

# CISU – Civil Society in Development

## Initial Audit – Summary Report 2022/08/23

### 1. General information

#### 1.1 Organisation

Type	Mandates	Verified	
<input checked="" type="checkbox"/> International <input type="checkbox"/> National <input checked="" type="checkbox"/> Membership/Network <input type="checkbox"/> Direct Assistance <input type="checkbox"/> Federated <input checked="" type="checkbox"/> With partners <input checked="" type="checkbox"/> Pooled Fund Agency	<input checked="" type="checkbox"/> Humanitarian <input checked="" type="checkbox"/> Development <input checked="" type="checkbox"/> Advocacy	<input checked="" type="checkbox"/> Humanitarian <input checked="" type="checkbox"/> Development <input checked="" type="checkbox"/> Advocacy	
<b>Head office location</b>	Aarhus, Denmark		
<b>Total number of pooled funding mechanisms</b>	15	<b>Total number of staff</b>	29

#### 1.2 Audit team

<b>Lead auditor</b>	Sarah Kambarani
<b>Second auditor</b>	Dorte Busch
<b>Third auditor</b>	Andrew Nzimbi & Simon Maina supported the audit team on-site in Kenya for the community consultations.
<b>Observer</b>	--
<b>Expert</b>	--
<b>Witness / other</b>	--

#### 1.3 Scope of the audit

<b>CHS Verification Scheme</b>	Independent Verification
<b>Audit cycle</b>	First
<b>Phase of the audit</b>	Initial Audit – Stage Two
<b>Scope of the audit</b>	All of CISU's 15 funding mechanisms are covered in the scope of this audit
<b>Extraordinary or other type of audit</b>	

#### 1.4 Sampling\*

Randomly sampled pooled funding mechanisms	Included in final sample	Replaced by	Rationale for sampling and selection of sites
9. CSF – Rebuilding Civic Space (<DKK500k)	Yes		The Rebuilding Civic Space funding mechanism was part of the initial random sample. It is part of the Civil Society Fund (CSF). It is included in the final sample because it is one of the mechanisms within the CSF which enables access to smaller amounts of funds with applications being assessed on an ongoing basis.
13. CSF – Civic Engagement Fund (<DKK1million)	No	5. CSF – Development Interventions	The initial random sample selected the Civic Engagement Fund. It was not included in the final sample because all the grants are implemented in Denmark and other funding

		(DKK500k to DKK4.5million)	mechanisms are more relevant to the application of the CHS and present a greater risk to affected communities if not implemented in line with the CHS. It was replaced in the final sample with the Development Projects mechanism which is part of the Civil Society Fund (CSF) and allocates medium sized grants based on biannual competitive calls for applications.
11. CSF – Programme (<DKK15million per year for 3 years)	Yes		The Programme funding mechanism was part of the initial random sample. It is included in the final sample because it is the mechanism in the CSF that allocates the largest multi-year grants based on a competitive call and is open to the larger, more experienced Danish CSOs.
15. DERF – Rapid Response (<DKK2million)	Yes		The Rapid Response funding mechanism was part of the initial random sample. It is included in the final sample because it is part of the Danish Emergency Relief Fund (DERF) and the only mechanism which allocates grants for humanitarian response.

**Any other sampling performed for this audit:**

For each of the sampled pooled funding mechanisms, three to four grants were selected. The selection was done purposively to ensure that the sample of grants reflected a geographic spread, a range of different grantees, and that projects with differing grant size and duration were included. The sampling criteria also took into consideration the requirement to select at least one grant from each funding mechanism that was being implemented in the same country, in order to facilitate the onsite visit. The country selected for the on-site visit in Stage 2 was Kenya, as this was the only country that met this criterion.

The auditors selected CISU interviewees based on a list provided by CISU, following instructions by the auditors. The list included the Board, CISU staff and others. The selection took into consideration CISU's organisational structure as well as the group structure, and consideration was also given to functions of staff roles that related to specific CHS commitments. All Danish grantees implementing the sampled projects were interviewed, whereas only implementing partners from the sampled projects in Kenya were included. Community consultations were undertaken with sampled groups of men and women, girls and boys, and CBOs. The community groups were selected in collaboration between the auditors and the implementing partners to accommodate travel time and access for communities and the auditors.

**Sampling risk:**

The audit was based on an analysis of CISU's organisational policies and procedures as well as the policies and procedures for a sample of the pooled funding mechanisms managed by CISU. The sampling was based on a random selection of pooled funds amongst the 15 pooled funding mechanisms managed by CISU. The random selection was purposively adjusted to ensure that the funding mechanisms covered both the development and humanitarian mandates and that there was a range of the size of grants allocated and therefore a range of size and experience of grantees in the sample, as well as a range of different application processes. Relevance to the CHS and the level of risk to affected communities were also factors taken into consideration in the sampling process.

Given that the audit is based on a sample of the pooled funding mechanisms, there is a representation risk linked to the broad spectrum of types and sizes of Danish CSOs that apply to CISU for grants, with varying capacity and experience to apply the CHS. This sampling risk has been mitigated by purposefully selecting grants for analysis at Stage 2 with a range of size and experience of grantees.

The auditors are confident that the combination of the analysis of CISU's organisational policies and procedures, together with the combination of random and purposive sampling of the pooled funding mechanisms, the grantees, and the projects, ensure that the findings of the audit are robust.

*\*It is important to note that the audit findings are based on a sample of an organisation's country programmes, its documentation and observation. Findings are analysed to determine an organisation's systematic approach and application of all aspects of the CHS across different contexts and ways of working.*

## 2. Activities undertaken by the audit team

### 2.1 Locations Assessed

Locations	Dates	Onsite or remote
Aarhus, Denmark	2021/11/29 - 2021/12/01	Onsite and remote
Kenya	2022/03/21 – 2022/03/25	Onsite

### 2.2 Interviews

Position / level of interviewees	Number of interviewees		Onsite or remote
	Female	Male	
<b>Head Office</b>			
Board	1	2	Remote
Management		2	On-site/remote
Staff	5	4	Onsite/remote
Others (Assessment Consultants, Grant Committee members and other stakeholders)	4	1	Remote
Danish Grantees	6	10	Remote
Partners in Kenya	10	6	Onsite (1 remote)
Others in Kenya (Local Authorities and Government representatives)		4	Onsite
<b>Total number of interviewees</b>	<b>26</b>	<b>29</b>	<b>Total: 55</b>

