

## **UPDATE**

April 2024

# **Charities and AI:**

**Charity Commission publishes a blog post (2 April 2024) encouraging charities to consider the opportunities and risks in using AI.** (Click on the link below).

<https://charitycommission.blog.gov.uk/2024/04/02/charities-and-artificial-intelligence/>

## **Ways in which charities might use AI**

In its post the Commission recognises that charities already use AI in a number of ways. For example, generative AI (eg the ChatGPT tool) might be used for preparing fundraising materials, bid writing and drafting policies; “speech to text tools” might be used to take minutes of meetings; and AI might also be used for service delivery including mapping, assessing and diagnostics.

## **Have in place an AI policy**

Charities are encouraged to have an AI policy so that it clear how and when AI can be used in governance; by employees in their work; or in delivering services.

## **Be mindful of trustee duties and managing AI risks**

The Commission warns charities that AI is still “a work in progress” and they should, therefore, proceed with caution:

*“It is not yet sophisticated to give accurate legal advice, for example, and Generative AI models can confidently produce inaccurate, plagiarised, copyright infringing or biased results without any awareness that the results it has offered may be problematic.”*

## **Trustees remain responsible for decision making**

Charity trustees have a legal duty to act with reasonable skill and care. The Commission expects trustees and others in their charity to ensure that human oversight is in place.

Trustees are warned that they may not be complying with their legal duties if their charity “relied solely on AI generated advice to make a critical decision about their charity without undertaking reasonable independent checks to confirm its accuracy.”

## Reputational damage

Trustees have a duty to safeguard the assets of their charity, including their charity's name and reputation.

Such safeguards, as considered necessary and proportionate (depending on the activities of the charity), must be adopted to minimise reputational damage arising from the misuse or recirculation of AI such as fake news or deep fakes.

## Wider legal obligations

The wider legal obligations in using AI are extensive and will vary depending on the activities of a charity. They might include, for example, copyright, data security/GDPR and safeguarding issues.

## Further Charity Commission guidance?

The Commission has confirmed that, at this stage, it does not envisage producing specific guidance on the use of AI but encourages trustees to use existing guidance to new technologies as they emerge. This will include, but not be limited to, the Commission's core guidance *CC3: The essential trustee: what you need to know, what you need to do*.

The Commission will, however, update its guidance where appropriate – eg the internal financial controls guidance.

## Further resources

The blog points charities in the direction of various resources from regulators and umbrella bodies – the links to which can be found on the final page of the blog.

*Please note that this update provides a general summary only and it does not constitute legal advice. It is recommended that specific advice is sought in relation to the particular facts of a given situation.*

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