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DATUM 5 March 2018
BETREFT Haiti investigation

Dear Ms Arib,

In the light of recent statements by Oxfam Novib and the Minister for Foreign Trade and Development Cooperation concerning the involvement of the Netherlands Court of Audit in the Haiti investigation, we are writing to inform you about the course of events relating to the audit we conducted in 2012 into the way in which the Haiti aid funds had been accounted for.

In a nutshell

In 2012, the Netherlands Court of Audit sought to obtain a clearer picture of whether Dutch aid funds intended for Haiti had been used for improper purposes. In this connection, we obtained – through the agency of Oxfam Novib – additional information from Oxfam Great Britain (Oxfam GB) in April and May 2012 on the misconduct of staff and the consequences of their actions. We concluded at the time that no fraudulent use had been made of Dutch aid. Although this conclusion remains valid today, we have found that the Netherlands Court of Audit was not fully informed at the time about the incidents of misconduct at Oxfam GB in Haiti.

The facts

In the wake of the earthquake that hit Haiti in 2010, the Dutch government earmarked a sum of €41.7 million for aid to Haiti (to be disbursed by the joint Dutch aid agencies (SHO)), over and above the sum of over €71 million that the

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SHO had received in the form of donations from private individuals. In a joint press statement with the SHO, the Netherlands Court of Audit announced on 21 January 2010 that it was planning to work together with the SHO and the Ministry of Foreign Affairs in order to enhance the clarity of the accounts on the aid and reconstruction programmes. 2/4

We decided that we would pursue further audits in this connection over a four-year period and that we would report to the House of Representatives at regular intervals. In terms of the way in which aid was spent in Haiti, it was not possible to distinguish the €41.7 million government grant from private donations. For this reason, our audits covered all the SHO's income and expenditure in relation to Haiti.

In order to obtain a picture of the success factors and impediments affecting aid programmes, we also performed field research in Haiti as part of our audits. This field research, which lasted from 9 to 25 March 2012, involved visits to a number of projects and interviews with staff from Oxfam GB, Cordaid and the Save the Children Fund. Oxfam staff in Haiti told us that Oxfam GB had dismissed various members of staff in August 2011 on account of misconduct in Haiti, and that this had prompted the resignation of Oxfam GB's Country Director. Oxfam GB had already reported this itself in a press release issued on 5 September 2011, when it also noted that no fraudulent use had been made of any funds provided by donors.

Oxfam GB was a relevant party for the Netherlands Court of Audit as Oxfam GB was responsible for the way in which the funds supplied by Oxfam Novib were spent in Haiti. In other words, Oxfam GB's activities in Haiti were funded in part with money provided by its sister organisation, Oxfam Novib (one of the members of the SHO). For this reason, we made a number of inquiries about possible instances of fraud involving Dutch aid funds for Haiti that had been spent by the SHO. In the light of the reports of misconduct, we asked Oxfam Novib for additional information so that we could confirm that Dutch aid funds had not in fact been misused or spent on improper purposes in Haiti.

Following our field research in Haiti, a meeting was held at our request on 29 March 2012 between officials from the Netherlands Court of Audit and the SHO. During this meeting, we discussed both the matter of sexual misconduct and the possible fraudulent use of Dutch aid funds. We asked for additional information on both these points. On 3 April 2012, we also informed the Ministry of Foreign Affairs on both matters.



On 18 April 2012, we received from Oxfam Novib an anonymised (i.e. 'edited to remove references to the individuals subject to the investigation') summary of the report on the investigation performed by Oxfam GB's Internal Audit and HR departments in July 2011. The investigation concerned the accusations of 'sexual exploitation (use of prostitutes in Oxfam GB guest houses and sexual harassment of staff), fraud, negligence and nepotism' that had been levelled at 'various members of staff' (Investigation Report, FRN5 – Haiti).

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This report confirmed our own impression that there had been instances of misconduct in Haiti, that this had been investigated by Oxfam GB, that disciplinary action had already been taken at the time and that a press statement had been released on the matter.

On 8 May 2012, we also received from Oxfam Novib a report on the 2011 financial audit of the Haiti earthquake project (*Rapport d'audit financier du projet d'Oxfam GB HAI R03711*). At our urgent request, Oxfam Novib's external auditor had extended his routine audit to include expenditure by members of staff accused of violating Oxfam GB's code of conduct.

Based on the findings of this 2011 financial audit, we concluded that no Dutch aid funds had been misused or spent on improper purposes in Haiti. We wrote to Oxfam Novib as follows on 21 May 2012:

"We have of course read with interest both the report [i.e. the internal audit report referred to above] and the findings of the external auditor. Neither the internal report compiled by Oxfam GB nor the external audit report found any evidence of fraud. This means that we can consider the matter closed and can now concentrate all our energy on further improving the way in which the spending of aid funds is accounted for."

In April 2012, the SHO also noted in a report of its own that a number of staff had been dismissed on account of having violated the code of conduct.

Publication of 1 November 2012

Our publication entitled 'Accounting for Haiti aid funds 2011' (Dutch title: *Verantwoording van de hulp gelden 2011 voor Haiti*, 1 November 2012, parliamentary paper 32293 no. 16) did not mention the misconduct and the subsequent action taken by Oxfam GB. This was because Oxfam GB had taken disciplinary action of its own, on which it had reported itself, and also because no evidence of fraud had been discovered.



Recent developments

On 13 February 2018, Oxfam Novib posted a statement on its website in the wake of recent reports in UK media. This statement also refers to the role played by the Netherlands Court of Audit in connection with Haiti. On 19 February 2018, Oxfam GB released the original audit report compiled in 2011. Oxfam Novib saw no reason for informing us about this.

Having compared the version of the report sent to us at the time with the version that has now been published, we have concluded that more than just the names of individuals were omitted in 2012, and that all the various public statements made at the time did not fully reflect the actual situation. For this reason, we recently asked Oxfam Novib why they decided in 2012 to send us an incomplete version of Oxfam GB's internal audit report. Oxfam Novib told us that the version they sent us in 2012 was the version they had received from Oxfam GB.

We conclude that, at the time when we compiled our own audit report, we did not have access to full information, notably on the role and involvement of the Country Director. As a result, we were not able to assess the actual situation.

Our involvement in this project was aimed at enhancing the transparency and clarity of the way in which the spending of Dutch aid funds is accounted for. In retrospect, however, it is clear that we fell short of achieving this aim in relation to one particular aspect, i.e. misconduct.

We regret the fact that we did not, at the time, have access to the full version of Oxfam GB's internal audit report, although we should point out that we do not have audit powers in this respect. Nevertheless, even taking account of the information in the recently published version of the report, our conclusion still stands, i.e. that no Dutch aid funds were misused or spent on improper purposes.

Netherlands Court of Audit

A.P. (Arno) Visser,
President

C. (Cornelis) van der Werf,
Secretary-General