

International Development Committee

Oral evidence: Sexual exploitation and abuse in the aid sector, HC 840

Tuesday 3 July 2018

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Members present: Stephen Twigg (Chair); Richard Burden; Chris Law; Paul Scully; Henry Smith.

Questions 414 - 473

Witnesses

I: Helen Stephenson, Chief Executive, Charity Commission, David Holdsworth, Deputy Chief Executive Officer and Registrar, Charity Commission, and Michelle Russell, Director of Investigations, Monitoring and Enforcement, Charity Commission.

II: Rt Hon Penny Mordaunt MP, Secretary of State for International Development, and Peter Taylor, Head of the Safeguarding Unit, Department for International Development.

Examination of witnesses

Witnesses: Helen Stephenson, Chief Executive, David Holdsworth and Michelle Russell.

Q414 **Chair:** Good afternoon, everyone, and welcome to the relative cool of committee room 6 and to this oral evidence session, which is part of our International Development Committee inquiry into sexual exploitation and abuse in the aid sector. Can I welcome our witnesses from the Charity Commission? You are the first of two panels this afternoon. We have 45 minutes with you and we are seeking to cover about 12 questions, so a big onus on us to be concise in our questions and nice concise answers so we can get through. Thank you very much. Our usual practice is we go straight to questions but, please, when you first speak, do feel free to introduce yourself.

In the written evidence that you kindly submitted to us in April, you said that the number of serious incident reports from charities had risen significantly since the Oxfam story broke in the media. Could you today update us on reporting trends since April?

Helen Stephenson: Thank you. I am Helen Stephenson and I am the Chief Executive of the Charity Commission. Is it worth me putting into context what we can and cannot say with regards to the Oxfam case?

Chair: Yes.

Helen Stephenson: Just to say that Oxfam GB went into inquiry on 12 February and Save the Children on 11 April. As you know, we are a quasi-judicial body, so we are limited in what we can say with regards to those inquiries. We have to ensure due process and, indeed, we have to ensure that the outcomes of those inquiries are fair but we will be publishing a full report at the end of those inquiries, so just to reassure the Committee.

In terms of the increase in reports of serious incidents with regards to safeguarding, yes indeed those have risen since the reports in the press in February. We have received about 1,100 reports of serious incidents with regards to safeguarding since February. To put that into context, that is about the same number of serious reports that we received in the year 2016-17. The number of reported serious incidents has gone up. They have levelled off but they have stayed at that level for the last four months.

Q415 **Chair:** Thank you very much. You wrote to BOND and DEC in December last year highlighting safeguarding as a serious concern within the sector. Do you think you have seen evidence to demonstrate that those concerns are being listened to?



Helen Stephenson: Yes, and I will bring in my colleague Michelle on this. We did write to BOND and DEC. We also issued a regulatory alert to the sector as a whole, in December last year, to say that we were concerned about safeguarding. We said that they needed to report to us any serious incidents that they had not reported and also to ensure that, if they had not looked at and updated their safeguarding policy in the last 12 months, they should do so. It was important that we were very clear with the sector, at that stage, that we felt that there were issues that they needed to be aware of and that we needed to see leadership in this area from the sector.

Michelle, perhaps you can comment on what we have seen since then in terms of the response from the sector.

Michelle Russell: The letters that you refer to were from me to the Chief Executives of both of those organisations. It is fair to say that we saw some progress before the events in February took place, but it is only since the events in February—and the public spotlight that fell upon it—that we have really seen the uptake, both in reporting but also in terms of the engagement that we have had with charities. I am sure that the Committee will know that we ran the summit with DfID in March and also, alongside the international charity sector, we ensured that we did the same with the domestic sector.

I have to say, particularly on both the domestic and the international, the engagement we have had from charities as part of the follow up to those groups has been encouraging. There is more to do and I think you will see, from the publications and clear messages from us, that this is about leadership. It is about leadership in charities, a change of culture, and a change of environment and of doing the basics that the public expect. The Commission has stepped up to leadership and we stepped up to leadership very early on, and that is at the centre of what we are talking about.

Q416 **Chair:** What prompted you to write last December, because obviously this is prior to the media coverage around Oxfam and Haiti?

Michelle Russell: There has been a growing highlight on safeguarding, and the Commission has been clear that safeguarding is one of its three strategic priority areas of risk for charities. You will see from the public statements that we made during the course of last year that safeguarding issues are quite high. Around October, we did a group report about military charities and safeguarding issues in military charities. We updated our strategy to bring it into line with what the public expect of charities.

As you know, we had the Oxfam case where we took the unusual step of publishing the regulatory case reports before we went back for the follow up with the charity. We put that in the public domain to show what action we had taken and, as Helen said, we issued the regulatory alert. We felt this was such an important area that we took the additional steps of



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writing to the Disasters Emergency Committee and also to BOND to draw their attention to it. In fact, in February, I went and did a session myself with my team with Disasters Emergency Committee members around serious incident reporting and around safeguarding.

Q417 Paul Scully: It is interesting that you talk about writing early because it was a growing issue. Some of the evidence that we have come across from the meetings we have had—especially when we were away last week—suggests that it has been talked about a lot but it is not being treated as seriously as it might. Why do you think it has taken so long for the development sector as a whole to treat safeguarding as such a serious issue?

Helen Stephenson: In 2010 we identified safeguarding as one of our key risk areas and we have continued to prioritise issues that come into us on the basis of risk. We will prioritise where we think that there are people or beneficiaries at risk of harm, where we are concerned about serious loss of money to a charity or where we are concerned about the abuse of charities for extremist purposes, so we have a very clear risk register.

Our experience would be that the public have continued to see safeguarding as a particular challenge and focus, that the charitable sector has come along with that but it has taken time to take it as seriously as we are seeing it being taken now by charities.

Q418 Paul Scully: Perhaps I should have said “widespread” because everyone knows that safeguarding is serious but the fact that it is widespread means serious in that regard.

Helen Stephenson: Yes. One of the changes that we have made from the Charity Commission is to move the concept of safeguarding from being about beneficiaries to being about anybody who comes into contact in the organisation. That is a key shift that we have made in the guidance that we issued last year, which we consulted on widely. We made it clear to charities that we are concerned about everybody who comes into contact with a charity, whether it is your trustees, your volunteers, your beneficiaries, your staff, that that is the culture that we expect to see from an organisation. Recognising that, yes, policies, protocols are important but it is actually about culture and leadership in an organisation that sees safeguarding and keeping people safe as one of the key priorities for that organisation.

Q419 Paul Scully: Talking about your organisation, you have taken some temporary measures to manage the recent influx of safeguarding-related reports with the internal safeguarding taskforce that you have set up. Do you intend to make any changes to your structure and strategy in the longer term?

Helen Stephenson: I am sure that David will come in on this as he heads up our operational team, but as I have said we have long had safeguarding as a key priority. The work that we did around the taskforce



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was to ensure that the actions that we had taken—and indeed the actions that charities had taken in regard to the serious incidents that were reported to us—were the right ones and that everything that needed to have happened had happened.

Going forward, we are developing our own expertise with regards to safeguarding and we believe we are leading our bit in terms of the sector's response to safeguarding. We will be looking at our serious incident reporting. We will be looking at making it easier for whistleblowers to come into us, so we will be undertaking a whole range of activities to improve and lead on our aspects in terms of safeguarding. We also expect the sector to step up and deal with some of the issues that come to light, acknowledge what has come to light, consider what their responses should be and come together with the solutions for the sector as a whole.

David, I don't know whether you want to add anything on our safeguarding work.

David Holdsworth: As Helen said, the primary responsibility here sits with trustees and with charities themselves, both in law and in terms of responsibility to their beneficiaries, their donors and the public. What we have started to do is ensure, as the regulator, that we enable them through guidance. As Michelle said, we have updated the safeguarding strategy. We have extended opening times for our telephone lines for trustees to have access. As well, we have already started looking at the data we hold to ensure that we are more proactive.

For example, we identified over 1,500 charities that said they worked with vulnerable beneficiaries but who had not reported a serious incident to us. In our view, if you are working with vulnerable beneficiaries there will be an incident of some kind at some point so not to have reported anything to us is simply not feasible. We proactively went out on the back of our data to say, "As the regulator, we have not had a report from you. Are you sure this is the case? Here are your duties", and we reminded them of those duties.

Therefore, it is a mix of more proactive work supporting trustees and highlighting to trustees their duties but, also, holding to account where we identify errors and issues in charity compliance with that.

Q420 **Chair:** Thanks, Paul. Can I bring us now to the two specific inquiries on Oxfam and Save the Children? I recognise that there are limits to what you can say but I hope the questions that I ask, which relate more to the conduct rather than the content of these inquiries, will be ones that you are able to answer.

