unavoidable'. In a very detailed note, that is mainly about procedural items, the Reviewer notes that there is no consideration of what is reasonable or affordable for the Charity to incur nor reference to the duty to manage the Charity's resources responsibly.

- Page 52 of bundle 3(i)- The above meeting was adjourned until 13 January 2021. Discussion, once the vote had been carried to have a second disciplinary tribunal against the Dean, turned to procedure. There are references to which legal firms to use and to costs and expenses. There is no reference to a budget or to what is affordable nor to limits or thresholds to cap expenditure. There is a reference to potentially seeking Commission approval for legal costs to be provided to the Dean but this is the only reference that the Reviewer has observed of the trustees collectively trying to limit costs.
68. There was no consideration recorded in the minutes reviewed of the trustees having considered the Commission's relevant guidance 'CC38- Charities and litigation: a guide for trustees'<sup>5</sup>. The trustees will note, amongst other things that within this guidance they are informed that (paragraph 1.2) 'The decision whether or not to initiate or defend a legal action must only be made in the best interests of the charity and be balanced against the risks and consequences that any legal action could bring'. The Reviewer also notes (paragraph 2.3) that in making their decision 'the trustees should: take and consider legal advice; consider and assess the economic prospects of success or failure and the impact on the charity; consider whether their intended actions are proportionate in the circumstances; decide whether it is necessary or appropriate to ask for the Commission's consent or advice...'. Further advice is provided in section 2.6 of the guidance on how charities can manage the risks of costs associated with legal action. The Reviewer has had this guidance in mind when considering the trustees' actions and cannot see that it has been complied with in full.
69. The Reviewer further notes:
- Evidence has been provided by the Charity (pages 68 to 78 of the trustees' bundle 3(ii)) of potential costs for ongoing legal action in connection with the dispute. At page 79 of the bundle, documents have been provided to show the minutes of a trustee meeting dated 10 March 2021. At item E of this meeting note, it is reported that one legal firm (Herbert Smith Freehills) had been instructed and that 'They were neither the cheapest nor the most expensive option considered, but... it was felt they represented value for money'. There is no record however that the proposed costs were mentioned to the trustees nor how they represented value for money. There is no discussion at all of the quantum involved and the Reviewer struggles to consider how a decision could have been contemplated on this issue without this relevant information. Similarly at item J of the minute under 'Report of legal costs' there is no reference at all to what these costs are. The Reviewer has struggled to see how the trustees collectively exercised sufficient control over the Charity's finances when discussion of actual costs appears to have been so minimal.
  - Page 89 of bundle 3(i)- A trustee meeting is held on 26 May 2021 and the minutes show that there is further consideration of the potential second tribunal. The legal advisor from Herbert Smith Freehills is noted as summarising the personal qualities of the potential candidates to chair the tribunal. There is a reference to costs in that one choice for chair charges £50 per hour more than the other. It is recorded that 'the Charity Commission would scrutinise the money spent and that Governing Body would like reassurance that this expense was at the correct level, [the legal advisor] stated that it was an appropriate use of resources, and that, as a senior QC had been appointed as Chair, it was desirable to appoint the best advocate possible'. This advice, that the Commission might scrutinise the Charity's expenditure in the future, is correct. Having done so however, it is hard to form a view on what is reasonable if the trustees do not actually discuss the amount or whether it is affordable, in line with budget and represents a responsible use of the Charity's resources. Furthermore, whilst taking advice from professionals is clearly an aspect of best practice recommended by the Commission, the trustees are not expected

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<sup>5</sup> [Charities and litigation: a guide for trustees \(CC38\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/90221/CC38-Charities_and_litigation_a_guide_for_trustees.pdf)

to simply defer to their opinions but instead scrutinise what they are told and be satisfied that they are applying the Charity's resources responsibly. The Reviewer has not seen evidence of that.

