Building Foundation for Development (BFD) Maintenance Audit 2 – Report - 2025/11/26

1. General information and audit activities

Role / name of auditor(s)	Lead Auditor / Mahmoud Hassanin Elsisi	
Audit cycle	First cycle (CHS:2014)	
	Date / number of participants	**Any substantive issues arising**
Opening Meeting	12 November 2025 / 15 (5 females, 10 males)	No
Closing Meeting	12 November 2025 / 10 (4 females, 6 males)	No
Interviews	**Position / level of interviewees**	**Number**
	Senior Managers	2
	Staff	4

2. Actions and progress of organisation

2.1 Significant change or improvement since the previous audit

BFD's operating context during 2024–2025 was influenced by a constrained humanitarian funding environment, reduced donor allocations and shifts in global priorities, combined with elevated compliance expectations and continued security and access challenges in Yemen. These factors placed pressure on programme continuity and were associated with the reduction or closure of several interventions. Despite these constraints, BFD reported that its 2024 operations reached more than one million individuals across Yemen, including an estimated 826,000 people through health interventions, approximately 107,000 through food security and livelihoods activities, around 24,000 through nutrition programming, over 20,000 through education services and approximately 8,000 through WASH interventions.

In response to financial and contextual pressures, BFD's Board of Trustees initiated organisational adjustments intended to reinforce efficiency, strengthen oversight and ensure clearer lines of accountability. Governance arrangements were described as having been enhanced through structured monthly departmental reporting to the CEO, providing regular oversight of organisational risks, programme performance and operational constraints. Risk management arrangements were also reported to have evolved as departments and project teams began providing more systematic monthly inputs to organisational risk registers, which are consolidated and reviewed by the Audit and Compliance Department before submission to the Board of Trustees and the Risk and Compliance Committee.

Since MA1, BFD has updated a number of policy and procedural documents in areas connected to the open Corrective Action Requests (CARs). Revisions were made to materials related to safeguarding and child protection, gender, procurement, sub-granting, recruitment, anti-fraud and corruption, conflict of interest and risk management. Additional internal guidance was introduced for partnership management, environmental and climate considerations and the Feedback and Complaints Mechanism. These updates aim to clarify responsibilities, refine procedural steps and support greater consistency across departments.

Several standard operating procedures (SOPs) were revised to set out clearer process flows, defined roles and indicative timelines, particularly for complaints handling, safeguarding and programme management. Initial rollout has begun through staff briefings, the integration of selected documents into the enterprise resource planning system and follow-up with departmental focal points. The renewal audit will assess how far these updates have been embedded in practice and the extent to which they support progress on open CARs.

Core management functions, including operational planning, HR workflows, risk registers and the Feedback and Complaints Mechanism, are now managed through the enterprise resource planning system, with further development underway to integrate additional support functions.

The Feedback and Complaints Mechanism include procedures defining complaint categories and indicative response timelines, including a dedicated pathway for sensitive cases handled by authorised personnel only.

Sensitive complaints are required to be escalated to the CEO, who forms an investigation committee within 24 hours. Some staff members have completed recognised investigation training, supporting the safe and confidential handling of cases. Community awareness activities have been expanded through outreach in health facilities and community centres, including the use of pre-recorded audio messages explaining available channels, rights and the option to submit complaints anonymously. Post-distribution monitoring was reported to indicate a rise in awareness and in the volume of feedback received through the established channels.