Obviously, you have described the increased workload of the Commission. Does it make it hard to find people to conduct the work on statutory inquiries that have no links with the relevant charities, in this case Oxfam and Save the Children? Is it a challenge to find people who



have not worked in some way for or with those large NGOs?

Helen Stephenson: First of all, the people that conduct the inquiries into those organisations are Charity Commission staff, so they are civil servants. Is there a particular issue that you are concerned about?

Q421 **Chair:** My understanding is that the person conducting the investigation has done similar work for Oxfam.

Helen Stephenson: Michelle will come in on this but, no, the inquiry is being undertaken by the Charity Commission. Michelle, do you want to comment?

Michelle Russell: That is right that the inquiry team is the Commission's team. It is my area of the business, which is the investigations area and the inquiry team are civil servants, Commission staff. What you might be referring to is that we announced that Oxfam itself had announced that it was conducting an independent scrutiny of two sorts. There is one that is being led by a QC in relation to their policies and procedures.

Chair: We are aware of that, yes.

Michelle Russell: There is also another aspect of an independent consultant who is scrutinising their individual cases going back to 2011. We have issued a public statement about that and in effect, just to be clear, that person is not employed by or working for the inquiry. They are working for Oxfam. However, we stepped in to do three things to ensure that that was going to be robust.

First, we asked for the terms of reference to make sure that they were sufficiently wide and rigorous enough, and to make sure that the person they had employed to do that understood they needed to carry out an independent review. Secondly, we asked for oversight and scrutiny over how they were doing that. Thirdly, we insisted that the results of that piece of work came directly to us and were not filtered at the appropriate point through Oxfam.

From what we have seen so far, where we have looked at the conduct of that, we are reasonably confident of the robustness of what has been happening. If I can just be clear, that aspect of that scrutiny will make its own findings and recommendations to Oxfam and possibly to us.

We are not bound by those findings or conclusions but, clearly, we want to take them into account because that is an external look at all of its cases and how it has managed them, but concurrently—as you would expect of us as a regulator—we are making our own inquiries and we will publish and make our own findings and conclusions, taking into account that piece of work. It is the Commission that will make its own findings and take its own steps to verify and assure itself about the robustness of Oxfam's practices, both now and in the past.

Q422 **Chair:** Do you see the risk of at least an apparent conflict of interest if



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you are relying in part on someone who is working for the organisation that you are investigating?

Michelle Russell: Just to assure you again, we are not relying in that sense on their findings or conclusions. We are taking into account what they have done as their own independent review on that aspect of our inquiry. Our inquiry is broader than that, so it is just one aspect and, as you would expect us to do as the regulator, we have measures in place to ensure we are verifying and taking our own assurances, particularly in relation to how they have been reporting to us on serious incidents or the assurances that we can see the evidence that they have reported appropriate matters to the police, either here or overseas.

That is partly why it is important for us to have made that statement back when we did earlier in the spring, to be clear about what that was about and what our role is as the regulator in our inquiry.

Q423 **Chair:** On a related matter, are the teams investigating Oxfam and Save the Children the same team? Is it the same team or are they completely separate teams investigating those organisations?

Michelle Russell: At the Charity Commission?

Chair: Yes.

Michelle Russell: The individual who is ultimately accountable for both of them is the same. It is my deputy, but the exact teams are made up of different people. There is some overlap but there is a difference, which we think is right because we need to ensure a consistent and robust approach about things. We have drafted in extra resources to make sure that we are able to concurrently move both of those inquiries through as quickly as possible.

Q424 **Chair:** Do those extra resources include people that are contractors or consultants that you might be using that are not employed by the Commission?

Michelle Russell: There is a mix of things. We have had some extra staff with specialist expertise brought in from outside who are helping on different aspects of that. Where appropriate—as we do in our other business—we test and scrutinise some of our work against other experts that might be appropriate and in this case, clearly, expertise of safeguarding and other things. But primarily this is a Charity Commission led, Charity Commission staff run, statutory inquiry in the same way as our other live 300 inquiries are at the moment.

Q425 **Chair:** Our colleague, Pauline Latham—who is unable to be with us today but has played a crucial role in this Committee—asked me to put some of those questions to you. She was concerned because she understood that an investigator was being used for both inquiries that was not fully qualified for the job and did not have a background in safeguarding. Are you able to give us reassurance on that point?



Michelle Russell: I am not quite sure where that is coming from. As I say, we are looking at the governance of both charities in relation to how they deal with safeguarding. There is an overlap of some of those staff who are specialists in charity law, which is what the inquiries are about. They are about the conduct of the trustees and the discharge of their duties and responsibilities under charity law.

Where we have to examine whether or not they have complied with specific safeguarding expertise, we either, within the experience—and we have a lot of experienced staff, some of the people that are on the inquiry are some of our most experienced staff who have been here for a long period of time; where we need to test or assure that then we do that in other ways. As you can imagine, we work with DfID and there is the police and other agencies that have that expertise as well.

Helen Stephenson: Indeed, if Ms Latham wants to come back to me to talk in any detail about that we are very happy to discuss that with her.

Chair: Thank you very much.

Q426 **Chris Law:** I understand you have been working closely with DfID, particularly during the safeguarding summit in March, and I want to know since—*[interruption]*

Chair: Chris always gets that when he asks a question, yes.

Chris Law: Yes. I want to know if you have seen a step change in the way DfID has approached its issues regarding safeguarding.

Helen Stephenson: We have worked very closely with DfID over the years and we continue to do so. One of the things for me coming in to the organisation, as a new chief executive, was to see the way in which the officials from both Departments worked very closely, quickly and robustly over the period as news of the Oxfam issues arose.

We have certainly had a strong working relationship with them over the years and the approach that they have taken I would say has been in line with the quality of the way in which we have worked together as officials during that period, but, Michelle, do you have anything more you want to comment on?

Michelle Russell: I am the senior person responsible for our account holder relationship with DfID and, as Helen said, particularly over the past few years, I would say it is one of the strongest relationships we have with other Government Departments or agencies.

I would certainly say, from both the experience since February and before that, that the issue of safeguarding was treated very seriously by DfID. I think you would expect this to happen but since last year the number of data exchanges that we have with DfID have clearly increased from what we have seen over previous years. That is not least around the 179 charities that the Secretary of State wrote to and informed them that she would be sharing their responses with us. I would say at the moment, if



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you ignore those 179 charities' issues, there are about 13 exchanges a month that we would have with DfID about individual cases, and not necessarily on safeguarding but on other matters.

Q427 Chris Law: Specifically on safeguarding, has that increased or decreased over time? That may be unfair on you, Helen, to ask, as you are quite new to the post, but over the years, let's say, since 2010? Because speaking to previous Secretaries it was not brought up as an alarm until the scandal came, and I want to know whether or not it would be fair to say that information, which should have come to you, did not come to you from DfID or perhaps, when it did come to you, it was not acted upon or what was happening in the intervening years? I know it is a big question but it would be very helpful to understand.

Helen Stephenson: Obviously, I cannot comment on this last period. What I would say, as I said, since I have been in post I have seen it taken very seriously, both by officials and Ministers at the Department. I cannot comment on whether that is something that has been a step change but certainly, as we have become more and more aware of issues within the sector, and as we have defined our safeguarding approach, we have certainly seen that reciprocated in terms of colleagues in DfID.

Michelle Russell: The only other thing I would add to that is: we clearly have discussions both at a strategic, operational and individual case level about charities, where we have an overlap of interest. The term "safeguarding" means different things to different people. For example, if you talk about domestic charges they will see it very much as about child protection and the statutory regime. You then have adults at risk. You then have abuse of positions. You then have volunteers and keeping people safe.

I would say that we do not necessarily cut up some of our discussions around those technical definitions, but I can assure you that, certainly at a senior official level, we have discussions about instances or concerns. The units that particularly deal with sensitive issues—for example, whistleblowing—the statutory gateway is in place to ensure that there is an efficient and effective flow of information.

Q428 Chris Law: I take it that the last 18 months has not surprise to the Commission then?

Michelle Russell: In terms of what happened in respect of the highlight?

Q429 Chris Law: In terms of the failures in safeguarding with individual charities and with DfID's operation with it in terms of reporting to you. That is consistent with what has been happening before, is that right?

Michelle Russell: As Helen said, last year, before all of this took the spotlight in February, the Commission has been consistently saying that safeguarding is an issue that charities should take seriously. We stepped up in terms of leadership last year to be very loud and clear with charities that that was the case.



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Q430 Chris Law: A last question from me: are you contributing to the international safeguarding summit for October?

Helen Stephenson: Indeed, we are. We are working with DfID and with international charities to help organise that.