- Page 96 of bundle 3(i)- A trustee meeting is held on 29 October 2021. Under item (i)- 'Payment of Dean's legal fees', there is a detailed assessment of whether his costs should be met by the Charity as part of the dispute and as part of ensuring a fair process. There is reference to seeking the Commission's permission to do so. There is also reference to the quantum of costs. As the meeting note progresses, under item (iii)- 'Legal costs to date/ instructing new lawyers', it is noted an individual 'raised the question of whether the information about legal costs to date should be shared via hard copies which could be viewed in the Treasury instead of via Share Point. There was a suggestion that limited information be shared with the Governing Body in this way, since it was important that this information not be leaked. One member of Governing Body said that making information harder to get was a problem as trustees needed to see this information in order to make informed decisions'. The Reviewer has formed the view that this entry is indicative of the trustees collectively not having a clear understanding of what costs had been incurred because information was not being shared as it should be.
- Page 103 of bundle 3(i) onwards- The Finance Committee hold a meeting on 5 June 2019. The full extent of the minuted meeting is simply 'The Committee recommend that Governing Body approves the 2018/19 budget set out at Document 1A'. Document 1A is provided and contains the Charity's financial forecast for 2018/19 and its budget for 2019/20. On page 112 of the bundle there is a line that states 'Legal & Professional fees of £1553k are forecast to be £1542k over budget'. This suggests that in the financial year 2018/19 the Charity estimated professional costs of just £9k but spent over £1.5m. The Reviewer finds it unusual that neither the Finance Committee nor the Charity's Treasury Department highlighted this extremely large discrepancy as part of the Charity's internal scrutiny processes. Passing reference is made- on page 135 of the bundle- with the statement 'Legal & Professional fees... are forecast... to be over budget due to legal work and fees incurred in the Great Matter and defending the House against claims for damages by an individual'. The Reviewer would have expected much greater prominence to be given in the report than a one-line entry in a nearly 60-page report (pages 103 of the bundle to 160).
- Page 161 of the bundle covers the minutes from the subsequent meeting that considered the above referenced report. The Treasurer's report is referenced but there is no reference to the £1.5m overspend on professional fees; the entry in the minutes simply states 'The treasurer provided an update on legal and professional fees'. No scrutiny appears to have been applied; there is no reference to any questions asked or answered.
- The Reviewer notes that a similar set of records have been provided for each of the subsequent financial periods, that is, 2019/20, 2020/21 and 2021/22. Similarly scant information in relation specifically to the Dean and the dispute are recorded, despite the significant costs being incurred, that these costs are significantly over the modest budgets set for professional costs and the prominence of this as an issue in the Charity.

70. The Reviewer finds that the records that the Charity have provided to demonstrate oversight of the Charity's finances was present does in fact demonstrate some oversight but only in a very general sense. Specifically in relation to the dispute, important information does not appear to have received the scrutiny that was warranted. There are instances where it is unclear if the trustees collectively were receiving proper updates on the financial performance of the Charity (indeed, some trustees have advised the Reviewer in representations that they were not) and the evidence provided by the Charity does not convince the Reviewer that there was full transparency in what was presented in financial papers for consideration. The Reviewer notes with concern the meeting notes referenced above in paragraph 69 about full disclosure of information

amongst the board and the only passing references to the legal costs being incurred (see also paragraphs 89-101 below).

*Issue 4- Managing the Charity's resources responsibly- in relation to no specific budget for the legal action and not setting triggers for review*

