

# Building Foundation for Development

## Maintenance Audit 1 – Report – 2024/06/27

### 1. General information and audit activities

<b>Role / name of auditor(s)</b>	Lead Auditor / Marie Grasmuck	
<b>Audit cycle</b>	First cycle	
<b>Opening Meeting</b>	<b>Date / number of participants</b>	<b>Any substantive issues arising</b>
	21 May 2024 (5 females, 7 males)	No
<b>Closing Meeting</b>	29 May 2024 (3 females, 7 males)	No
<b>Interviews</b>	<b>Position / level of interviewees</b>	<b>Number</b>
	Senior Managers	3
	Staff	2

### 2. Actions and progress of organisation

#### 2.1 Significant change or improvement since the previous audit

There have been some changes since the initial audit. As a corrective action to CAR 2023-9.6, Building Foundation for Development (BFD) has reviewed the composition of its Risk and Compliance Committee within the Board of Trustees (BoT) to avoid conflict of interests with the executive functions of BFD and ensure that BoT members have an adequate position to perform their duties (see below). Since the initial audit, BFD has also finalised the implementation of its Enterprise Resource Planning and is using the platform for most of its tasks (Programmes, Human Resources, action plans), and the follow-up of its organisational indicators.

BFD has continued to be committed to the CHS and has supported the CHS Alliance in launching the CHS:2024 in two governorates. Since their initial audit, BFD has also provided support to other Yemeni organisations looking to discuss the CHS verification schemes. BFD also report that it has witnessed an increased interest from donors. BFD's plan to open a branch in Sudan is still ongoing.

To resolve the CARs, BFD has taken a learning approach. Each relevant unit was assigned with one or several corrective actions described in the management response. The planned actions have subsequently been integrated into the action plan of each department and are reviewed *a minima* at monthly meetings.

#### 2.2 Summary on corrective actions

<b>Corrective Action Requests (CAR)</b>	<b>Type and resolution timeframe</b>	<b>Progress made to address the CAR and in response to the findings of the indicator</b>	<b>Evidence (doc no., KII)</b>
2023-5.3: BFD's processes do not ensure that complaints' handling is timely and that it prioritises the safety	Minor / By 2026 (RA)	BFD shows progress to address this CAR: <ul style="list-style-type: none"> <li>- BFD has updated its Complaints Feedback Mechanism SOPs, Accountability and FCM Guidelines, and SOPs for Phone and Processing Complaints Received to add:               <ul style="list-style-type: none"> <li>- clear timeframes for solving complaints;</li> <li>- the opportunity for the complainant to appeal the outcome of the complaint management;</li> </ul> </li> </ul>	167, 168, 169, 170, 175, 176 177, interviews with staff

or perception of safety of the complainant.		<ul style="list-style-type: none"> <li>- and the obligation to handle complaints individually</li> <li>- BFD has trained its relevant staff on the new procedures (MEAL staff of project staff in the absence of MEAL staff)</li> <li>- BFD has reviewed its SOP for handling sensitive data</li> <li>- BFD's Senior Accountability Officer and Executive Director have both attended a foundational training on investigations, and the Senior Accountability Officer is enrolled in an advanced investigation training (planned June 2024).</li> </ul> <p>Next, BFD plans on developing new visuals to better inform communities of its complaints mechanism and foster their trust in the system.</p>	
2023-5.4: BFD's complaint handling process is not yet fully in place.	Minor / By 2026 (RA)	<p>BFD shows progress to address this CAR:</p> <ul style="list-style-type: none"> <li>- BFD has updated its relevant SOPs to include complaints' response timeframes and the complainants' right to appeal (see also 2023-5.3)</li> <li>- BFD has trained relevant staff (MEAL staff of project staff in the absence of MEAL staff) (see also 2023-5.3)</li> <li>- BFD is in the process of training relevant staff (Senior Accountability Officer) on the investigation of sensitive complaints (see also 2023-5.3)</li> <li>- BFD's programme department has started to include the set-up of the complaints mechanism and the training of staff on the complaints mechanism in every project implementation plan.</li> <li>- BFD has included complaints mechanism indicators in its ERP, to better track whether the SOP are followed and give an easy access to person who have executive responsibilities towards complaints.</li> </ul> <p>Next, BFD plans on regularly training new relevant staff on its SOPs.</p> <p>Because of the few interviews organised for the maintenance audit, the present audit has not verified whether staff awareness on the complaint mechanism had improved. This will be verified at the renewal audit.</p>	167, 168, 169, 170, 175, 176, 177, 181, 196 interviews with staff
2022-8.7: There is no system to ensure that short-term project employees are onboarded on the Code of Conduct.	Minor / By 2026 (RA)	<p>BFD shows progress to address this CAR:</p> <ul style="list-style-type: none"> <li>- BFD ensures that each short-term employee signs a contract which includes a signed recognition and an induction on the Code of Conduct.</li> <li>- BFD has organised a round of training for all staff on its Code of Conduct.</li> <li>- BFD presents its Code of Conduct (as well as key policies) to new staff at the onboarding stage, as per its new Employee Orientation Checklist</li> </ul> <p>Due to limited interviews conducted during the maintenance audit, further verification of staff awareness on the Code of Conduct has not been carried out. This will be verified at the renewal audit.</p>	161, 162, 163, 166, 164, 165, 197 interviews with staff
2023-9.6: The composition of the Risk and Compliance Committee is leading to potential conflicts of interest between the finances and internal audit functions, and the quality assurance system to ensure the	Minor / By 2026 (RA)	<p>BFD shows the following progress in addressing this CAR:</p> <ul style="list-style-type: none"> <li>- BFD reviewed the composition of the Risk and Compliance Committee (RCC) within the BoT to avoid conflict of interests that existed between the executive functions (internal audit and finances) and the RCC. One person was replaced by an external expert, and the other concluded its function with BFD to stay in the RCC.</li> <li>- BFD has taken a learning approach since the initial audit, and the different committees of the BoT have reviewed the audit conclusions and agreed to follow-</li> </ul>	186, 193, 196 interviews with staff