### 2.3 Consultations with communities

Type of group and location	Number of participants		Onsite or remote
	Female	Male	
Community based social workers and child protection volunteers in Eldoret, Kenya	3	3	Onsite
Male alternative care givers in Eldoret, Kenya		4	Onsite
Elderly female alternative care givers in Eldoret, Kenya	5		Onsite
CBOs, FBOs, media representatives in Malaba, Kenya	4	3	Onsite
Hotel owners and representatives of truck drivers' associations in Malaba, Kenya	2	5	Onsite
Male parents of students in Makueni, Kenya		8	Onsite
Female parents of students in Makueni, Kenya	9		Onsite
Teachers in Makueni, Kenya	5	1	Onsite
Students in Makueni, Kenya	5	5	Onsite
Female students in Mlolongo, Kenya	12		Onsite
Male students in Mlolongo, Kenya		8	Onsite
Parents of students in Mlolongo, Kenya	7	4	Onsite

Teachers in Mlolongo, Kenya	1	2	Onsite
<b>Total number of participants</b>	<b>53</b>	<b>43</b>	<b>Total: 96</b>

## 2.4 Opening meeting

<b>Date</b>	2021/11/29
<b>Location</b>	Aarhus, Denmark
<b>Number of participants</b>	12 (7 Female, 5 Male)
<b>Any substantive issues arising</b>	No

## 2.5 Closing meeting

<b>Date</b>	2022/04/20
<b>Location</b>	online
<b>Number of participants</b>	4 (1 Female, 3 Male)
<b>Any substantive issues arising</b>	No

## 2.6 Programme site, Kenya

### Briefing

<b>Date</b>	2022/03/21
<b>Location</b>	Nairobi, Kenya – Onsite/Remote
<b>Number of participants</b>	12 (8 Female, 4 Male)
<b>Any substantive issues arising</b>	No

### De-briefing

<b>Date</b>	2022/03/25
<b>Location</b>	Nairobi, Kenya - Remote
<b>Number of participants</b>	9 (6 Female, 3 Male)
<b>Any substantive issues arising</b>	No

## 3. Background information on the organisation

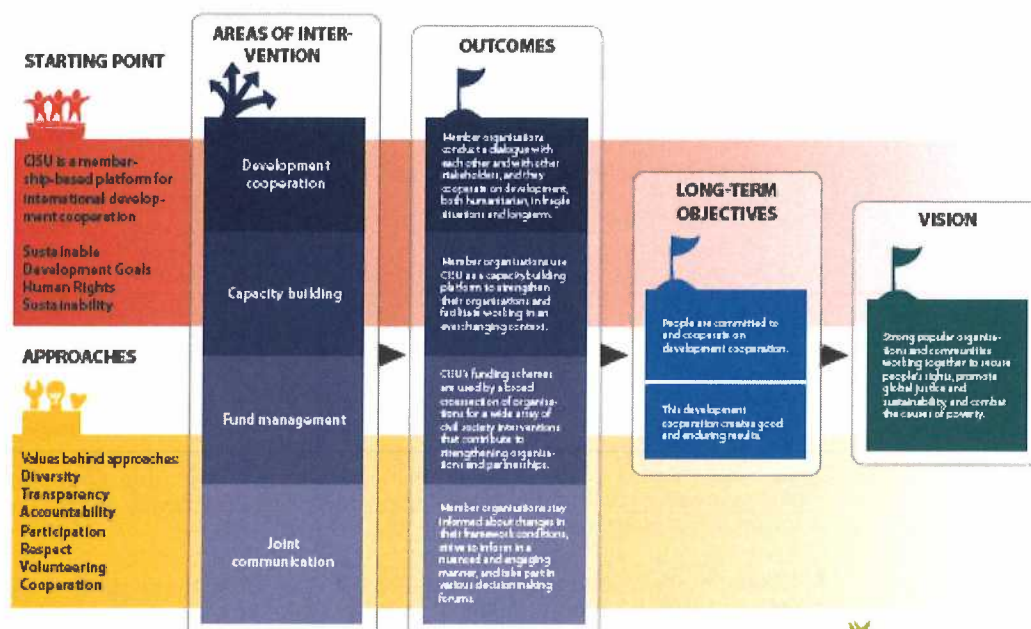
### 3.1 General information

CISU – Civil Society in Development (CISU) is an independent association of approximately 280 Danish Civil Society Organisations (CSOs). Membership is open to all Danish CSOs, non-profit organisations and foundations with an interest in international development who concur with CISU's statutes and pay the annual membership fee. CISU's membership, therefore, reflects the diversity of the Danish CSOs and includes smaller Danish CSOs as well as CSOs with a higher annual turnover who hold strategic partnership agreements with the Danish Ministry of Foreign Affairs (DMFA). CISU was founded in 1997. The membership organisation was initially called "Projektrådgivningen", but the name was changed to 'CISU – Civil Society in Development' in 2012.

CISU's Statutes outline CISU's aims as: 1) to support its members to be qualified and accountable partners in development cooperation which contributes to poverty reduction and strengthening of the civil society in developing countries; 2) to support its members to share knowledge and engage in debates in Denmark about the living conditions of poor people in developing countries and global relations underpinning this; and 3) to advocate for civil society space. CISU also provides courses and consultancy services for external partners. The statutes state that CISU may administer pooled funding mechanisms on behalf of the DMFA or others, upon approval by CISU's Board.

CISU's vision is that strong popular organisations and communities are working together to secure people's rights, promote global justice and sustainability, and combat the causes of poverty. CISU's mission is to support Danish organisations' work, both nationally and globally, for

a just and sustainable world. The theory of change on which CISU's strategy 2018-2021 is based is depicted in the diagram below:

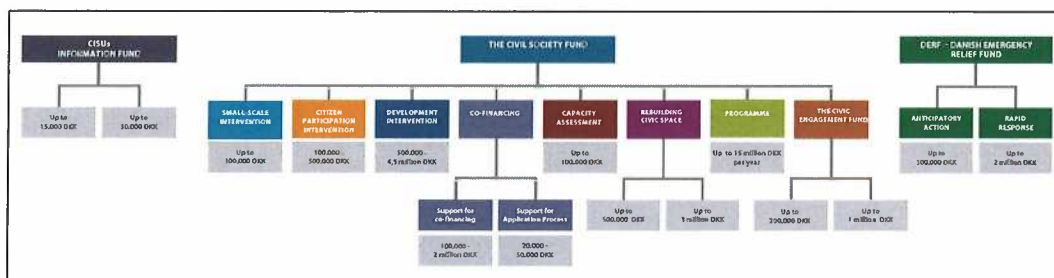


Using the UN Sustainable Development Goals (SDGs) as a universal reference for rights-based and sustainable global development, CISU's strategy 2018-21 has two strategic objectives: 1) popular engagement and cooperation at all levels of international development; and 2) meaningful results of development cooperation.