Michelle Russell: Just to explain, the committees that were set up following the March summit, the Commission has been involved with all of those, with Stepping Forward in particular, alongside the domestic work in four areas that we are leading on, which will contribute to the outcome of that summit but also the work that we do on the domestic side.

Q431 Chris Law: I did say that was my last question but I now have another one, so bear with me.

We have also heard the Charity Commission does not currently have sufficient resources to meet the regulatory responsibilities on safeguarding in the long term. Going forward, how much more will you need in terms of resources in order to deal with safeguarding issues comprehensively and effectively?

Helen Stephenson: That is a very good question. First of all, I want to say that we do everything within our power to be more efficient and effective as a regulator, which means that we are risk-based. We deal with issues that come into us. We look at it and we apportion risk, so that we prioritise those things that come into us that we consider the highest risk. We have also developed digital services, so that we can move some of the transactional things online and we can move our caseworkers to the more serious things.

We have seen a step change in the amount of casework that comes into us. We have seen a 40% increase in organisations applying to register, one-third more increase in our registry compliance cases. We have 100,000 pieces of communication that come into us every year, so I was very pleased that the Government recognised that this year and gave us an extra £5 million on our baseline to help us deal with the increased workload.

I should say that was before the safeguarding issues arose, so, as I said earlier, we have seen that real increase in the amount of safeguarding issues coming into us. We are prioritising those issues as a matter of urgency but it would be wrong for me not to alert you to the fact that the increase in demands on our services, the increase of public expectation, both on the sector and on charities, means that I will continue to make the case for us to be properly resourced so that we can meet the serious and complex cases that are coming into us.

Q432 Chris Law: My question to that is: where should that money come from? Should it come from all the different charities or should it be publicly led or how do you see it going forward?



Helen Stephenson: We will want to have that discussion, both with the Government, with Parliament and indeed with the sector, as to what is the right way to resource us effectively going forward, so that we can be sustainable, have long-term planning and we can both meet the requirements of the public and of charities.

The question mark for me is: where should that come from, as you suggest? Most other regulators in some way, shape or form or another do charge the people that they regulate. That is the discussion that we will have to have, and we should have, and I would welcome it.

Q433 **Paul Scully:** In your written evidence you suggest that the Charity Commission could be strengthened if the obligations of charities around serious incident reporting were put on a statutory footing. What do you see as the benefits of that and the potential drawbacks?

Helen Stephenson: I am sure Michelle will come in strongly here, but I think for us at the moment the statutory reporting regime is one that is voluntary. It is not enforceable. We seek to encourage more and more charities to comply with that but we cannot enforce it.

From a public perspective, the more that charities are transparent about the issues that they face and the issues that the organisations face, the more we will be able to increase public trust and confidence in charities. We believe potentially putting the serious incident reporting on to a statutory footing would enable that level of transparency for the charitable sector, which would increase public trust. Michelle, do you want to add anything to that?

Michelle Russell: We indicated as well that we are still working through the results of our taskforce work, seeing the results of that as to whether or not they indicate that that would be one of the things that they would suggest. At the moment, it only applies to charities that are over £25,000 in income and the Committee may know that there are 17,000 charities on our register of the 168,000 that say they work overseas. Of those, 7,000 send money overseas. The vast majority of those 17,000 are very small charities, so although there might be a focus on the behaviour of some of the larger ones, more specifically, we are very conscious of the need to make sure that we are encouraging and supporting the smaller charities while still holding them to account.

There is a question mark about whether or not that is set at the right level, the £25,000. It would be fair to say that we have had some resistance, when we have gone out to consultation about serious incident reporting, from some charities about the need to report. Whether or not they would want to report allegations, for example, there has been some resistance to even reporting allegations and only proven instances. We have been very clear that our responsibility is to hold charities to account as to how they deal with allegations, as much as it is about dealing with proven instances. I think in some quarters there is resistance around it and, as David alluded to earlier, in terms of the increase, it is not equal



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from all parts of the sector that were reporting incidents, so we need to keep an open mind as to whether or not something needs to change.

Q434 **Paul Scully:** Thank you very much. How is the Commission overcoming its jurisdictional challenges of being a UK regulator working in an international area?

Helen Stephenson: As Michelle said, there are 17,000 charities on the register. We are very much responsible for the governance and the oversight of the charities that are registered with us in the UK. We do have good relationships with other regulators: overseas regulators and, indeed, we have a monitoring programme where we oversee charities when they are in situ in other countries.

We also have an outreach programme where we work with small charities that work internationally, to encourage best practice and build their capability and capacity as organisations. I think we are well respected as a regulator internationally. We have a number of programmes whereby we visit other countries to support them in the development of charity regulation. But, that said, it is a challenge for us in terms of the resources that we have to be able to oversee those 17,000 charities internationally.

Q435 **Chair:** Thanks very much, Paul. Do you think there is a case to have a dedicated regulator for aid because of the particular challenges?

Helen Stephenson: Yes. First, it is important to say that, as you will be looking at in your Committee, that the international aid sector is not just the charitable sector. We are very much the regulator responsible for the charitable sector.

If there is an international aid regulator, of course we would work with them but I suppose my question mark is: whether or not the potential for setting up a global organisation, which has the jurisdiction to work across different countries in different jurisdictions, is necessarily the best way. We do have models that we are engaged with that allow international Governments to come together to assess the effectiveness of individual regimes, which we think is quite an interesting approach with regards to money laundering. We wonder if something similar could be developed for the international aid sector.

Michelle, you have led on that for us, perhaps you could say a bit more about how that works.

Michelle Russell: I think what Helen is pointing to is the Financial Action Task Force because, as we pointed out in our evidence, we feel that if there is a regulatory gap it is the ability, for example, for people who want to infiltrate charities or the aid sector, to move around international jurisdictions and to jurisdiction shop.

One of the ways on the money laundering and terrorist financing side that that has been plugged, which again has an international movement



and jurisdiction of ease, is through the Financial Action Task Force, which sits alongside the United Nations. Effectively, it is each of the member states coming together to agree the standards that each Government signs up to in terms of either inspection, monitoring on the not-for-profits, which is recommendation 8. I would have to say that a big part of that is supporting the charity sector themselves, so outreach is a really integral part of the standards there. We flag that up to the Committee as something that you may be interested to think about.

Q436 Chair: That is really helpful. We were in New York last week meeting the UN and also went to DC and met the World Bank and discussed some of these challenges, precisely the ones that you have just described. There are different ideas that have been put to us in evidence of some sort of ombudsman that could be ideally for the whole aid sector globally, or different forms of regulation. We want to explore all of those different possibilities as part of our inquiry, but the specific suggestion that you have made is certainly one that we can take into consideration. Thank you for that. Did you want to come in on that? No.

Can I just take us back? David, you talked a bit earlier about the role of trustees. I want to give any of you the opportunity to say anything more about that and, in particular, what more support and training. You have set out some of the things that you are doing and that is very welcome, but what more support and training could be provided to ensure that trustees are absolutely focused in the way they need to be on these big challenging issues around safeguarding?

David Holdsworth: Yes. We very much understand and want to help and facilitate the sector in this. As Helen has already said, our determination is there and that is backed up by the fact that we reviewed our safeguarding strategy, our guidance and the regulatory alerts that we sent out. However, an organisation of 300 attempting to support a population of almost 1 million trustees in England and Wales needs to think innovatively about how it does that, which is why we are approaching it from a digital perspective.

We have recently released a trustee welcome pack, so that gives trustees all of the key information about their key duties at the point they take on the trusteeship. What we would like to do is work closer with some of the umbrella bodies and for the umbrella bodies to step forward and undertake a lot of the support work for trustees, to help them in their volunteer roles. The vast majority are volunteers. That is also part of the reason we are exploring the funding mechanism with the sector because we recognise there is a need for greater support to trustees and, as much as we would like to do more, we are limited by resources, so part of our engagement around the funding model for the Commission is exploring the capability and capacity for us to expand that support as the regulator.

We are the expert. We get to see all of the issues. Our staff are the experts in charity law in England and Wales, so it is right that we provide



some of that support but we are limited by our capacity and resources at the moment.

- Q437 **Chair:** One of the issues that have been raised with us concerns the relative ability of a smaller non-governmental organisation to meet some of those costs. In your experience, is that a real challenge?

David Holdsworth: We are always mindful of regulatory burden and, in fact, under the Better Regulation Act, as recently as the annual return 2018, we have to undertake a rigorous process before we can either change the burden or increase the burden or alter the regulatory burden.

If you are a smaller charity I think the challenges are different, so in some ways it can be easier because you are smaller. You have a smaller audience to reach. You have a smaller workforce that you have to keep up to speed. Therefore, the challenges are different for a smaller organisation: rather than challenges are more challenging I think they are different.