71. The Notice raises concern that in relation to the costs associated with the internal dispute no specific budget had been set. In their representations, the Charity dispute that no budgets had been set and provided a volume of documents to evidence the wider budgeting arrangements within the Charity, how scrutiny was applied and so on. The Charity's representations also explained at length how specific budgets for the legal actions connected with the dispute were hard to anticipate and subject to change as matters developed. Explanations were also provided that before instructing legal advisors costs were provided and updated as matters progressed; nothing was done without consideration.
72. As set out above in paragraph 69, the Reviewer has considered all of the material provided in the representations and acknowledges that there was *some* consideration of costs in relation to the dispute. However, as stated above, the Reviewer has not identified that these matters were shared regularly with the **full** trustee board or that specific budgets for the legal costs associated with the dispute were ever properly considered by the whole trustee board as to what was reasonable. Nor has the Reviewer identified that the Charity had any thresholds or triggers beyond which it was not prepared to go. There is a sense from reading the papers that whatever the cost of taking action against the Dean, the Charity was prepared to take it, which is not consistent with managing the Charity's resources responsibly.
73. The Reviewer's view is that where a charity may incur substantial costs in relation to a proposed action, its trustees must collectively consider how best to responsibly manage its resources. The obvious way to do this is to be clear about what is affordable, to build in some contingency for unexpected events and then budget and track that expenditure in a prudent way. The Reviewer can see why the Commission in its Notice has expressed significant concern about the total sum of the Charity's funds spent in relation to the internal dispute. The trustees should have anticipated this as the Commission provided regulatory advice and guidance under section 15(2) of the Act to them on this point in February 2020.
74. The Reviewer further considers whether this amounts to misconduct and/ or mismanagement. In the Reviewer's opinion this is, as a minimum, mismanagement in the administration and management of the Charity as the lack of a clear budget and appropriate scrutiny and oversight has meant substantial charitable funds have been spent in connection with the dispute which could have been avoided.
75. The Reviewer considers that in the context of the trustees' legal duties and given the profile of the dispute within the Charity, it was not reasonable to have no clear budgets for the potential expenditure associated with the internal dispute nor to have no clear thresholds or triggers for review that would allow further consideration of whether what was intended to be spent was reasonable. If specific budgets and triggers had been in place and subject to full scrutiny and decision making by the trustee board as a whole such significant charitable funds may not have been spent by the Charity in this way.
76. The Charity in its representations also raised concerns about its view that the Commission did not take action to intervene in the dispute by using its powers to remove the Dean as a trustee (and that this added to the costs incurred). The Reviewer can see that in 2019 the trustees made an application to the Commission for it to disqualify the

Dean using its formal powers. The Commission rejected that proposal having assessed that no grounds had been provided to disqualify him under section 181A, the relevant part of the Act. The Reviewer finds it hard to accept that the Charity's expenditure can be in any way attributed to the Commission. The Reviewer also observes that it is hard to avoid a view, having read the case files, that the trustees, or a proportion of them, were determined to remove the Dean from the Charity at almost any cost and this is exactly why the Commission has had such concern about the size of the costs incurred in the dispute with him and that this warranted consideration of an Official Warning.

*Issue 5- Managing the Charity's resources responsibly - regarding the delegation of powers to the Censor Theologiae*

77. The Notice expresses concern about the role of the Censor Theologiae and whether the explanations previously provided by the trustees that some authority for this post-holder to incur legal expenditure on behalf of the Charity was properly incurred. The trustees have now provided the Commission with an explanation on this point. In short, they argue that the Charity's statutes provide that where the Dean is excluded (as he was), the person holding the post of Censor Theologiae can incur expenditure on behalf of the Charity. The Charity has made reference to the judgment in the Smith Tribunal in relation to the Dean to support this position. The Reviewer notes that the relevant part of this judgment, as cited by the Charity, considered the Dean's expenditure on a quite discreet piece of advice. The Reviewer is not convinced that the extent of the expenditure overseen by the Censor Theologiae is completely analogous and whether the authority in the statutes extends to expenditure on the scale incurred.

78. The Reviewer has considered the explanations provided and whilst he is satisfied that the Charity's Governing Document *does* provide appropriate legal provision for the delegation referenced (and can also see that the Charity's minutes make reference to this decision) he is not convinced that this authority extends to expending significant charitable funds without further recourse to the wider trustee body. That said, the Reviewer believes that the Commission's reasoning as currently stated on this point is not entirely accurate and should be amended in the grounds for the use of the power.

*Issue 6- Managing the Charity's resources responsibly - reporting of costs back to the wider trustee board*

79. The Notice references that even if the Censor Theologiae was acting under proper delegation, they did not report the expenditure incurred by them back to the wider trustee body. The Charity's representations have attempted to rebut this assertion with arguments suggesting that the sensitivity of information and the possibility of leaks made full disclosures to the trustee body difficult (it seems that there has been an ongoing problem of information shared with the trustee body finding its way to the Dean and others, with whom the Charity has been in dispute). The representations argue that 'there was good reason for strict management (on advice) of access to costs information'.