The theory of change is based on the assumptions that *if* CISU engages in development cooperation and innovative actions to develop cooperation between CSOs, and *if* it provides capacity development for its members, and *if* it communicates about global sustainable development, and *if* it acts as a pooled fund agency, *then* members will be able to engage in dialogue, strengthen their organisations to work in an ever-changing context, strengthen partnerships and stay informed about their framework conditions, leading to the fulfilment of CISU's long-term objectives and vision. During the second half of 2021, CISU engaged its members in designing its strategy for 2022–2025. The strategy 2022-2025 was recently approved at the General Assembly in April 2022.

#### CISU as Pooled Fund Agency

CISU manages three main funds with a total of 15 pooled funding mechanisms for the DMFA, as depicted in the diagram below. The Civil Society Fund (CSF) is the main fund with 8 funding instruments broken down into a total of 11 pooled funding mechanisms. The Danish Emergency Relief Fund (DERF) has 2 pooled funding mechanisms, and the Information Fund also has 2 pooled funding mechanisms.



The Civil Society Fund (CSF): The CSF has been managed by CISU since 2015. For 2018 – 2020 the CSF was on the National Budget with DKK 162,5 million annually. In 2019 the CSF

provided support to 98 grantees including 8 multi-year programmes. The CSF supports interventions carried out in cooperation between Danish organisations and their partners as well as other actors in developing countries. The CSF contributes to a people-to-people element in Danish development aid. The focus is on establishing sustainable improvements in poor people's living conditions, participation in society, fulfilment of rights and securing of equal opportunities; strong, independent and diversified civil societies; and strong popular participation and volunteering in Danish development cooperation in the pursuit of the SDGs.

The Danish Emergency Relief Fund (DERF): CISU, in consortium with Save the Children Denmark, managed the first DERF (2017 – 2020) on behalf of the DMFA, and the consortium has also been contracted for the second DERF (2021-2024). The DERF supports humanitarian interventions of Danish CSOs that have existing presence and capacity in crisis areas, primarily through implementing partners. Danish CSOs holding a strategic partnership agreement with the DMFA are not eligible for DERF funding. The DERF can only provide funds to address humanitarian crisis situations in countries included in the OECD/DAC list of countries eligible to receive support. In 2021, the DERF included two pooled funding mechanisms as reflected in the diagram above. One focuses on grants for anticipatory action and the other on grants for rapid response. In 2021 the DERF was opened for five crisis situations with a total of 11 grants approved.

Information Fund: The purpose of the Information Fund is to strengthen and support information sharing about developing countries by Danish CSOs. It is a precondition that activities funded under this mechanism are undertaken in Denmark. An array of activities can be supported including costs of visitors from developing countries, and theatre or film shows. Projects can have a maximum duration of 12 months.

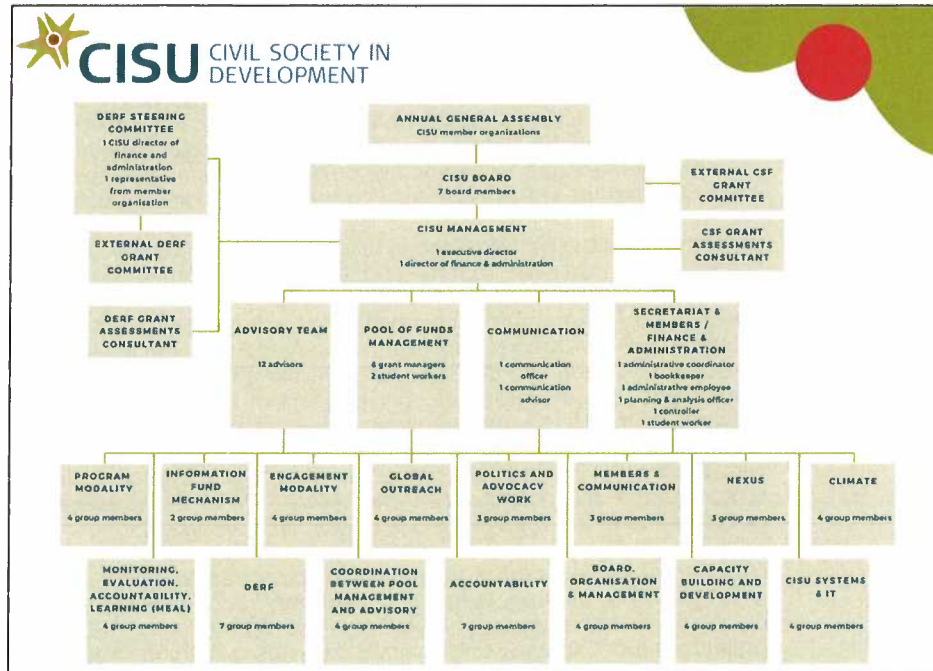
### 3.2 Governance and management structure

CISU is an association governed by Danish law. CISU's annual General Assembly elects the Board and CISU's Internal Auditor. The General Assembly determines the strategic direction of CISU and approves the annual financial accounts and the annual narrative report from CISU's Board. The General Assembly also approves the budget for the coming year and decides on specific thematic focus areas. All members of CISU who have duly paid their membership fee are eligible to participate in the General Assembly. Each member organisation has one vote at the General Assembly.

CISU's Board comprises seven members and three alternates elected by the General Assembly. Board members are elected for a two-year period. Alternates are elected for one year only. The Board constitutes itself with a chairperson, a vice chairperson and a treasurer. All CISU members are eligible as members of the Board, however at a given time, only a total of two CSOs with strategic partnership agreements with the DMFA and pooled funding agencies can be represented in the Board. In accordance with CISU's vision, strategy and theory of change, the Board provides the frame and direction for CISU's Secretariat and monitors if the Secretariat fulfils the agreed goals. The Board meets eight times a year and Board members participate in ad-hoc meetings with the Secretariat, the DMFA and CISU members. All CISU members can participate in the regular Board meetings as observers. Board members work on a voluntary basis, but the chairperson, the vice chairperson and the treasurer receive an annual remuneration.

The Secretariat undertakes the daily management of CISU's activities under the leadership of CISU's Management which comprises the Executive Director and the Director of Finance and Administration. The Board hires the CISU Management and delegates the responsibility for CISU's daily management to it. The Secretariat comprises 29 staff (including the management staff and three student assistants). The Secretariat is organised in three main sections: 1) Grants Management; 2) Counselling, Capacity Building and Communication; and 3) Support and Leadership. The Grants Management section deals mainly with the financial and grants management side of the pools of funds administration towards users. The Counselling, Capacity Building and Communication section works with building the professional capacity of CISU members and grantees through workshops, counselling of CISU members, advisory sessions towards grant applicants, processing narrative reports, research and various capacity building initiatives. The Support section consists of the finance, service and management staff as well as membership support and Board servicing.