- Q438 **Chair:** This may be slightly outside your remit and it is something that we may put to the next panel. We heard from USAID—the US equivalent of DfID—that in contracting with non-Government organisations it will expressly cover in the contract the cost of issues like safeguarding, which is a different approach to the one that is taken here. Is there anything you would like to say about that, Helen?

Helen Stephenson: We don't see safeguarding as an admin expense. We see it as a core part of delivering a safe service. We would expect charities to include the costs of ensuring that their people are safe in any bid or any programme that they put forward. In fact, we have worked with the Association of Charitable Foundations to ensure that it recognises and communicates to members that safeguarding is absolutely something that they should fund as part of the costs when they are funding a grant to an organisation. I can only emphasise that we think it is a hugely important part of any grant giving process, and we do not see it as admin expenditure but something that is core to delivering a safe and proper service.

- Q439 **Chair:** Thank you for that. That is a very helpful response. Helen, at the beginning, you talked about the centrality of both leadership and culture, and in the Commission's formal regulatory advice to charities you make it clear that they need to set an organisational culture that prioritises safeguarding. What does that look like in practice?

Helen Stephenson: As I said, for me, it is about the culture and leadership in an organisation. It is something that I take seriously with my organisation as well as communicating that to charities. Yes, it is about having the right processes and policies in place but it is also about charities having the values, the ethics that enable those charities to live up to the objects, the purpose for which they were set up. If you create that culture in the leadership of the organisation it runs all the way through your organisation, from the trustees and the executive down,



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that culture will enable both safeguarding to be at the core of the organisation, but the concept that one of your main purposes is to keep people safe from harm, that being something that absolutely runs through the organisation.

In the messages that I have been giving and we have been giving to the organisations we have spoken to, we have emphasised the importance for trustees of leadership in this area, of taking it really seriously. If that means you need to report more serious incidents to us and there is transparency in that, we absolutely welcome that. For us, that is one of the key things that we would like to see running through the organisations that come into contact with us.

Q440 Henry Smith: My apologies to the Committee and, indeed, the witnesses for being late. Unfortunately, Southern rail strikes again.

Apologies if this has already been covered before I got here, but do you think you have the resources, the expertise and also the authority in law to properly pursue the issues and allegations that have been made of sexual exploitation with the two investigations you have going on with Save the Children and Oxfam?

Helen Stephenson: I think others will want to come in on this one. We have discussed resources and I am very happy to reiterate my response there, which is that we respond to the increasing call on our resources by being risk-based, by prioritising the issues that come in to us that are of the most serious concern, and we would consider safeguarding risk to be at the top of our list there. By becoming risk-based and then, as I said earlier, moving many of our transactional services into the digital sphere, so that we can use our caseworkers to prioritise the most high risk cases.

Resource wise we are doing our best to live within our resources but we have seen an increase demand on the Charity Commission's services over a period of time, but particularly in the last four months with regards to serious incident reports and safeguarding.

We have asked for new powers to support our regulatory work, which we received in the 2016 Charities Act. We use them and we aim to be ambitious and robust in using those powers, but we do think there are other powers that would help us in this area.

In terms of capability of the staff, yes, we have a very experienced staff group that are working on our inquiries. It is not something that you can just teach people in a Charity Commission school. People have gained that experience over time, so we cannot just move resources in there but I am proud of the capability of my staff. Where we don't have specific expertise we will look to bring that in to the organisation, so in terms of capability and powers we are in a good place but I think we would put forward some ideas about where you could strengthen our powers.



In terms of resources, we are doing well but we are stretched in terms of the amount of work that is coming into the Commission.

Chair: Thank you very much indeed for your evidence, both your written evidence and for coming to give us oral evidence today. Thank you very much indeed.

Examination of witnesses

Witnesses: Rt Hon Penny Mordaunt MP and Peter Taylor.

Q441 **Chair:** Secretary of State and Peter, thank you very much indeed for joining us here today as part of our inquiry into sexual exploitation and abuse in the aid sector.

At the beginning of our inquiry, when we heard from the Permanent Secretary in the Department, Matthew Rycroft, he told us that you, as Secretary of State, had been clear that the UK is not waiting for anyone else—we are not waiting for the UN—to tackle this issue. One of the things that has come up really clearly through this inquiry is that victims and survivors do not have clear and loud voices in this debate, so is it practical for one of the unilateral strands of UK action to be to have an approach that is very clearly, explicitly and sustainably victim-centred?

Penny Mordaunt: Absolutely. Can I start by welcoming this inquiry? It is extremely helpful and complementary to the work that we are doing.

Yes, is the short answer and, indeed, one of the outcomes from the UK facing summit that we held in March was a clear focus—in fact it was one of the prime focuses—on the beneficiaries because, ultimately, in the Oxfam case that is what went wrong. It was that lack of focus for organisations on: this is why we are here. This is who we are here to serve. Then it was enabling those people to have their voices heard and for good feedback as to how programmes were being delivered in place.

That should run across everything, leaving this issue aside that should be one of the principles of how we know we are doing good work and how we protect people from all kinds of abuse or bad practice going on at the frontline of aid delivery. Indeed, it is at the heart of many of our strategies, not just in my Department but across Government. To give you one example: our strategy to prevent sexual violence and to put women and girls at the heart of our humanitarian and our defence response.

These are well established principles but I think this whole episode has renewed the sector's focus on ensuring that those mechanisms are very strong and they are quality. Therefore, one of the four key work strands that came out of the UK summit was: how do we do that really well? That has also been part of the discussions in the donor group and the other work strands that have stemmed from that summit.

Q442 **Paul Scully:** Are there any plans for victims and survivors of sexual



exploitation and abuse, or at least their testimony and their voices to be gathered and presented at the summit in October, the international safeguarding?

Penny Mordaunt: Yes, and in fact we are opening with that. This is a very important thing to do. I have been to other summits that have been focused on particular beneficiaries, having absolutely the first sessions given over to those beneficiaries, to those people who have suffered, and to hear their testimony is a way of ensuring good outcomes from that summit. That will be the first session that we have in the October summit.

Q443 Paul Scully: It is interesting because Stephen talked about the fact that the voices need to be heard and the UN has been accused of treating the welfare of victims and accountability as afterthoughts, if they are considered at all. From what you are saying, presumably you do not think that without hearing those voices you cannot develop effective ways of looking after their welfare?

Penny Mordaunt: I agree. When we get people together to focus on these issues and get people in the right frame of mind to understand why we are there, why we are having these discussions, why we are talking about harmonising our HR policies and all these things that is a very helpful thing to have at summits but, in every single thing that we do, we have to have the beneficiaries' voice heard. We have to have them giving good feedback on programmes and aid. Even in humanitarian situations, that has to be in place otherwise you cannot be certain that what you are doing is effective and you cannot make changes that are needed in real time, as and when they are needed.

It goes across the board where we see people being abused or, to give you another example, aid withheld because of their religious beliefs or other situations like that. It is fundamental to the work we do. It should be absolutely at the heart of everything that we do. As I say, the crisis that happened in the wake of Oxfam has given the sector an opportunity to refocus on those practices and ensure that they are second to none.

Q444 Richard Burden: I would like to stay, if I may, on how the landscape looks from the point of view of victims because research from Save the Children indicated that quite a lot of victims of SEA, particularly children, do not speak out. They may not speak up because of stigma. They may not speak up because of fear, ignorance or some kind of feeling of powerlessness. It is often perceived that at grassroots level—not at the level of international leadership but at grassroots level—international agencies do not respond effectively to allegations of exploitation and abuse, with the consequence that very often victims will just feel there is no point reporting abuse, particularly if they are themselves scared that if they do make those allegations it will lead to retribution and victimisation against themselves. Would you agree with that analysis from Save the Children?



Penny Mordaunt: I think that is correct. What you have when things are not done well is a downward spiral. Even if issues are raised and they are not acted on beneficiaries lose confidence in those reporting mechanisms and systems. They might very well be frightened of repercussions on them. Therefore, what we want is a virtual spiral. We want the beneficiaries to see that, when they report things, their views are taken seriously and that action is taken in response to the issues they are raising.

I am pleased that you mentioned children. There are other groups: people with disabilities, people with learning disabilities, for example, where we need to ensure that it is not just a case of, "Here is the person you need to speak to" or "Here is how to flag an issue", that people are actively canvassing views and ensuring that all those views are taken on board.

If we do that we will not only be sending a very powerful message to those beneficiaries that they should feel able to and that we want them to, and that it is absolutely fundamental to our work that they give feedback, that they speak up and they give their views about how things are going and, if they have been mistreated, that they tell someone about that. By doing that, we will also send a message to predatory individuals in the aid sector that they should not be working in this sector. Some of the action that has happened so far this year, since the Oxfam scandal broke, there is some evidence to say that is actually happening, which is a good thing.