2.2 Summary on corrective actions

Corrective Action Requests (CAR)	Type and resolution timeframe	Progress made to address the CAR and in response to the findings of the indicator	Evidence (doc no., KII)
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 / By 2026 (RA)	BFD shows progress to address this CAR: - The Complaints and Feedback Mechanism SOPs and the Accountability and Feedback & Complaints Mechanism Guideline have been revised to provide clearer definitions of complaint categories, indicative timelines for handling cases and confidentiality requirements for managing sensitive and highly sensitive reports. These documents set out the responsibilities of staff involved in receiving, documenting and referring complaints, contributing to more structured operational guidance. The Hotline Number and Processing Complaints SOPs offer more detailed steps for registering and processing complaints submitted through the hotline, including guidance on anonymous reporting, referral pathways and practices that must be avoided by staff. Sensitive complaints are required to be channelled to the CEO, who, according to BFD's procedures, forms an investigation committee to review such cases. Some staff members have completed recognised investigation training, enabling them to contribute to these committees when appointed. - The mechanism is integrated into the organisation's enterprise resource planning system, as illustrated in the ERP system example for complaints and feedback. The system includes fields for complaint classification, follow-up actions and closure, allowing for more structured tracking of cases and visibility on escalation requirements and timelines. - BFD has developed and reported sharing several awareness materials outlining available reporting channels and the organisation's confidentiality commitments. These include banners intended for staff and beneficiaries, audio messages describing the mechanism and additional communication tools used across operational locations. - Complaints-related risks are included in the Risk Register 2024, which provides an overview of internal monitoring arrangements associated with the mechanism. Interviewees reported an increase in complaints during the period, which they linked to	171, 175, 176, 177, 212, 213, 214, 215, 216, 217, 218, 221, 253, Interviews with staff

		greater community awareness of feedback and complaints channels and growing confidence in the mechanism. The consistency of application across locations and community awareness of the reporting channels will require further verification during the renewal audit, particularly in relation to timeliness and perceived safety of those submitting complaints.	
2023-5.4: BFD's complaint handling process is not yet fully in place.	Minor / By 2026 (RA)	BFD shows progress to address this CAR: - BFD has further operationalised its complaint-handling process through updates to the Complaints and Feedback Mechanism SOPs and the Accountability and Feedback & Complaints Mechanism Guideline, which set out clearer steps for receiving, documenting, assessing and referring complaints (see also 2023-5.3). - BFD has trained groups of staff on the operational application of the complaint-handling process, as reflected in the FCM Training Report, the Accountability–FCM–Code of Conduct training materials and the refresher workshop on the mechanism. - M&E action plans reviewed include responsibilities related to complaint registration, documentation, referral and follow-up within routine project monitoring. These plans also outline tasks such as installing CFM tools, raising community awareness, recording and processing complaints, entering cases into the ERP system and preparing statistical reports. - Complaint and feedback reports from several projects demonstrate how the mechanism is being applied in different operational contexts. These reports illustrate how complaints are recorded, categorised and followed up at project level in line with updated procedures (see also 2023-5.3). - The enterprise resource planning system includes designated functions for entering and tracking complaints, allowing for structured documentation of cases and for monitoring follow-up actions and closure. - BFD has developed and disseminated communication tools, including banners, posters, complaint boxes and audio messages, to raise awareness among staff and community members about the reporting channels and confidentiality arrangements. The renewal audit will further verify the consistent application of these procedures and MEAL arrangements, and the extent to which communities understand and use the reporting channels.	183, 227, 228, 229, 230, 253, 179, 181, 225, 226, Interviews with staff
2023-8.7: There is no system to ensure	Minor / By 2026 (RA)	BFD shows progress to address this CAR:	164, 165, 166, 200,

