

Trustee disqualified after charity fails to account for over two hundred thousand pounds intended for school in South Sudan

[In a report published today](#), the regulator concludes that the former trustees of Under Tree Schools are responsible for misconduct and / or mismanagement. The regulator has disqualified one former trustee for a period of 15 years. Three other former trustees resigned during the Commission's investigation.

[Under Tree Schools](#) funds and operates a girls' school in South Sudan. The regulator began investigating concerns about the charity after an independent examination of its accounts raised questions about the transfer and subsequent handling of charity funds sent from the UK to South Sudan. This [escalated to a statutory inquiry](#) in December 2019, at which point the Commission froze the charity's bank account.

The investigation has found that one of the charity's trustees, Reverend Ayok-Loewenberg, who was a citizen of South Sudan, provided information regarding currency exchange rates in that country which was inconsistent with the commercial exchange rate at the time. This resulted in the former trustees transferring significantly more cash from the UK than was necessary. These funds were collected either by that trustee or by 'trusted agents' engaged by him, and the trustees were unable to prove that all these monies were spent on the school.

In total, the charity lost around £218,000 as a result of transfers of monies from the UK to Africa which cannot be proven to have been spent on the charity's purpose.

The Commission finds that the other trustees relied excessively on the now disqualified trustee for his knowledge of South Sudan, and placed significant trust in him. This meant that they did not challenge information provided by him, or suggestions made by him around currency exchange rates and the use of 'trusted agents' who handled money on the charity's behalf in Africa.

The Commission disqualified Reverend Ayok-Loewenberg in December 2020 and has now found the former trustees collectively responsible for mismanagement and/or misconduct in the administration of charity.

The regulator notes that new trustees, appointed in January 2020, have put in place more stringent financial controls, and taken steps to ensure staff at the school in South Sudan are aware of the importance of keeping sufficient evidence of how the charity's funds are spent.

Tim Hopkins, Assistant Director for Investigations and Inquiries at the Charity Commission, said:

Charities should use their resources efficiently and effectively, and be accountable to the public and donors who support them. The trustees of this charity failed in that regard. They did not ensure that the charity's funds were fully accounted for, to show that they were spent to support the education of girls in one of the poorest parts of the world. We are critical of all the former trustees.

This case demonstrates the risks of placing excessive trust in individuals in charities, without establishing appropriate systems, checks and balances, and keeping clear records. I hope other trustees learn from this case, and ensure that they are mindful of, and fulfil their individual responsibilities as trustees, towards their charities.

Ends

Notes to editors

1. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.