Q445 **Richard Burden:** Thanks. In terms of the Department itself, can you be absolutely sure and can you give a commitment that attitudes within DfID itself have changed since the noughties, particularly when a senior DfID official at that time described the pursuit of investigations of allegations into the 2002 UNHCR report as, "Haranguing the errors of the past"? Are we confident that that sort of attitude is now behind us in the Department?

Penny Mordaunt: I can only give you my testimony as Secretary of State, less than a year into the role. The investigation that we carried out into DfID's historic record, so going back as far as records began of internal cases, demonstrated that the practices in the Department for International Development were good. There were no outstanding issues of where things had not been followed up, reported properly and dealt with as you would like them to be dealt with. The practices that the Department has been running, I have confidence in historically from what I have seen. We have been through literally everything because I cannot hold the sector to different standards than my own organisation.

That is the first point I would make and—again, I cannot claim credit for this—I think the response from my Department to the Oxfam scandal has been exemplary. The resource and focus that people have put into this, not just to get the UK aid sector where it needs to be but also be a catalyst for other nations. We have galvanised 50 nations to lobby the UN



and to sign up to commitments. Our donor group, so this is the group of nations that is looking at the real nitty-gritty of HR policies, ombudsmen harmonising, how do we ensure that beneficiaries' voices are heard, that is a 17 nation strong body, so we are making huge strides. In my experience, the Department for International Development is good at ensuring that all the things that need to be in place to ensure that beneficiaries' entire needs are taken care of, are in place.

Q446 Richard Burden: Where the discourse is now all of us talk about the importance of a zero tolerance approach to sexual exploitation and abuse, but could I just push you a little bit on areas where that can raise some fairly complex dilemmas? In particular, there is pretty clear evidence that in some communities the risk of retribution for people who report exploitation and abuse is real and it is serious and constitutes a risk to them. In March you demanded assurances from multilateral agencies. You said you wanted them to assure you that you have "referred any and all concerns your organisation may have on specific cases and individuals to the relevant national authorities in countries where incidents occur". That was what you asked agencies to do, and I wonder what account you took of the potential consequences to some victims if that requirement was applied across the board.

Penny Mordaunt: Yes, we do take those things into account and, indeed, we are faced with similar issues across the Government. We would not want to put someone in harm's way, for example, if there was the death penalty or we were concerned about their safety, so we do take those things into account.

In terms of our communications with the sector, in terms of the work that we have been doing with multilateral organisations and finance institutions, all of these very complex issues—and I think the complexity of some of these issues and HR policies and local staff where some of these practices such as using prostitutes, for example, is legal, these are things that I think have prevented this issue being gripped in the past. These are complicated issues but when you get down into the detail and you can apply commonsense and you can apply sensible standards to these issues, what you end up with is ultimately the attitude of the organisation.

If I can give you the example of the World Bank, the World Bank works with many nationalities in all parts of the world and it wrestled with the issue. I will give you one example, which is: whether its staff should be allowed to use prostitutes in countries where that is legal. It has decided that if you work for the World Bank you cannot do that. It does not have to have a complex policy to nuance that. You cannot do it. Yes, the chief executive said there was backlash against that and her reply is a good one, which was that you had the same effect when they banned smoking in the executive offices.

I have said that we cannot separate the aid our nation gives from the values our nation has, and we have made a choice that if you operate



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ODA funding you cannot take part in those sorts of activities, so focus on these issues quite often yields a clarity that perhaps you would not have expected to start with, but we have been clear from the off we do not want to endanger people. We want to ensure people are brought to justice and that is the basis on which people should be making decisions.

Q447 **Chair:** The example you have given, Secretary of State, is a good one. There are more difficult examples, aren't there, in countries, for example, where the victim of rape may herself or himself for that matter be criminalised?

Penny Mordaunt: Yes.

Q448 **Chair:** Going back to Richard's question that does raise a concern that, if it is a blanket expectation in all cases, that there will be reporting to local and national authorities, in some cases that could endanger the victims as well as the perpetrators?

Penny Mordaunt: Yes, but I think that is well understood and I don't think there have been any cases where commonsense has not prevailed in those circumstances.

Q449 **Paul Scully:** This was specifically raised on a visit with us from a multilateral, so it maybe commonly understood by a lot of people but not everybody. The way it is written is quite black and white. You say it is taken into account but it is actually written in quite a binary way. Therefore, how do you measure that the latitude that you are saying if commonsense can be applied?

Penny Mordaunt: What this boils down to—and what the original case boiled down to, which started all of this off—is the judgment of the leadership of whether it is in country or whether it is the executive leadership of those organisations. As Secretary of State for DfID, I am not going to take a dim view of an organisation that takes a course of action to protect a victim from further trouble. That is a very different issue to people making a judgment about letting an individual off the hook because it would damage their fundraising opportunities. We need to separate those two things.

In Government—not just in our Department, but the FCO and all these other situations—we are faced with these judgments all the time. For example, staff who are gay and work in countries where that is illegal. We have to make very careful judgments.

The Charity Commission, all sorts of other organisations, are not going to take issue with a course of action where someone has protected a victim—in the example you gave—from further trouble. What we will do is take issue with an organisation that has defended a perpetrator and not made any effort to bring them to justice. There may be reasons why they don't want to take a course of action in a particular instance, but that does not mean they should take no action in that instance.



Q450 **Chair:** What you are saying today, Secretary of State, is welcome to all of us who have some of these conversations when we were in New York last week, but it is a much more nuanced position than that, which was set out in the letter that you sent out in March that Richard described, which says that you have referred any and all concerns the organisation may have to the relevant national authority.

Penny Mordaunt: What we were looking for there—I will just clarify that—is assurances on those historic cases. If we had organisations that came back to us and said, “We did not report this case to this particular prosecuting authority and here is why”, that would have been fine. Just to clarify that.

The action that we took there—I did not hear the evidence from the Charity Commission—but you will know that the action that we took there prompted an enormous number of both historic and live cases to be reported to the Charity Commission. That was a big step forward. People have continued to report, and that is a positive thing. It was an important thing to do, but to clarify we were not saying in every historic case we wanted people to do that. The purpose of that exercise was to assure us that they had those practices and good best practice in place within their organisations.

Q451 **Richard Burden:** It would be very helpful—particularly when it gets to the summit in October and possibly before then—if that can be clarified. It is a complicated message to put across that, without prejudice to an overall zero tolerant approach, there does have to be an element of judgment when it comes to protecting individual victims. I also wonder if you could think about the kind of messaging that can go out in country to reassure victims themselves that they will be protected if they come forward, and they certainly will not be put in harm’s way.

Penny Mordaunt: Can I just reassure you on that point, and I will ask Peter to add anything that he thinks that I have missed on this? The correspondence and public statements you will have seen are just a fraction of the discussions that we have had with the sector, with multilaterals, with all sorts of organisations. From the summit in March, there have been working groups that have stemmed from that. We have brought those different working groups together with experts from around the world to establish good practice on this.

It is not the case we have just issued a letter. We have had hundreds of meetings, pieces of correspondence, to drill down into the detail of this because the complexity of this has been a barrier to it being sorted out. I do not know whether you want to add anything.

Peter Taylor: Yes, just on that, one of the things that have come out is that organisations would like some clarity about when to report and the guidelines that you are talking about. That is exactly one of the things that one of the working groups that the Secretary of State mentioned is



looking at. We are working towards, by October, being able to provide that clarity, which worked across different sectors with different partners.

A member of our team had a good meeting yesterday with the Gender and Development Network to hear voices from representatives of victims, survivors, to hear their side of things. Particularly from people who say, "We don't want to come forward" we are concerned, so we are going to work closely with them over the next few months to make sure that any policy ideas that we come up with, and we work with the other donors on, takes that into account.

We have had some interesting discussions with domestic experts as well on the law enforcement side, and you will hear one side of the argument saying, "Everything must be reported otherwise you risk other people being victims in the future" against, "You need to respect the views and the wishes of individuals who have been victims". It is a very difficult balance to strike but—as the Secretary of State said—common sense plus some clearer guidance will go a long way to helping people.

Q452 Chris Law: One of the big questions the public are asking—and of course history repeats itself, we have been through a number of scandals over the years: 2002, 2008, 2014 with Haiti and Syria, and more recently with the Oxfam case—what assurances or guarantees can you give us to ensure that we are not looking to get another scandal in the future and we will learn from the mistakes we made in the past?

Penny Mordaunt: I am obviously aware of various reports that have been produced in the past and actions that have been taken from those reports. What you are asking me is what is different now, what is different about this case? I don't know whether it is because of how high profile the Oxfam situation was or whether it was a case of a number of opportunities to resolve it coming together at the same time. But I do think, and people that have been in the sector longer than I have, say that this is different. What we have had is a sustained approach to resolving these issues.