Groups: Internally, the Secretariat organises its work through a Group Structure, as shown in the organisation chart below. There are 15 groups and many staff participate in a number of the different groups.



**3.3 Internal quality assurance mechanisms and risk management**

As per CISU’s statutes, the annual accounts with the balance sheet are audited by an external chartered or registered auditor appointed by the Board of Directors and reviewed by the internal auditor who is elected by the General Assembly. The external auditor makes one or two unplanned visits each year to conduct spot checks. All grants over DKK 200k must be audited by an external auditor, arranged by the grantee. All grants under DKK 200k are audited by an auditor appointed by CISU. CISU’s audited accounts, CSF and DERF Annual Reports and DMFA External Reviews are all publicly available on the CISU website.

CISU systematically monitors the performance of the pooled funding mechanisms. It consolidates data from individual grants in the data base “Our CISU”, and the Secretariat reports on an annual basis to the Board (Results and Perspectives) and to the Danish MFA (Results report). The reports depict achievements against CISU’s theory of change and results framework including the extent to which objectives have been fulfilled.

CISU’s Board and Management are responsible for assessing, managing and mitigating risk. In previous years this has been achieved through scenario planning during strategic workshops with the Board, and annually within the CISU Secretariat as part of discussions and analysis of the assumptions in the Theory of Change. CISU’s Internal Auditor is responsible for managing risks regarding CISU’s membership funding. The Internal Auditor monitors the Board’s membership fee budget, oversees CISU’s equity and its potential use of the membership funding in accordance with the decisions of the General Assembly.

To reduce risks of mismanagement, Danish CSOs who have not previously implemented projects with CISU support can only be granted smaller projects (< DKK 500k). The contracts between CISU and the DMFA and between CISU and Danish grantees and implementing partners include clauses that fraud and corruption, as well as sexual exploitation and abuse, is not accepted. Furthermore, CISU requires that all organisations receiving grants from CISU must immediately report to CISU, if they discover fraud, corruption, misuse or other irregularities of the grant. There is also an obligation for the Danish grantees to immediately report to CISU any cases of sexual abuse, exploitation or abuse of power at or among the partners. Substantiated cases of irregularities are published on CISU’s website and reported to the Danish MFA. At the grant level, risk management is incorporated into the application review process with a requirement in the proposals to describe the intervention’s risk management approach.

**3.4 Work with partner organisations**

CISU’s aim is to support a diversified civil society in Denmark and in the Global South where strong popular organisations and communities are working together to secure people’s rights, promote global justice and sustainability, and combat the causes of poverty. As a pooled fund agency, CISU engages directly with Danish CSOs who apply to be CISU grantees. Membership

of CISU is not a requirement for the Danish CSO to be grantees but non-members do not have access to the full range of capacity building services available to members. CISU does not implement any grants directly.

Based on an independent assessment of applications, CISU enters an agreement with the Danish CSOs who fulfil CISU's requirements and quality standards for a grant. The contract states the responsibilities of the Danish grantee in terms of project implementation, financial management, risk management and Prevention of Sexual Harassment, Exploitation and Abuse (PSHEA), and it includes that the Danish grantee is required to report any suspicion of fraud or misuse of funds.

CISU monitors the performance of projects implemented by Danish grantees, through reviews of financial and narrative reports and through monitoring visits. Project monitoring visits are prioritised to grants where concerns have been raised through the application process. The final selection of sites/grantees for monitoring visits is decided at biannual meetings in consultation between CISU advisors and grant managers with inputs from the independent assessment consultants, taking into consideration the comments collated from the report reviews and other interactions with the grantees. For projects of a longer duration, annual reporting is required. Findings from reports and monitoring visits are entered into CISU's database "Our CISU". If a Danish organisation is mismanaging a contract, CISU is entitled to take appropriate measures with a view to limiting the consequences of the breach including phasing out or complete termination of the collaboration and repayment of the unspent grant or the entire grant. The performance of the Danish CSO is tracked in "Our CISU".

CISU's requirements for organisational capacity assessment of the Danish grantees is based on a risk-based requirements reconciliation approach (Kravsafstemning). For the small grants it is not required that a capacity assessment be undertaken. For Danish CSOs managing 3 or more projects and/or implementing an annual portfolio reaching DKK 3 million, CISU or the organisation itself can request that a capacity analysis is undertaken. For organisations receiving support under the Programmes funding modality, a capacity assessment is a precondition. The capacity assessment is undertaken by an external consultant in collaboration with the Danish grantee based on standard terms of reference. The standard terms of reference's scope of work includes: an assessment of the organisation's popular anchoring in Denmark; its technical capacity as well as its managerial and administrative capacity for monitoring and implementation of projects in accordance with CISU's guidelines; and its capacity to establish partnerships with local organisations.

In general, Danish grantees are required to engage with local CSOs as implementing partners. CISU does not engage with the implementing partners directly, but requires that Danish grantees enter into a contract with the implementing partner stating the roles and responsibilities of each party to the agreement. The contract must include clauses on fraud and mismanagement of resources, and PSHEA. For all grants above DKK 400,000, the Danish Grantee is required to share the Partnership Agreement with CISU for quality assurance.

## 4. Overall performance of the organisation

### 4.1 Effectiveness of the governance, internal quality assurance and risk management of the organisation

CISU's Board provides the frame and direction for CISU's Secretariat and oversees if the Secretariat fulfils the agreed goals. The Secretariat provides an annual overview of CISU's performance to the board. This is discussed at the General Assembly. The Board is democratically elected at the General Assembly and the Board meets at least 8 times a year. The board is well informed about the CHS verification process and engages in key processes at CISU linked to the CHS, including complaints handling and the development of the Code of Conduct.

CISU's quality assurance of grants is based on an arms-length principle where CISU use external assessment consultants to avoid conflicts of interest for CISU acting as both a pooled funding agency as well as providing capacity development assistance to its members. CISU has a three-step validation process for applications to the CSF and the DERF. CISU grant management staff validate the applications administratively. If approved administratively the application is transferred to the external assessment consultants (2 for DERF and 4 for CSF) who assess the application against the criteria for the pooled funding mechanism. Finally, the CSF and DERF grant committees approve the project for funding based on the recommendations from the assessment consultants. The assessment consultants are



contracted for a maximum of five years based on open calls for expression of interest. Members of the grant committees are selected amongst CISU's members and they are appointed for a maximum of 4 years. The CV's of selected assessment consultants are shared with the DMFA. Danish grantees can apply for funding for projects in 75+ countries and neither CISU's staff nor the assessment consultants are conversant with the local context in all countries so they have a limited ability to quality assure the relevance of projects and risks related to the local culture and context. The risk is mitigated through CISU's requirements reconciliation approach (Kravsafstemning).