80. The Reviewer has considered the legal advice received about this matter by the Charity and can see that while advice was received on disclosing sensitive legal documents setting out strategy in respect of the legal costs associated with the dispute, that advice does not seem to extend to sharing information to the wider trustee board on the status of matters more generally nor on what the legal actions were costing and whether they were reasonable. The trustees reference meeting minutes where the wider Governing Body had the opportunity to ask questions on costs. Reference is made specifically to a meeting in September 2019, but the Reviewer's opinion is that one would expect this to be something that could be regularly evidenced as happening throughout the time of the

dispute to ensure that full transparency and accountability was achieved. The Reviewer expresses some concern about what could be seen in minutes provided by the Charity, as set out above in paragraph 69, and whether full transparency and accountability has existed in the Charity during the relevant time.

81. The Reviewer acknowledges that the possibility of leaks was a complicating factor in communicating sensitive information amongst the trustee board, but this is not an exemption from complying with trustee duties. There was an obligation on the trustees to be accountable for the way they spent the Charity's funds and this requires openness amongst the Governing Body about costs. The Reviewer is not convinced that the potential for leaks outweighed the requirement to be accountable.

*Issue 7- Managing the Charity's resources responsibly - regarding the lack of formal financial controls*

82. When the Commission conducted its books and records inspection in April 2022 it identified that there was not an overarching internal financial controls policy. From reading the file and the Charity's representations, this issue appears to have now been addressed.
83. The Notice explains that the Commission has regarded this as misconduct and/ or mismanagement in the administration and management of the Charity. The Reviewer has considered whether this is reasonable. In doing so, he has considered the Charity's explanations of the financial controls that were in place (but not consolidated into one document).
84. The Reviewer expresses surprise that the Charity did not have one overarching policy in place. Arguably, the lack of a central policy could be said to have contributed to the other concerns that the Commission has expressed about the budgeting within the Charity and the scrutiny of expenditure. As the Commission's guidance entitled 'CC8- Internal Financial Controls for Charities<sup>6</sup>' states (paragraph 2.2) 'One of the most important financial monitoring activities is budgetary control, ie, monitoring the charity's financial performance against a budget...'. Not having an overarching policy that includes specific provision for items such as this represents a significant weakness that, in the Reviewer's opinion, has contributed to the issues that have emerged. That said, the Reviewer was not satisfied that the Notice sufficiently made out why the lack of a central financial controls document amounted to a finding of misconduct and/ or mismanagement as currently drafted. The Reviewer believes that this ground for the issuing of the Official Warning is not strong enough without further explanation and clarification by the Commission and therefore should be removed from the existing grounds.

*Issue 8- Ensuring the Charity is accountable- alleged failure to report on the costs in an Freedom Of Information (FOI) request.*

85. The Notice used the observation that the Charity had declined to provide information in response to an FOI (from someone called Alan Fox) as evidence that the Charity did not know what had been spent on legal and PR fees, supporting the view advanced that the trustees did not have an appropriate grip on the costs incurred.
86. In their representations, the Charity presented a different perspective on what had happened. They explained that it was the particular wording of this one FOI request that meant a response could not be provided to the applicant rather than the Charity not having a record of its costs. They also pointed out that the Charity had received 16 FOI

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<sup>6</sup> [Internal financial controls for charities \(CC8\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/internal-financial-controls-for-charities)

requests and 'not treated them all in the same way' and provided evidence of other requests for information outside of the formality of the FOI route where information had been provided, whereas the Commission seemed to be concerned with the one particular response.