that short-term project employees are onboarded on the Code of Conduct.		- BFD has updated its onboarding procedures and incorporated the Code of Conduct into the induction requirements for all categories of staff, including short-term project personnel and volunteers. - Staff files reviewed during MA2 contained signed Codes of Conduct, employee acknowledgements and completed orientation checklists confirming delivery of policy briefings. Updated contract templates also reference compliance with the Code of Conduct. - Training documentation for 2024 and the 2025 Annual Training Plan demonstrate that the Code of Conduct and core safeguarding modules are included within mandatory organisational training. - Evidence from staff files, short-term contracts and policy-related training materials indicates that BFD has begun applying a more structured approach to onboarding short-term project personnel. These elements sit within BFD's broader safeguarding framework, which includes the Duty of Care and Employee Welfare Policies. However, the extent to which onboarding procedures are applied consistently and whether short-term staff fully understand their Code of Conduct obligations will require further verification during the renewal audit.	201, 202, 203, 204, 206. 207, 209, 255-256, 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 integrity of BFD's policy framework is not in place	Minor / By 2026 (RA)	BFD shows progress to address this CAR: - BFD has revised the structure and remit of its Risk and Compliance Committee, introducing adjusted membership criteria and clearer separation from operational and financial functions. The updated Terms of Reference set out broader oversight responsibilities across risk, compliance and audit coordination. - Records from recent committee meetings show regular review of external audit observations, updates to the institutional risk register and follow-up on selected compliance matters. These discussions reflect a more structured approach to oversight than was observed during the previous audit cycle. - At the organisational level, BFD has introduced tools to support more consistent policy development and review, including the BFD Development Policies Guideline and the central SharePoint policy tracker, which documents policy issuance dates, revision history, validity periods and planned review cycles. Verification during the renewal audit will be required to confirm whether these arrangements adequately respond to the original CAR and are applied systematically across the organisation.	187, 189, 190, 192, 237, 238, 240, 259, 260, 261, 262, 263, 264, 265, interviews with staff

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)
2023-8.7: 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)
Total Number of open CARs	**4**		

4. Claims Review

Claims Review conducted	☒ Yes ☐ No	**Follow-up required**	☐ Yes ☒ No

5. Lead auditor recommendation

In my 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.

We recommend maintenance of certification.

Name and signature of lead auditor:	**Date and place:**
Mahmoud Hassanin Elsisi	26 November 2025 Doha, Qatar

6. HQAI decision

☒ Certificate maintained ☐ Certificate suspended	☐ Certificate reinstated ☐ Certificate withdrawn

Surveillance audit before: 2026/06/05

Name and signature of HQAI Executive Director:	**Date and place:**
Désirée Walter	Geneva, 26 November 2025

7. Acknowledgement of the report by the organisation

Space reserved for the organisation			-6-
Any reservations regarding the audit findings and/or any remarks regarding the behaviour of the HQAI audit team: If yes, please give details:	☐ Yes	☐ No	
Acknowledgement and Acceptance of Findings: I acknowledge and understand the findings of the audit	☐ Yes	☐ No	
I accept the findings of the audit	☐ Yes	☐ No	
Name and signature of the organisation's representative: Building Foundation For Development (BFD) Ali Al Mandleeq	Date and place: 14-12-2025		

Appeal

In case of disagreement with the quality assurance decision, the organisation can appeal to HQAI within 14 workdays after being informed of the decision.

HQAI will transmit the case to the Chair of the Advisory and Complaint Board who will confirm that the basis for the appeal meets the appeals process requirements. The Chair will then constitute an appeal panel made of at least two experts who have no conflict of interest in the case in question. The panel will strive to come to a decision within 45 workdays.

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

Annex 1: Explanation of the scoring scale*

Scores	Meaning: for all verification scheme options	Technical meaning for all independent verification and certification audits
0	Your organisation does not work towards applying the CHS commitment.	**Score 0:** indicates a weakness that is so significant that the organisation is unable to meet the commitment. This leads to: • Independent verification: major weakness. • **Certification:** major non-conformity, leading to a major corrective action request (CAR) – No certificate can be issue or immediate suspension of certificate.
1	Your organisation is making efforts towards applying this requirement, but these are not systematic.	**Score 1:** 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: • Independent verification: minor weakness. • **Certification:** minor non-conformity, leading to a minor corrective action request (CAR).
2	Your organisation is making systematic efforts towards applying this requirement, but certain key points are still not addressed.	**Score 2:** indicates an issue that deserves attention but does not currently compromise the conformity with the requirement. This leads to: • Independent verification and certification: observation.
3	Your organisation conforms to this requirement, and organisational systems ensure that it is met throughout the organisation and over time – the requirement is fulfilled.	**Score 3:** indicates full conformity with the requirement. This leads to: • Independent verification and certification: conformity.
4	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.	**Score 4:** indicates an exemplary performance in the application of the requirement.

* Scoring Scale from the CHSA Verification Scheme 2020