The other important factor is that it has not just been in the UN or in the UK aid sector. It has been across the board. It has been across donors working together. It has been in the finance institutions. It has been in the UN and many other organisations as well. There is momentum behind this. The UK has played a role in that and we have kept the pace on. Literally, wherever we go, we are holding sessions on this. That is not just me but my colleagues across Government as well. We are keeping the pace on. We are supporting those people who have been champions on this issue for a long time to get things over the line that they have been pushing for some time.

The conference in October also gives us something to work towards. The other thing is that this has been very practically focused. It is about operational things as well as policies, and those sorts of things. It has been about our own staff as well our beneficiaries.



We have made progress—unprecedented progress—in comparison to previous situations and we need to keep that going. But what is clear to me is that we have to keep the pressure up and that is not just on the UN, it is on our own aid sector as well. We have to remind people and the beneficiaries that that is why we are there, and we have to remind people that that is the purpose of what we do. I have taken issue with people who think my purpose is to give them money to be in existence as an organisation. That is not. We are here for the beneficiaries and we cannot say that enough.

Q453 Chris Law: Beyond October, what sort of practical steps do you think will need to be taken in order to ensure that this continues and the eye does not get taken off the ball?

Penny Mordaunt: The purpose of October is to get agreement on some practical things that we can take forward. The donor group is looking at things that it can do to harmonise between nations. There are some other issues that I know the Committee is looking at, and we have been looking at, and the working groups, ombudsmen, investigation teams and all those sorts of things, vetting procedures, and so forth. The idea of October, as well as galvanising support, was to sign up to those things. I don't know whether you want to add to that, Peter.

Peter Taylor: Absolutely. It is these concrete things. If we can get harmonisation on at least strong alignment between all of the donors about what our funding agreements look like, so what does the USAID funding agreement look like for contractors or civil society organisations, DfID. There are 17 countries in the donor working group that make up the vast majority of global ODA. If we can get those types of things there, the wording right, if we can agree what the standards are that we want some organisations to meet that would be a big step forward and if we can agree codes of conduct for senior leadership in civil society organisations. The charitable sector is working on some of that itself. If we can bring all that together, private sector, civil society, multilaterals, UN, and so on, then we have a powerful package that will endure.

There will be things that we will not be able to agree by October. We will need to keep going but there is real support to do that, and we are trying to plug into all of the different mechanisms to make sure that the momentum continues.

Q454 Henry Smith: There was a joint Ministry of Defence and DfID memorandum with regard to the 2002 allegations of sexual abuse against children in West Africa. My understanding is that the Ministry of Defence cannot locate, from that time in 2002, any evidence that those allegations were pursued by the Royal Military Police. No memorandum was sent to the Secretary of State or to Ministers at the time that they were in the Department. Therefore, is it conceivable that none of these allegations of sexual abuse in West Africa in 2002 were followed up?



Peter Taylor: I don't think it is conceivable. There is proof that we have seen from the United Nations and others. I cannot remember the exact numbers but roughly between 40 and 50 allegations. There were about a dozen that were proven and there was action taken on that.

Other organisations who have given you evidence—who are named in that report—have said that they have never found any evidence of that. In that very chaotic situation at the time, it may be that some things were rumours and there wasn't anything behind it. There was never anything substantive anyone has ever seen behind the accusation that British peacekeepers were in any way involved in that. That is why the Royal Military Police never looked into it any further because, from what they could tell, there was nothing to look into. As the report itself said, there was nothing to substantiate that.

Q455 **Henry Smith:** On the point of notification to the Secretary of State and Ministers at the time, do you think things have fortunately evolved a lot more in the last 16 years with regard to this issue? We took evidence from the two previous Secretaries of State, and the Secretary of State at the time, and she did not recall any memorandum at the time. Are you confident that systems are now much more robust?

Penny Mordaunt: Certainly. Just on the humanitarian front, if you were to compare any aspect of how the humanitarian system runs, and what is good practice now and what was standard practice years ago, it looks very different. Gone are the days where vast numbers of aid workers descend and sort stuff out through the Grand Bargain, through good practice. It is about enabling local people to do that. You would expect that other areas have similarly evolved.

What I can say is that in the policies that we have in place across Government—one of which I alluded to earlier—the voice of beneficiaries is at the heart of that and we know the standards by which we hold people to account. That is a strong place. Those are only credible if those in country and those at the top of Departments, or organisations who are delivering these programmes in these efforts for us, understand that and uphold those values and principles.

We have done a lot over the last six months. There is still more to do, but we know what good looks like and there is goodwill across many organisations in the sector to get there.

Peter Taylor: Having been in the Department since 2001, it is a very different Department, and, if you look at the steps, the progress we have made on our overall programme management through the smart rules framework our overall risk management, the expectations that we have of partners, things get raised much more quickly and escalated much more quickly. There is much more active risk management than perhaps there was. It is partly due to technology, but it is easier than it was nearly 20 years ago.



Q456 Chair: When we started this inquiry it was in response to the Oxfam Haiti revelations, and clearly that relates to sexual exploitation and abuse of aid recipients. What then became clear is there are a whole set of other issues around sexual harassment, abuse, and assault within aid agencies. We had the Charity Commission previously and Oxfam are being investigated for one set of things and Save the Children for the other. Have you found evidence that the incidents of sexual harassment, abuse and assault in the aid sector is higher than in other sectors?

Penny Mordaunt: Of staff?

Chair: Yes, of staff. Sorry, specifically on that. Obviously, we have had the “Me Too” movement. We know many institutions have been affected by issues to the sexual harassment. Is there a sense that this is a bigger issue in the aid sector than in other domestic sectors?

Penny Mordaunt: That is a very hard question to answer because, as we know, we can only go on what is reported and the absence of reporting is not necessarily an indication that everything is fine. With that caveat, it is a hard judgment to make.

What we have to appreciate is that if you are working, as many people in the sector are, in very extreme conditions and extreme environments—and by that, I mean not just chaos but emotional stress as well—you are more likely to be vulnerable to these sorts of things happening. Also you may be being targeted by predatory individuals, whether they are looking to abuse beneficiaries or they are looking to abuse their position as a paid member of staff.

What this tells us is, even if we don’t have evidence that this sector is any worse than any other, we know that this is an issue across the whole of society with the “Me Too” movement and those sorts of things.

Because we know the environments we operate in, it is a reason for us to ensure that our own practices are second to none and that we have absolutely the best and strongest HR policies in place and protections for people who have been a victim of harassment or worse. That is what we need to focus on. It would be a hard judgment to make about whether we are any worse than any other sector.

Q457 Chair: You have slightly anticipated my follow-up question, which is more specifically around this issue of whether predators are particularly attracted to work in the aid and development sector, precisely because of the often unregulated chaotic environments in which they are working. Certainly, Kevin Watkins, from Save the Children, when he gave us evidence suggested that he thought there was a greater propensity for predators to seek work in the aid sector. Have you either commissioned or do you know of any research that might suggest that that is the case?

Penny Mordaunt: We have obviously worked with the National Crime Agency very closely. They have been part of the work that we are doing. I understand—and Peter might say more on this—that because of the



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action that we have taken in the sector, the strong message that we are sending but also the practical things we are doing, and the effect that we are having, whether it is in agencies or organisations, that predatory individuals have moved out of the sector. There is some evidence that that has happened. I don't know whether you can say any more on that, Peter.

Peter Taylor: It is very hard. We have to be careful about claiming credit on things, but we have been told of one direct example where one of our officers—who will remain nameless—engaged with the host Governments and got them to start thinking about this in much more detail as a result of the commission from the Secretary of State. They started to look at their internal practices and processes and what was going on. They have identified at least one predatory individual who has now been removed from Government service there.

We have seen one or two things, which perhaps are unrelated. There is a high-profile case at the moment in Nepal with an arrest of a former UN official, who has been working in the charity sector there. That was completely led, as I understand it, by the national Government there. So there is consciousness that it is happening and people are collectively trying to get a grip of it.

Penny Mordaunt: But the message from us is that we have made good strides, we will make further, and other donors are coming with us. If you are a predatory individual and you have been targeting the aid sector, your time to move on is now.

Q458 **Chair:** You are slightly tempting me to ask some questions that I am due to ask later on, but in those instances obviously one of the concerns that we have heard a lot about is people being able to move from one bit of the system to another bit of the system. Can you give us an assurance that that will not be the case in the two examples you have given today?

Peter Taylor: I cannot give you an assurance, no, but I can assure you that we are working very hard on this issue. There have been various suggestions put out there, which you will be very familiar with, and would have read about, and heard about during the course of this inquiry. Do you have some sort of global international register, passport?