87. Having reviewed the submissions provided, the Reviewer observes that the Charity appears to have adopted a very narrow and literal interpretation of the FOI request in question. This FOI request referred to costs incurred in respect 'of actions *against* the Dean' whereas the trustees have explained that much of the expenditure incurred in the dispute was wider than this and included actions defending themselves after the Dean had issued claims in the Employment Tribunal. This is why the Charity had declined to provide the information requested. The Information Commissioner's Office upheld the Charity's response to the FOI request and their decision to interpret the request in the narrow way in which it did.
88. In the circumstances, the Reviewer has concluded that the facts as set out in the Notice are incomplete and not entirely accurate as drafted and cannot be used as grounds for the Official Warning without amendment and refinement. The Reviewer has removed these grounds.

*Issue 9- Ensuring the Charity is accountable- reporting on the costs of the dispute in the Charity's annual reports and accounts*

89. The Notice raised concern with how the Charity has chosen to report on the costs associated with the dispute in its annual accounts with the predominant concern appearing to be that readers were potentially being misled with the lack of explicit reference to the dispute and the associated costs. The Notice references that the Trustees' Annual Report (TAR) within the accounts make no reference to the dispute. Given that the TAR is an opportunity for a charity's trustees to explain to the reader what has been happening in their charity, the Reviewer observes that the lack of reference to the dispute, its impact and to the costs- even in general terms- is a significant omission.
90. As stated elsewhere in this document, given the prominence of the dispute in the Charity in recent years, the Reviewer can see why the Notice makes specific reference to this as a reason for the proposed action.
91. The representations put forward by the Charity on these points can be summarised as being that (i) there was no requirement in the accountancy framework known as the Charities SORP for litigation costs from a dispute to be separately recorded in the Charity's accounts and (ii) that the trustees took advice from the Charity's auditors about what it should include in the accounts and no concerns with the approach taken were received.
92. The Reviewer observes that it is not stated in the Notice that the Charity has not complied with the Charities SORP. The Notice expresses the Commission's much wider concern that the trustees of the Charity have not acted in a transparent way in general. The view expressed in the Notice is that given the dispute was such a prominent issue affecting the day-to-day operation of the Charity which has consumed so much effort and resource, it ought to have been referenced when the Charity reported on its performance publicly.
93. The Reviewer has some sympathy for this view, and it seems only right that this should have been referenced clearly in the Charity's TAR and its annual accounts.

94. The Reviewer has considered whether this absence of general openness and transparency is sufficient to be described as misconduct and/ or mismanagement in the administration and management of the Charity.
95. In coming to a conclusion, the Reviewer has considered the Commission's guidance on preparing accounts and TARs, which is contained in its FRS102 SORP guidance<sup>7</sup>.
96. The Reviewer notes, amongst other things, that the guidance advises (paragraph 11) 'the objective of the trustees' annual report... and accounts is to provide information about a charity's performance and financial position that will be useful to a wide range of stakeholders in assessing the trustees' stewardship and management of charitable funds, and to assist the user of the accounts to make economic decisions in relation to the charity' and (paragraph 13) 'The report and accounts should not be viewed simply as a statutory requirement or a technical exercise. The report and accounts, when read together, should help users of the information to understand what the charity is set up to do, the resources available to it, how these resources have been used and what has been achieved as a result of its activities'.
97. Paragraph 1.11 provides helpful context for the TAR noting: 'The report provides an essential link between a charity's legal purposes and the charity's aims and objectives and the activities it undertakes to achieve them. It should focus on information relevant to the charity's stakeholders and tell the charity's story in a balanced manner, acknowledging both significant successes and failures...'.
98. For larger charities, the guidance also provides that (paragraph 1.40) 'Good reporting sets out how well the activities undertaken by the charity and any subsidiaries performed and the extent to which the achievements in the reporting period met the aims and objectives set by the charity for the reporting period. Good reporting provides a balanced view of successes and failures along with the supporting evidence and demonstrates the extent of performance and achievement against the objectives set and the lessons learned'.
99. Paragraph 1.45 states 'the report should comment on those significant positive and negative factors both within and outside the charity's control which have affected the achievement of its objectives and, where relevant, explain how this has affected future plans. These factors might include relationships with employees, service users, beneficiaries and funders and the charity's position in the wider community'.
100. The Reviewer considers that the Charity ought to have considered the relevance of the ongoing dispute when it produced its TAR and notes that the trustees considered that the dispute was sufficiently serious enough to report matters to the Commission as an RSI (Report of a Serious Incident) but appear to have taken a different approach when considering whether to make reference to the dispute in its TAR and accounts.
101. The Reviewer concludes that this amounts, as a minimum, to mismanagement in the administration and management of the Charity and takes the view that this ground has been made out.
102. The Reviewer notes that the words 'Footnotes 8 and 9' in the Notice are an editing error and should be removed from any final draft.