According to the "Board Management of CISU" document, CISU's Board is responsible for ensuring that the necessary risk management and internal control procedures have been put in place, with a particular emphasis on managing financial risk. During the last five years, risk analysis has been conducted through a scenario development methodology at strategic seminars with the Board, and annually within the CISU Secretariat as part of discussions and analysis of the assumptions in the Theory of Change. However, there is no documented evidence to clearly demonstrate that there is a systematic and ongoing process for proactively assessing, managing and mitigating a broad range of risks at the organisational level of CISU.

Staff and Board members, however, indicate that on a reactive basis, risk analysis is an integral part of all decision making. Policies such as the Code of Conduct demonstrate action taken to manage identified risks including safeguarding risks as well as reputational risks. The Foreign Travel Security Policy demonstrates how risks to staff safety and security are being managed. In addition, processes are built into CISU's model of allocating grants which are designed to minimise risks that grantees do not have the capacity or experience to manage the grants effectively. The provision of advisory services and capacity building opportunities for grantees is also a process that CISU puts in place to minimise the risk of grantees not managing grants effectively. A Risk Management Strategy and Plan for the DERF Fund was also developed in early 2022, highlighting a range of risks for grantees implementing DERF grants and outlining a number of general and specific mitigation measures.

At the individual grant level, risk management is incorporated into all the application review processes with a requirement in the proposals to describe the intervention's risk management approach. In practice, project level risk assessments often focus on risks to project completion, rather than risks of unintended negative effects to communities due to project activities. CISU does not provide guidance on what type of risks to consider at the project level and so risks of unintended negative effects being experienced by communities or people affected by crisis are not systematically considered in all grants.

#### **4.2 How the organisation applies the CHS across its work**

CISU demonstrates its commitment to applying the CHS in its work by referencing the 9 CHS commitments in the DERF funding guidelines as well as in the DERF application and reporting processes. However, the CHS is not embedded to the same level in the CSF guidelines and formats.

At the organisational level, however, not all staff, Danish grantees or implementing partners are aware of what the CHS is and CISU's website does not publicly communicate CISU's internal commitment to the CHS. Reference to the CHS is not included in contracts or partnerships agreements and CISU does not have a due diligence process in place to understand how its members apply the different CHS commitments.

In practice CISU's mandate to strengthen civil society by working primarily through locally based implementing partners, provides a good level of alignment with the CHS at project level. CISU's areas of strength are found around: strengthening of local capacities, ensuring projects are relevant, effective and timely, and implementing projects with the strong participation and engagement of a range of local actors and community. Additionally, a good culture of learning, the promotion of local coordination and collaboration with other actors, strong systems for governing partnerships, and sound financial management systems have all contributed to these elements of the CHS being applied well at different levels throughout CISU.

However, CISU has some gaps in its application of the CHS in relation to risk management (see section 4.1), preventing sexual exploitation and abuse (see section 4.3) and in ensuring communities have access to complaints-handling mechanisms. This audit has therefore identified a major weakness under commitment 5 of the CHS.

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#### 4.3 PSEA

CISU has an extensive Code of Conduct in place that includes a zero-tolerance policy against sexual exploitation and abuse. CISU also systematically ensures that a clause related to creating an environment free of sexual exploitation and abuse is included in every contract with Danish grantees and in the Danish grantee's agreements with their implementing partners. CISU has a PSHEA Focal Point in place and conducts PSHEA training for its members and non-members.

However, CISU does not have processes in place to enable the implementation of its policy level commitments. CISU does not ensure that risk analysis at the project level includes safeguarding risks to communities, and systems are not in place to ensure that expected behaviour of staff is systematically communicated by implementing partners. CISU also does not require all Danish grantees or their implementing partners to have a Code of Conduct in place nor to have established safe and responsive mechanisms to handle complaints at the community level. Currently it is only the DERF funding mechanism that requires a description of a complaints mechanism at the application level - although there is a plan to have this requirement in place for the Programmes modality by 2024.

The array of weaknesses identified on all indicators under Commitment 5 indicate that CISU is unable to ensure that communities and people affected by crisis have access to safe and responsive mechanisms to handle complaints, including those related to sexual exploitation and abuse. This has led to the issuance of a major weakness on Commitment 5 (see section 4.6).

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#### 4.4 Localisation

CISU has a strong localisation agenda and its Strategy 2018-21 is founded on a partnership approach. CISU requires that Danish grantees partner with local organisations to be eligible for funding under the CSF and DERF, with the exception that a Danish grantee can implement a DERF project through its local office in exceptional cases. Partnerships between Danish grantees and implementing partners build on mutual respect with clear roles identified between the parties. Roles and responsibilities of the parties are specified in a project agreement. When assessing the feasibility of a Danish grantee receiving funding from CISU, CISU assesses the capacity of the Danish grantee to establish partnerships with local organisations.

CISU's vision, mission and strategy focus on strengthening civil society at all levels and this founding principle is reflected in their policies and guidelines for all funding mechanisms. In practice, Danish grantees and implementing partners demonstrate a strong commitment towards strengthening local capacities and improving community resilience by working with a diversity of local actors.

CISU promotes that the Danish grantees and implementing partners should be part of existing coordination mechanisms. In practice, implementing partners hold good knowledge and are well imbedded in the local context, coordinate with existing government structures and follow government standards. However, CISU does not systematically require that Danish grantees and their partners identify if other organisations engage in similar activities in the project area.

CISU emphasises that CISU funded projects should demonstrate high levels of community participation and engagement and both the Civil Society Fund and the DERF grants enable the development of local organisations and local actors.

In accordance with the localisation agenda, CISU requires that most project funding should be transferred to the affected communities and the implementing partners. Under the CSF, Danish grantees cannot pay for salary costs of staff in Denmark, and can only cover salaries to a limited extent for expatriate staff sent by the Danish grantee to deliver professional inputs or carrying out monitoring. DERF also has limitations for use of funding in Denmark, with the requirement that at least 60% of the budgeted funds should benefit the crisis-affected population and that at least 80% of the budgeted funds should be spent in the crisis affected area.

CISU's step wise approach allows Danish grantees and the implementing partners to gradually build capacity to access longer time, more flexible funding, and the DERF pooled fund mechanism allows Danish grantees and implementing partners who already have access to disaster affected communities to provide short term humanitarian support in their role as first responders.