integrity of BFD's policy framework is not in place		<p>up the coherence of policies closely through the existing Policy Development Committee (PDC). The PDC action plan includes the formulation of recommendations to the BoT with regards to HQAI audit conclusions.</p> <ul style="list-style-type: none"> <li>- BFD's ERP includes indicators that practices align with policies, especially with regards to the review of key policies related to complaint mechanisms, project management and human resources indicators. This will be further verified by the auditor at the next maintenance audit, once the ERP will have been in place for more than a year, to better reflect on its functionality regarding this CAR.</li> </ul>	
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### 3. Summary of non-conformities

Corrective Action Requests (CAR)	Type	Status	Resolution timeframe
2023-5.3: BFD's processes do not ensure that complaints' handling is timely and that it prioritises the safety or perception of safety of the Complainant.	Minor	Open	By 2026 (RA)
2023-5.4: BFD's complaint handling process is not yet fully in place.	Minor	Open	By 2026 (RA)
2022-8.7: There is no system to ensure that short-term project employees are onboarded on the Code of Conduct.	Minor	Open	By 2026 (RA)
2023-9.6: The composition of the Risk and Compliance Committee is leading to potential conflicts of interest between the finances and internal audit functions, and the quality assurance system to ensure the integrity of BFD's policy framework is not in place	Minor	Open	By 2026 (RA)
<b>Total Number of open CARs</b>		<b>4</b>	


### 4. Claims Review

<b>Claims Review conducted</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Follow-up required</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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### 5. Lead auditor recommendation

<p>In our opinion, Building Foundation for Development Yemen has demonstrated that it is taking necessary steps to address the CARs identified in the previous audit and continues to conform with the requirements of the Core Humanitarian Standard on Quality and Accountability.</p> <p>We recommend maintenance of certification.</p>	
<b>Name and signature of lead auditor:</b>  Marie Grasmuck 	<b>Date and place:</b>  June 3, 2024 Metz (FR)

## 6. HQAI decision

<input checked="" type="checkbox"/> Certificate maintained <input type="checkbox"/> Certificate suspended	<input type="checkbox"/> Certificate reinstated <input type="checkbox"/> Certificate withdrawn
<b>Surveillance audit before: 2025-06-26</b>	
<b>Name and signature of HQAI Executive Director:</b> Désirée Walter 	<b>Date and place:</b> 26 June 2024, Geneva

## 7. Acknowledgement of the report by the organisation

<b>Space reserved for the organisation</b>	
Any reservations regarding the audit findings and/or any remarks regarding the behaviour of the HQAI audit team:  If yes, please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Acknowledgement and Acceptance of Findings:</b>  <i>I acknowledge and understand the findings of the audit</i>  <i>I accept the findings of the audit</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Name and signature of the organisation's representative:</b> CEO: Ali Al-Mandaleeq 	<b>Date and place:</b>  8-07-2024

## Appeal

In case of disagreement with the decision on certification, the organisation can appeal to HQAI within 14 days after being informed of the decision. HQAI will investigate the content of the appeal and propose a solution within 10 days after receiving the appeal.

If the solution is deemed not to be satisfactory, the organisation can inform HQAI in writing within 30 days after being informed of the proposed solution, of their intention to maintain the appeal.

HQAI will transmit the case to the Chair of the Advisory and Complaint Board who will constitute a panel made of at least two experts who have no conflict of interest in the case in question. These will strive to come to a decision within 30 days.

*The details of the Appeals Procedure can be found in document PRO049 – Appeal Procedure.*

## Annex 1: Explanation of the scoring scale\*

Scores	Meaning: for all verification scheme options	Technical meaning for all independent verification and certification audits
<b>0</b>	Your organisation does not work towards applying the CHS commitment.	<p><b>Score 0:</b> indicates a weakness that is so significant that the organisation is unable to meet the commitment. This leads to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Independent verification: major weakness.</li> <li><input type="checkbox"/> <b>Certification:</b> major non-conformity, leading to a major corrective action request (CAR) – No certificate can be issued or immediate suspension of certificate.</li> </ul>
<b>1</b>	Your organisation is making efforts towards applying this requirement, but these are not systematic.	<p><b>Score 1:</b> indicates a weakness that does not immediately compromise the integrity of the commitment but requires to be corrected to ensure the organisation can continuously deliver against it. This leads to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Independent verification: minor weakness.</li> <li><input type="checkbox"/> <b>Certification:</b> minor non-conformity, leading to a minor corrective action request (CAR).</li> </ul>
<b>2</b>	Your organisation is making systematic efforts towards applying this requirement, but certain key points are still not addressed.	<p><b>Score 2:</b> indicates an issue that deserves attention but does not currently compromise the conformity with the requirement. This leads to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Independent verification and certification: observation.</li> </ul>
<b>3</b>	Your organisation conforms to this requirement, and organisational systems ensure that it is met throughout the organisation and over time – the requirement is fulfilled.	<p><b>Score 3:</b> indicates full conformity with the requirement. This leads to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Independent verification and certification: conformity.</li> </ul>
<b>4</b>	Your organisation's work goes beyond the intent of this requirement and demonstrates innovation. It is applied in an exemplary way across the organisation and organisational systems ensure high quality is maintained across the organisation and over time.	<p><b>Score 4:</b> indicates an exemplary performance in the application of the requirement.</p>

\* Scoring Scale from the CHSA Verification Scheme 2020