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<sup>7</sup> [frs102\\_complete.pdf \(charitySORP.org\)](https://www.frs102-complete.pdf(charitySORP.org))

*Issue 9- Impact on the Charity if the proposed Official Warning proceeds.*

103. As part of its representations, the Charity has raised the potential impact on the Charity of the proposed action. In summary, it has been explained that the dispute is now behind it with the Charity having reached a financial settlement with the Dean. It has explained that an independent governance review is now ongoing under the stewardship of Dominic Grieve KC and it considers that some governance issues have already been addressed, for example, the implementation of a new overarching financial controls policy. It has been suggested to the Reviewer that the Official Warning will bring about unwarranted attention and reputational damage at a time when some of the public interest and concern about the Charity has reduced.
104. A feature of the oral representations made by the Charity's attendees was the reference to the potential impact on individuals linked to the Charity if the Official Warning were to proceed- they warned that it might cause the individual trustees to be subject to disciplinary measures by the associated University and may cause individuals affected by the dispute between the Charity and the Dean to re-live aspects of the dispute that had occurred, causing them serious detriment.
105. The Reviewer has considered what has been said in the oral representations but is not persuaded that the trustees have made a convincing case on any of these issues; the Reviewer considers that there was no tangible evidence to support these propositions or that, even if some could be provided, that they would outweigh the reasons for considering action.
106. The Reviewer has also considered, in light of the representations made by the Charity about potential reputational damage, whether the Commission should publish the Official Warning, if it proceeds, on its website. The Reviewer notes that media attention in the Charity remains ongoing and there is a podcast series currently being broadcast about the dispute. The Reviewer considers that it is in the public interest for the Commission to be clear about how it has responded to the issues present. Furthermore, given that the Commission's concerns that have prompted the Official Warning are about the lack of transparency and accountability of what has happened within the Charity, the Reviewer considers that it is hard to see how the Commission could not publish the Official Warning on its website. The Reviewer considers that the issuing of the Official Warning will be in furtherance of the Commission's statutory objective of improving public trust and confidence in charities and takes the view that the Commission should publish the Official Warning as a way of achieving this objective.

*Issue 10- Other points raised*

107. At the oral representations with the Charity, the Charity's attendees made a case that even if the Official Warning were to proceed they could not act upon it because, amongst other things, to 'complete a full independent governance review and implement its recommendations' (as set out in the Notice to remedy the problems in the Charity) without suitable qualification could restrain the trustees' discretion to make decisions as they see fit in the best interests of the Charity. They also argued that one outcome from the Dominic Grieve independent review might be changes to the Charity's statutes that requires legislation in Parliament, which the trustees were not in control of. In short, they might be unable to properly implement the governance review's recommendations for reasons outside of their control.
108. The Reviewer has considered the wording of the actions required by the trustees and acknowledges that the wording could be clarified to ensure that the trustees can comply with its requirements. The Reviewer recommends that the wording be amended as

follows (or similar): 'Complete a full independent governance review and take all reasonable steps to implement its recommendations insofar as they fall within the remit of the trustees collectively to do so'.

109. The trustees also requested that rather than impose an Official Warning on the Charity under section 75A of the Act, the Commission should seek to mutually agree an Action Plan under section 15(2) of the Act, without reference to misconduct and/ or mismanagement having taken place.
110. The Reviewer has considered this request whilst reviewing whether an alternative to the proposed action would be more proportionate and a better use of the Commission's resources (see below).