**4.5 Gender and diversity**

CISU’s strategy 2018-2021 and its policies and guidelines set out commitments for grantees to take account of the diversity of communities and the inclusion of vulnerable groups.

CISU requires that grantees consider the diversity of communities and identify vulnerable groups when applying for a grant. Diversity and inclusion of vulnerable groups also form part of the assessment undertaken by the assessment consultants before a grant is approved. Grantees applying for CSF funding are requested to describe the target groups disaggregated by gender, social groups, and other factors, and to describe how the support will contribute to long lasting improvements for these groups. Similarly, applicants to the DERF are required to describe how vulnerable groups were identified and selected and how the intervention addresses their particular needs, including protection needs. CISU promotes the development of local leadership in many of its grants, however, the representation of marginalised and disadvantaged groups at the leadership level is not consistent.

When reporting on project achievements, grantees are requested to inform CISU on how the needs of particularly vulnerable groups (e.g. women, men, boys, girls, people with disabilities, elderly, ethnic minorities) were met and how the intervention has supported the target group. Implementing partners do report on achievements using disaggregated data, however grantees do not collect feedback from communities on how the project has supported different vulnerable groups. The terms of references for CISU staff and 3rd party monitoring also do not request for special considerations on how projects benefit different vulnerable groups.

CISU has fair and transparent recruitment processes in place, including open vacancy notices and transparent selection procedures which ensure that the selection of candidates does not discriminate against race, gender, disability or political and religious affiliation.

**4.6 Organisational performance against each CHS Commitment**

Commitment	Strong points and areas for improvement	Feedback from communities	Average score*
<p><b>Commitment 1:</b> Humanitarian assistance is appropriate and relevant</p>	<p>CISU’s policies and guidelines commit CISU and its grantees to impartiality and to providing assistance based on needs. CISU’s strategy 2018 – 2021 states the importance of people’s participation, applying a rights-based approach and ensuring the participation of vulnerable groups. CISU’s application formats guide grantees to consider the diversity of communities and disadvantaged or marginalised people, and inclusion and diversity of the target group forms part of the project verification process. However, CISU’s guidelines do not explicitly consider the capacities of communities, and there are no requirements for Danish grantees to report based on disaggregated data.</p> <p>CISU requires that the project context analysis is undertaken by the implementing partner. This ensures that the project is based on local knowledge. Changes in the context are analysed during project implementation to</p>	<p>Communities expressed satisfaction with the support provided by implementing partners. A diverse group of community members reported being consulted and listened to and community members expressed satisfaction that adjustments were made if requested.</p>	<p>2.5</p>

	<p>ensure the continued relevance of supported projects.</p> <p>While CISU's application formats require that consideration is given to stakeholders, in practice neither DERF nor CSF applications systematically include an assessment of engagements and capacities of CSOs and other stakeholders operating in the same geographical and/or thematic areas as the implementing partner.</p>		
<p><b>Commitment 2:</b> Humanitarian response is effective and timely</p>	<p>CISU's step-wise approach, where Danish grantees can gradually apply for larger funds based on demonstrated experience, ensures that programme commitments are in line with organisational capacities. CISU applies a risk-based requirements reconciliation approach (Kravsafstemning) when assessing the organisational capacity of Danish grantees.</p> <p>CISU systematically monitors the performance of the pooled funding mechanisms consolidating data from individual grants in the data base "Our CISU", and CISU reports on an annual basis to the board and to the DMFA. However, CISU does not establish an overview on how Danish grantees and implementing partners in general perform and apply best practices.</p> <p>CISU's procedures for the DERF ensure a timely response and CISU applies a strict timeline for handling and initiating projects under the DERF.</p> <p>Danish grantees can apply for funding for projects in 75+ countries and neither CISU's staff nor the assessment consultants are conversant with the local context in all countries. There is no guidance from CISU to ensure that project level risk analysis considers how realistic or safe the proposed action is for communities</p> <p>CISU does not inform Danish grantees and implementing partners of the existence of technical standards recognised as best practice by international humanitarian actors.</p>	<p>Consulted communities found CISU supported interventions realistic and safe for them to participate in.</p> <p>Communities and stakeholders also reported that implementing partners are well-connected in their geographical areas, and refer unmet needs to local authorities if needed.</p>	2.6
<p><b>Commitment 3:</b> Humanitarian response strengthens local capacities and avoids negative effects</p>	<p>CISU's strategy is founded on the principle of strengthening civil society at all levels. As a result, CISU ensures that policies and guidance are in place to strengthen local capacities across all the funding mechanisms. CISU's humanitarian funding mechanisms ensure a strong emphasis on enabling the development of local leadership and organisations as first-responders.</p> <p>In practice, Danish grantees and implementing partners demonstrate a strong commitment towards strengthening local capacities and improving community resilience by working with</p>	<p>A broad range of local community actors, organisations and community members stated that their capacity had been strengthened through the CISU funded projects. They are confident that they will be able to continue to make a difference with the new knowledge and skills they have received.</p>	2.0

	<p>a diversity of local actors. Some marginalised groups are actively engaged in leadership roles however, the representation of marginalised and disadvantaged groups is not consistent in all grants.</p> <p>CISU has a number of policies, strategies and guidance in place communicating the importance of preventing programmes from having negative effects. The application formats all require a description of identified risks and mitigation measures, or risk management strategies to be in place. However, CISU does not provide guidance to ensure that risk assessments at the project level systematically consider the risks of project interventions potentially having unintended negative effects.</p> <p>As CISU does not require that complaints-handling processes for communities and people affected by crisis are in place, there is no systematic process to identify and act upon any actual unintended negative effects of the implementation of CISU's grants.</p> <p>CISU has policies and processes in place to safeguard personal information at the CISU Secretariat level, however CISU does not require that Danish grantees and their implementing partners have a system in place to safeguard personal information collected from communities.</p>	<p>Many community members also noted that the strengthened linkages and connections, made between them and other actors in their community, will enable continued coordination and collaboration in the future.</p> <p>Some community members were not satisfied because there had been no transparent communication about when some service delivery activities would end.</p>	
<p><b>Commitment 4:</b> Humanitarian response is based on communication, participation and feedback</p>	<p>CISU promotes a culture of open communication at all levels of the organisation and external communications present people affected by crisis as dignified human beings. CISU also provides training for its members and non-members on this topic.</p> <p>Communication about project related information is encouraged, although CISU does not provide guidance to Danish grantees or implementing partners to ensure that information about the implementing organisation, the principles it adheres to and how it expects its staff to behave is clearly communicated in appropriate formats at the community level.</p> <p>CISU has strong policies in place for engaging communities and people affected by crisis in CISU's work. Participation is a core value that is reflected in CISU's Strategy and Theory of Change. CISU's commitment to the localisation agenda means that the participation of local actors, including the people affected by the humanitarian crisis, is a condition for receiving DERF funding. In practice, all the CISU funded projects demonstrate high levels of community participation and engagement.</p> <p>In general, CISU's Danish grantees and their implementing partners encourage and facilitate communities to provide feedback on project activities. However, in the absence of a formal</p>	<p>Communities in general report a strong culture of open communication and indicate that they are actively engaged in CISU funded projects. Most remember being informed in general about project-related information, but not about expected staff behaviour.</p> <p>Most community members describe being able to provide informal feedback to project staff and that their feedback resulted in changes to project implementation. However, some expressed frustration that effective feedback processes were not in place.</p> <p>Most communities confirm that they give verbal consent for information and images being collected for external communication purposes.</p>	<p>2.3</p>