What we are looking at, at the moment, is there are three or four different options out there but the most promising one at the moment is to try to make sure that every single organisation who hires staff has an up-to-date database itself, which records any cases or allegations against any staff members who work in that organisation. Then we need to find a way and we need to have sector-wide—so for the entire NGO sector—consistent ways that they talk to each other and share information. The UN has its own databases now; you probably heard about that last week.

We need to find a way to make all of those talk to each other more intelligently and also to try to get some agreed practices for when people,



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if they want to work in the aid sector, they perhaps have to forgo the right not to disclose information. They have to say, "If I am willing to work in this sector I am willing to say, proactively, I have never been accused or I have never had any convictions of this. My record is clean".

The Inter-Agency Standing Committee—you may have seen what came out of their meeting on 31 May—has some interesting ideas in this area. We are following up with them and others to try to get some contract agreements by October.

Penny Mordaunt: Add to that, the National Crime Agency has strengthened its knowledge of the aid sector, so it has a dedicated senior person who is the lead on this sector.

Chair: That neatly brings us to some questions about the UN, and I will bring in colleagues now. Some of the things you have just said I am going to return to at the end, in terms of specifics in the run-up to October.

Q459 **Paul Scully:** As has been alluded to by Chris, when he said about the sexual exploitation and abuse issue has been on the agenda since at least 2002. We had the report on West Africa and then the Save the Children, "No One to Turn To" report in 2008, and the indictment of the UN's response to the 2014 case of abuse of the Central Africa Republic, and all manner of other things as well. Why do you think it has been such an intractable problem for the UN and its agencies?

Penny Mordaunt: Although it is fairly straightforward to get political engagement from the UN and from the secretariat, the complexity of the agencies and the difficulties of reform of the UN, which are well known, that has frustrated things in the past. Indeed, it took us a while to get traction with the UN as an organisation as a whole on this issue. For example, the financial institutions were very fast to want to raise their game and very quick to agree what they were going to do and how they were going to do it.

We have had unprecedented engagement from the UN, not just at the Secretary-General's office but also with the agencies as well, and getting it to agree to annual reporting. We have had very large numbers of meetings with all the agencies, including UNHCR and OSCHA. We do have traction with them.

They have introduced additional support for their own staff, for example, the hotline for their own staff went live in spring. But the work we want to see for beneficiaries of what we do is still in train. The reason why people have not made more progress in the past has been because of the complexity of the UN structure and the problems of any type of reform in the UN, which all comes back to politics.

Q460 **Paul Scully:** The evidence from a lot of witnesses we have had, including the visit we had last week, indicates that the policies and mechanisms are available; UN resolution 22.72, for example. But the implementation



seems to have fallen in the face of politics, as you say, of the UN, secretariat, and member states. We touched briefly on sexual harassment but there was a lot of work around there but we have seen a lot of HR responses rather than outcome focused responses. This is a key thing. But, overall, what is the UK doing to build alliances within the UN group and with other member states to repair that deficit?

Penny Mordaunt: The biggest lever we have—this is why it is important that it is not the UK acting alone—is other donors and our money. The recent G7 Development Ministers’ meeting I attended, we chaired a session on this particular issue. We had very strong agreement in the communiqué from the end of that summit. Our combined funding for humanitarian work is about 90% of the global funding on humanitarian work.

Ultimately, what gives us traction and purchase with the agencies is our money. That is why the donor group is so important. At the G7, which was obviously a couple of months ago, we had every nation in the donor group, bar Italy, and they have now joined. That is what gives us clout to get the agencies where we need to be. We have seen action with the agencies. Some have been quicker out of the blocks than others but they are acting and they are taking this seriously.

Q461 **Paul Scully:** You know that UN Resolution 22.72 allows the Secretary-General to take action against peacekeepers. Do you think there should be an equivalent resolution for UN civilian staff?

Penny Mordaunt: Clearly, in the aftermath of the Oxfam scandal, the statement from the Secretary-General about immunity was an important statement because, although the claim is there is nothing new, actually it was a more upfront statement of that. There are clearly different legal issues about who; if you are military personnel you are governed by a whole set of different rules than civilian personnel.

What is important in all of this is that we are not replicating law enforcement. The problem we are trying to crack is not that we don’t have relevant laws or law enforcement to pursue people that have done wrong; it is that the sector has not reported. It has not had the systems in place to spot and prevent those things happening. That is where we need to focus our energy and support. There might be something in some of the donor working groups that have touched on this.

Peter Taylor: It is a live issue. I don’t think there is much more to say. I think you have covered it.

Q462 **Richard Burden:** We have had witnesses describe to us a culture in the UN, which they have described as opaque, complex, process heavy, a culture where the welfare of victims or accountability of abusers, are considered an afterthought, if they are considered at all. What contribution do you think that assumptions that are often made about the immunity of UN personnel makes for the challenge of dealing effectively



with allegations among UN personnel?

Penny Mordaunt: I am not sure I know what you are getting at there with regard to immunity. Do you mean that people don't understand that they are going to be held to account for their actions?

Richard Burden: There is an assumption often that UN personnel—particularly, international staff—have diplomatic immunity in country, which is not always borne out by the rules but there is that assumption that there is actual legal immunity, and even where that is not considered legal immunity perhaps a broader assumption that there is impunity for UN personnel.

Penny Mordaunt: Both with the UN, but also other organisations who have reaffirmed their policy in the wake of Oxfam—or changed their policy, like the World Bank, in terms of what they expect from those that work for them—that is a positive that has come out of this scandal. The statement by the Secretary-General and the actions and the statements from agencies that have gone back and scrubbed their policies, and also have addressed some of the gaps that we have identified in their policies.

There can be no excuse for not knowing now but this is something that is going to have to be repeated. This is why the working groups and the donor groups are so important because we have to make this a continuous training. We talk about: when people come into the sector what training do they have? What is their understanding about the complexity of some of the issues that they might be faced with, with where they might be working and what they need to do if they spot wrongdoing going on?

Historically, that has probably been part of the problem; that people have felt either it is not worth their effort reporting because there will be no result from their efforts in reporting. That is not the case now. It never really was but that is not the case now.

Q463 **Richard Burden:** Do you think with regard to the UN, specifically, there is a live process of reform going on that offers a realistic chance of improvement in these areas?

Penny Mordaunt: I think that there is. It is slower than other sectors that we are dealing with and it is different between different agencies. UNICEF, for example, was very quick to respond. Prior to Oxfam, we had identified some gaps in its policy and pushing it to plug those gaps. But it was an agency that responded quickly. Others have taken longer, but there is tangible action going on that we can point to with people changing their policy or practices, changing their training and putting in place things to ensure that their staff are properly supported. There is a lot more to do but the pace on this has picked up substantially over the last few months.

Q464 **Richard Burden:** You mention there about the multiplicity of different agencies, which may differ in terms of the speed with which they are



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tackling this issue. Do you think there is also an issue just about numbers of different, procedures? When we were in New York we heard about a number of individual agencies having their own individual mechanisms for investigation and accountability.

We also heard that there is also an UN-wide investigatory body—the OIOS—whose involvement in sexual abuse and exploitation, or indeed sexual harassment, within the UN, may happen in some cases, may not happen in other cases, depending on which agency it is. References from the OIOS to individual agencies and reports back on what happened when references are made from the OIOS seem to be very hit and miss, considering what is going on.

That to us, at least, raises the question about whether there should be a single procedure across all of the UN, a single system of complaints to cover the whole of the UN and, possibly, a single central investigative arm with teeth. We heard different views on that. I would be interested in your view.

Penny Mordaunt: There are several things I would say there. The first thing—and I made this point to other nations at the G7—because of the progress we have made on this issue, what it shows is we can get reform in the UN to happen. This is obviously a distinct and critical issue but it is part of a wider humanitarian form that we need to happen, not least because that system is leaking US\$1 billion every year out of the humanitarian pot.

One of the things we discussed at the G7 was: how do we pick up the pace of reform of the UN, particularly on humanitarian more generally? Of which this is clearly part.

The second issue I would raise is inconsistency between agencies. It is very difficult to compare performance of one against another. There are some that, for example, report incidents. Others report just allegations. Therefore, you have inconsistency and those that have been perhaps more forward leaning on these issues, who are very thorough and flag any allegation, are worried that they are going to look bad in comparison to others that perhaps are not as forward leaning that have not. There are merits to consistency across the piece there.

Ultimately, this is about—as it is with so many other issues with the UN—not duplicating things, cutting down on bureaucracy and having something that is effective and efficient. Where there is a new trend that has to be responded to, that people are fast in responding to that. We are dealing with live situations. There is merit to the UN doing these things and we know that it is a real. We are heavily involved in trying to get that to happen and co-ordinating donors to all ask for the same things, but it is difficult to get that reform to happen at a pace we want.