### **Other considerations taken into account by the Reviewer**

#### **Alternative regulatory action / use of powers**

111. The Reviewer noted that some of the representations received argued that the proposed Official Warning did not go far enough and only a statutory inquiry could uncover the wrongdoing that was alleged in the Charity. The Charity argued that a mutually agreed Action Plan was a more proportionate response.
112. The Reviewer has taken these comments into account. In the Reviewer's opinion the proposed Official Warning strikes the right balance. It is forward-looking and seeks to place the Charity on a much sounder footing by making formal findings in relation to what has happened and then setting out what action the Charity as a body corporate should take to rectify the identified misconduct and/ or mismanagement. This seems to be a sensible action for the Commission to insist on given the dispute that has happened within the Charity, the reputational damage that has been done to the Charity and given the legitimate concerns about the financial costs to the Charity and how these costs have been incurred.
113. As for the Charity's suggestion for an agreed Action Plan, the Reviewer noted that the Commission does not offer the option of a mutually agreed regulatory outcome and, in any event, an Action Plan lacks the weight of an Official Warning and does not send the same message to the trustees of the Charity- that in the Commission's view what has happened in the Charity amounts to misconduct and/ or mismanagement and this should carry with it the appropriate sanction.
114. As the Commission's published Q and A guidance on Official Warnings explains: 'The purpose of issuing an official warning is to ensure that the charity or trustee(s) concerned knows that a breach, misconduct or mismanagement has taken place and that it needs to be rectified, and to ensure they know what action they should take to stop the misconduct or mismanagement or to prevent a recurrence of it... the Commission may also use publication of official warnings to promote transparency. Publication can alert charities and members of the public or potential donors to actions within a charity which have been a cause for regulatory concern. It will assist in promoting public trust and confidence in the sector'.

#### **Equality duty**

115. The Reviewer had regard to the Commission's public sector equality duty in reaching this decision and did not identify any adverse impact on rights protected by the Equality Act. The Reviewer notes that this is a charity with a religious ethos but he did not identify any reason associated with this that impacted on the decision made.

### Human rights considerations

116. The Reviewer considered the Commission's duty not to interfere with rights protected by the European Convention on Human Rights and the Human Rights Act. The Reviewer is satisfied that any interference with an individual's rights by the issuing of an Official Warning to the Charity is necessary, proportionate and justified by the Commission's duties as the regulator of charities in England and Wales.

### Better regulation principles

117. The Reviewer considered the better regulation principles in making this decision and is satisfied it is in accordance with them.

### Economic growth duty

118. The Reviewer has considered the Commission's obligations in accordance with its Economic Growth Duty and is satisfied that this proposed action is in accordance with it.

### **Conclusion**

119. Having carefully reviewed the reasons given in the Notice and the representations received, the Reviewer considers the statutory criteria in section 75A of the Act to have been established. The Reviewer finds that the case has been made that the trustees collectively have not managed the Charity's resources responsibly and ensured the Charity is accountable and that this amounts, as a minimum, to mismanagement in the administration and management of the Charity.

120. In the circumstances, the Reviewer has concluded that the Commission's decision to issue the Official Warning to the Charity is reasonable, proportionate and lawful.

121. Nonetheless, in light of the representations received, the Reviewer has decided that the grounds for the Official Warning as set out in the Notice are to be amended in line with the findings of this Decision Review. Namely, in respect of:

- The consistency of language used in the Notice and the draft Official Warning
- The first two paragraphs after the heading 'Managing the Charity's resources responsibly' in connection with the narrative connected to the Smith Tribunal
- Reference to a Commission letter of 24 November 2021 that was actually issued on 4 November 2021
- Reference to the Censor Theologiae and their delegated powers
- Reference to there being no internal financial controls and this amounting to misconduct and/ or mismanagement
- The narrative connected to the FOI
- Footnotes 8 and 9 which appears on page 4 of the Notice
- The steps to implement the recommendations in the ongoing governance review.

122. The Reviewer considers that as these changes to the draft Official Warning/ Notice are removal and clarification of matters, as opposed to the inclusion of any other matters to be relied upon, the Reviewer does not consider it necessary to provide a further opportunity to make representations.

123. This decision represents the final decision of the Commission.