	<p>system for recording feedback at the project level, it is not possible to disaggregate the feedback data or pay attention to the diversity of those giving feedback.</p>		
<p><b>Commitment 5:</b> Complaints are welcomed and addressed</p>	<p>CISU's complaints-handling process is described in the Code of Conduct and is accessible on both the CISU and DERF websites. The scope of the complaints-handling process includes breaches of the Code of Conduct (which includes sexual exploitation and abuse and other abuses of power), irregularities (related to fraud and corruption), unacceptable circumstances in the interventions supported by CISU's funding, and complaints related to case processing in grant decisions.</p> <p>In practice, complaints are handled by two separate systems at CISU. A well-established mechanism for handling reports of irregularities at the grant level related to fraud and corruption is in place, while the system for handling complaints related to sexual harassment, exploitation and abuse is still being developed.</p> <p>CISU requires that their grantees include general provisions related to fraud and corruption, and PSHEA, in their contracts with implementing partners and suppliers. However, there is no explicit requirement for a complaints handling process for communities and people affected by crisis to be established at the grantee or implementing partner level.</p> <p>There is a requirement in the DERF application form to outline how the implementing partner will receive, handle and address complaints at the community level. However, in practice this is not always completed with sufficient detail to demonstrate that an effective system will be in place. There is also a requirement to report on complaints handling in the DERF final report. However, these requirements are not in place for CSF grants.</p> <p>In practice, there is not a consistent level of understanding by Danish grantees or implementing partners with regards to establishing a complaints-handling process at the community level. Communities are rarely consulted on the design, implementation and monitoring of complaints handling processes and referral processes are not documented and in place at any level.</p> <p>CISU staff do not monitor the effectiveness of community-based complaints mechanisms, and many do not feel equipped to provide advice or guidance to Danish grantees and their implementing partners on this subject.</p> <p>The weaknesses identified on all indicators of Commitment 5 indicate that CISU is not able to systematically ensure that communities and people affected by crisis have access to safe and responsive mechanisms to handle</p>	<p>Community members in general feel confident to make a complaint if needed, usually by informally informing the volunteer or staff member who visits the community most regularly.</p> <p>While most communities can provide examples of how they had complained or provided feedback on project-related issues, there is less awareness that complaints can also be raised about the behaviour of staff.</p> <p>Community members are not consulted on the design, implementation or monitoring of complaints handling processes.</p>	<p>0</p>

	<p>complaints. This results in a major non-conformity, scored 0.</p>		
<p><b>Commitment 6:</b> Humanitarian response is coordinated and complementary</p>	<p>CISU commits to coordination and collaboration with others, and its Strategy 2018-2021 has collaboration between civil society organisations and with stakeholders as part of its vision and objectives.</p> <p>CISU allows Danish grantees to include costs for coordination in budget proposals. Coordination forms part of the DERF assessment criteria and the CSF guidelines refer to the SDG 17 on global partnerships and includes that stakeholders should be considered in the project design.</p> <p>CISU requires that the complementarity of the Danish grantee and the implementing partner is described in grant applications and elaborated in partner agreements. CISU also requests Danish grantees to state how an action considers interventions supported by other stakeholders. In practice neither DERF nor CSF applications systematically include an assessment of engagements and capacities of CSOs and other stakeholders operating in the same geographical area and/or thematic areas as the implementing partner and CISU cannot ascertain if there are risks of duplication of interventions undertaken by other stakeholders</p> <p>DERF application formats do not ask how needs and capacities of affected people were assessed and if a joint needs assessment was considered.</p>	<p>Communities, CBOs and other stakeholders confirmed that implementing partners coordinate with and inform stakeholders about the project. Information is mostly verbal and informal.</p>	<p>2.5</p>
<p><b>Commitment 7:</b> Humanitarian actors continuously learn and improve</p>	<p>CISU has a strong focus on learning, both in terms of its advisory and capacity development services to its members, and as a pooled fund agency. CISU learns about its capacity development services through member surveys, dialogue meetings, ongoing course evaluations and an annual survey on CISU's advisory or counselling services</p> <p>Learnings about the different pooled funding mechanisms is shared internally in CISU through CISU's group structure, meetings between CISU staff and assessment consultants, and CISU's biannual planning days. However, assessment consultants do not systematically learn about the success of, or challenges faced, in the projects they have reviewed.</p> <p>CISU has a number of mechanisms in place to record knowledge and experience. "Our CISU" database includes information about the Danish grantee, the implementing partners and project progress. CISU also develops thematic papers and tools for members to address new trends in the development and humanitarian fields. The thematic papers and tools are accessible at CISU's website. CISU study visit reports include learnings of relevance beyond the specific project/partnerships.</p>	<p>Communities confirmed that implementing partners share learning with peers and some communities specifically mentioned that they shared learning obtained from participating in the project with their peers.</p>	<p>2.5</p>