Q465 **Chair:** You mentioned duplication and bureaucracy. We were told there are 18 different task forces of the UN that relate to the SEA, so that sums up the challenge.



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Penny Mordaunt: The other thing I would say and pay tribute to is that the very lean but fit—and forgive me, you may have met them on your visit—staff at the UN who have been dealing with these issues have done an amazing job on very little resource.

Chair: I agree. That is very fair.

Penny Mordaunt: Support to them, in terms of enabling them to continue what is very good work, is important.

Q466 **Chair:** Richard's question focused on how the UN could improve its own systems. Some of our evidence has suggested that that is very difficult to achieve. That instead we should go down the route of having a completely independent body, which would be subject not to UN institutions but to a group of member statements and possibly even including a special court mechanism. Is that an option that is being considered and, if so, is it one that the UK might be open to?

Penny Mordaunt: I would say that, although that sounds a neat solution, practically it would be very difficult to achieve. Our experiences in dealing with all these other ideas and issues and discussing them with other nations and other organisations is that, first, there is a huge concern about replicating things. One of the issues why the ombudsman idea isn't flying among other donor nations is because they feel it might replicate certain things that are in place. Not necessarily going in and investigating and having a team that can do that, but the global Charity Commission role, if I can call it that.

Again, looking at replicating law enforcement, replicating justice systems, as an idea would not gain traction, based on our experience of other sorts of issues. You are still left with the same problem that, even if you have an independent organisation, you still have to get the UN and its component parts to recognise it.

I don't think there is any quick way of getting the UN to get where we want it to be on these issues and others, other than the hard graft of getting it there. Part of the success of that is going to be donor nations who pay the agencies to do their work, to require them to do it in a much more joined up and co-ordinated way.

Q467 **Chris Law:** We heard when we were in the US about significant concerns about the cost of effective safeguarding. One of the things that came up was of course: how do smaller NGOs bear the brunt of that expense? What was clear was that, in terms of safeguarding, that was taken up by USAID and they saw that as an allowable expense. What commitment can you give to smaller NGOs and contractors that safeguarding costs be treated by the UK in the same way?

Penny Mordaunt: I will let Peter talk about this because he has done a lot of work involving core budget and when we are tendering for work. I will just say this: when we looked at the UK aid sector and had those returns and details on policies, practices, and so forth, the smaller



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organisations were much better than the larger organisations, just as an aside.

Peter Taylor: Absolutely. There are some large organisations that also have very good practice but lots of small ones as well. What we have said to organisations is, "If you feel at the moment you don't have the capacity, you do not have the capability, to meet the standards that we have set—" as you know, the Secretary of State announced new enhanced due diligent standards on safeguarding. Those are in place. The organisations need to meet those. If they feel they cannot but they want to deliver programmes in partnership with us, they should make clear what they need to be able to do that to meet the safeguarding standards that we require. If they cannot meet the standards we won't fund them but we will look at it on a case-by-case basis to see what is required.

We are also trying to find ways of working through organisations, such as BOND, to help all of their members, probably particularly the smaller ones—I recognise there may be many very small organisations who are not part of BOND as well—but to try to find ways to bring up the standard of safeguarding to make people understand what they need to do in their organisations, trying to see whether we can buddy-up large organisations with very small ones. Or learning might be in the opposite direction, as you say; it might be the small ones who can teach the larger ones something as well.

We have said to organisations, "If you feel you need more resource be upfront about it. Don't try to hide it in budgets or proposals" and we will have a conversation about it and we see what we think is reasonable.

Q468 **Chris Law:** Just on that point, you are saying you have a conversation around being reasonable. If I was in a smaller organisation I would be a little bit put off by that. I would want to have a cast iron guarantee you are going to be there to support me to bring my organisation up to standard. Is that the case or is it a bit more?

Peter Taylor: What we are doing on this is taking a proportionate approach. We are saying for very small organisations, which may not have any direct contact with vulnerable groups, the standards that we require are very different to organisations that have a lot of direct contact with children or vulnerable adults. If you are a very small organisation and the degree of risk in your programme to safeguarding is very low, I don't think it is reasonable for them to say, "We want to get up to the gold standard for a very large organisation that has a lot of direct contact". Again it is horses for courses, on a case-by-case basis.

Q469 **Chair:** I was struck in our meetings last week in New York and Washington that the October summit is a big moment on these issues, not just here in the UK but globally. What would success look like?

Penny Mordaunt: I think we are already seeing evidence of a real step-change in what donor nations are doing for their respective aid sectors



and the agencies and partners we work with. I have been clear from the off that it cannot just be a talking shop. It has to deliver some tangible action and commitment from the donor nations and the organisations there.

The purpose of the donor group—as well as the work we are doing in the UK sector—is that by October we will have worked out what things are going to fly. What can we do together that helps protect the whole sector? What are the policies that we could harmonise? What are the things that we can put into our contracts and funding arrangements that are harmonised so everyone understands them? What are the expectations that we all must share about our duty to report? Those sorts of very practical things, and then the initiatives and ideas about vetting, passporting, and, as I say, the idea of the ombudsman, which is obviously not flying very far, but there will be some aspects to that role that we probably would want to take forward.

By October, we want to arrive at those very practical things and enable that conference to be where people commit to them, but also have some more in-depth conversations around some of the more long-term issues. There will be a work plan going forward, but I think some of the basic things that will strengthen the whole sector, wherever we work—with, in particular, the major contributors towards humanitarian funding—should be in place by October.

Q470 Chair: You mentioned two of the specific ideas that certainly seem attractive. You said that there is some resistance or reticence about the international ombudsman idea, and you did briefly mention the passporting idea that we have heard a lot about. Would you say a little more about the state of play in terms of those two ideas?

Penny Mordaunt: It may be worth just running through the four working groups so you could hear the workstreams and what is happening.

Peter Taylor: In terms of the stuff on accountability to beneficiaries and survivors, there are some good ideas there and things that people are supportive of. Then we are looking at, in terms of the other groups, trying to shift the organisational culture. This comes into leadership and thinking about a leadership charter, and I have mentioned that. There is some support there for maybe having, for example, UK NGOs signing up to a leadership charter setting out very clearly what is expected of leaders in this area.

Then we have the group looking at the whole employment cycle and on the vetting and referencing, as I have mentioned. There are some ideas that there seems to be less support for at the moment or there is a less clear way forward. We are trying to build things up from the bottom, maybe in groups of organisations or, as I said, trying to link different things together to make them more effective, rather than trying to build a whole new, giant system.



Q471 **Chair:** Is this to do with concerns around data protection, privacy and different legal approaches?

Peter Taylor: There are lots of different concerns as well. Trying to have one giant, global system we think will take a very long time to get up and running. We need something in the short and medium term, so we think there are short and medium-term solutions that we can take forward.

The last one is around reporting, accountability, making sure that investigations are heard properly, and, again, making sure that the wishes and the needs and the requirements of victims and survivors are very much front and centre of that. Again, basically at the moment we have a long list of about 15 or 16 ideas covering these four areas. We are working through these with the different working groups, with the NGO working groups, with the donor group, with the independent experts' group, and we are trying to boil them down into something that people can sign up to by October.

Q472 **Chair:** Peter, you mentioned earlier the idea of people being asked to forgo their right not to disclose. Can you elaborate briefly on that and then give us a sense of how likely that is to fly in terms of October?

Peter Taylor: Basically, if you want to work in the aid sector, if you are applying for a job, when you apply for that job, as part of the application process or maybe if you are successful in signing a contract of employment, you would say, "I forego my rights for you not to ask other organisations or to draw on relevant databases to see whether there are any charges or any proven cases against me in relation to sexual exploitation, abuse and harassment".

If we say that is the requirement for anybody working in the sector and if we can get all organisations to sign up to that—of course people can lie, you cannot make it 100% foolproof—and we feel there is something there or there is an idea there that is worth exploring further. As I say, the Inter-Agency Standing Committee principles' meeting at the end of May has some specific language on that, and there seems to be support from within that group for that in the humanitarian sector. We are in the process of exploring the practicalities of that further.

Q473 **Chair:** On the working groups, are there any victim or survivor representatives or voices?

Peter Taylor: Yes, there are. As I say, we are in the process of strengthening that voice in different ways, working through all of our country offices, working through representatives in the UK and elsewhere, so yes.

Chair: Thank you very much indeed for coming today and, if I might say, for the leadership that you have shown and the Department has shown, Secretary of State, on this very important but challenging and complex set of issues. We are drawing towards the close of our inquiry and we will publish our report in due course, and I hope that that can contribute to



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improving the system so that we learn lessons from some of the scandalous things that have emerged in recent months. Thank you very much indeed.