	<p>Danish grantees participate in learning and experience sharing workshops, but not all Danish grantees are satisfied with the relevance of the compulsory learning and exchange workshops, in the present format</p>		
<p><b>Commitment 8:</b> Staff are supported to do their job effectively, and are treated fairly and equitably</p>	<p>CISU has a number of policies and processes in place to ensure that their staff are supported to do their job effectively and are treated fairly and equitably. Policies and procedures are also in place to ensure the security and wellbeing of staff. Processes for recruitment, orientation, and professional development are in place and being used effectively. Work objectives are made clear, and annual staff appraisals, together with regular more informal check-ins with management, ensure that feedback processes are in place for all staff.</p> <p>CISU staff work according to the mandates and values of the organisation and understand, and adhere to, relevant policies, including the Code of Conduct. CISU members and grantees are encouraged to have their own Code of Conduct in place, but this is not a requirement for accessing grants.</p> <p>In general, CISU staff are satisfied that they have the capacity to deliver CISU's mandate and that there is an open culture which enables them to raise any issues related to gaps in capacity with the management. However, concern is expressed that the capacity of staff to advise Danish Grantees in safeguarding (specifically on establishing complaints mechanisms) is limited.</p> <p>As part of due diligence processes, some HR policies and processes are reviewed at the Danish grantee level, and all CISU contracts require that the Danish Grantee ensures that the necessary professional and administrative capacity is in place in Denmark and with their implementing partners for the sound management of the grant.</p> <p>CISU offers opportunities to its members to support a range of technical competencies, both through formal workshops and trainings as well as an on-demand advisory service providing specific tailored support.</p>	<p>Community members are satisfied that implementing partner staff have the necessary competence, experience and expertise to deliver the programmes.</p> <p>They also appreciate that staff and volunteers of implementing partners are passionate, committed, honest and transparent, and that they treat community members with dignity and respect.</p>	<p>2.6</p>
<p><b>Commitment 9:</b> Resources are managed and used responsibly for their intended purpose</p>	<p>CISU has policies and processes in place governing the use and management of resources. Sound financial management systems ensure that funds are allocated ethically and legally and audits are conducted regularly. CISU's Board has oversight of the resources and the internal auditor supports the Secretariat with financial reporting to the Board.</p> <p>Processes are in place when reviewing and monitoring grants to ensure that programmes are designed to ensure efficient use of resources. Systematic monitoring and reporting of expenditure against budget helps ensure that</p>	<p>Community members are satisfied that implementing partners use the resources they have for the intended purpose and report that they do not observe any waste of resources.</p> <p>There is also a general perception by community members that the implementing partners are being efficient with the resources they have.</p>	<p>2.5</p>



	<p>resources are used to achieve their intended purpose.</p> <p>CISU has strong systems in place at all levels to manage the risk of corruption and to take appropriate action if it is identified.</p> <p>CISU has some policies and processes in place to consider their impact on the environment at the secretariat level, and in CSF and DERF grants, impact on the environment is included in the application formats. However, the assessment criteria for CSF and DERF grants do not systematically include an analysis of environmental impact.</p> <p>CISU's Board is responsible for ensuring that the necessary risk management and internal control procedures have been put in place. However, CISU does not have a risk management policy or a documented process in place to demonstrate that risk is being pro-actively and systematically assessed, managed and mitigated on an ongoing basis at the organisational level.</p>		
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*\* Note: Average scores are a sum of the scores per commitment divided by the number of indicators in each Commitment, except when one of the indicators of a commitment scores 0 or if several scores 1 on the indicators of a Commitment lead to the issuance of a major non-conformity/ weakness at the level of the Commitment. In these two cases the overall score for the Commitment is 0.*

## 5. Summary of weaknesses


Weaknesses	Type	Resolution due date	Date closed out
2022-3.6: CISU does not require potential or actual unintended negative effects to be identified and acted upon in a timely and systematic manner by Danish grantees and their implementing partners.	Minor	2025-08-20	
2022-4.1: CISU does not systematically monitor and support the Danish grantees to ensure that information is systematically provided by their partners to communities and people affected by crisis about the implementing organisation, the principles it adheres to and how it expects its staff to behave.	Minor	2025-08-20	
<b>M2022-C5: CISU does not ensure that communities and people affected by crisis have access to safe and responsive mechanisms to handle complaints.</b>	Major	2025-08-20	
2022-5.1: CISU does not systematically provide guidance to Danish grantees and their implementing partners on consulting with communities and people affected by crisis on the design, implementation and monitoring of complaints-handling processes.	Minor	2025-08-20	
2022-5.2: CISU does not require that complaints are welcomed and accepted and that there is clear communication at all levels about how the mechanism can be accessed and the scope of issues it can address.	Minor	2025-08-20	
2022-5.3: CISU does not systematically require that complaints at all levels are managed in a timely, fair and	Minor	2025-08-20	

appropriate manner that prioritises the safety of the complainant and those affected at all stages.			
2022-5.4: CISU does not require that complaints-handling processes for communities and people affected by crisis is systematically documented and in place at the Danish grantee level.	Minor	2025-08-20	
2022-5.5: CISU has not established an organisational culture at all levels in which complaints are acted upon according to defined policies and processes.	Minor	2025-08-20	
2022-5.6: CISU does not require that Danish grantees have systems in place with their implementing partners to ensure that communities and people affected by crisis are fully aware of expected behaviour of staff.	Minor	2025-08-20	
2022-5.7: CISU does not systematically require that referral processes are in place at any level (CISU, Danish Grantee or Implementing Partner).	Minor	2025-08-20	
2022-8.7: CISU does not require that a code of conduct is in place at the Danish grantee level that establishes, at a minimum, the obligation of staff and partners not to exploit, abuse or otherwise discriminate against people.	Minor	2025-08-20	
2022-9.6: CISU does not have a policy or systematic, documented process in place to assess, manage and mitigate risk on an ongoing basis at the organisational level.	Minor	2025-08-20	
<b>Total number</b>	1 Major 11 Minors		


## 6. Sampling recommendation for next audit

<b>Sampling rate</b>	It is recommended to use the standard HQAI sampling rate for the next audit, using the number of different CISU funding mechanisms as the basis for determining the sample.
<b>Specific recommendation for selection of funding mechanisms</b>	It is recommended to purposively include the DERF Anticipatory Action funding mechanism in the sample as it is the only other humanitarian funding mechanism not sampled in this audit.


## 7. Lead auditor recommendation

In our opinion, CISU demonstrates a high level of commitment to the Core Humanitarian Standard on Quality and Accountability and its inclusion in the Independent Verification scheme is justified.	
<b>Name and signature of lead auditor:</b>  Sarah Kambarami	<b>Date and place:</b> 20 <sup>th</sup> August 2022 Bonn, Germany

## 8. HQAI decision

<b>Registration in the Independent Verification Scheme:</b>	<input checked="" type="checkbox"/> Accepted <input type="checkbox"/> Refused
<b>Next audit:</b> Surveillance audit before 2025/08/23	
<b>Name and signature of HQAI Head of Quality Assurance:</b>  Elissa Goucem	<b>Date and place:</b>  Châtelaine, 2022-08-23

## 9. 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: <b>Please refer to the CISU response to HQAI verification of pooled funding mechanisms on the following page.</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Acknowledgement and Acceptance of Findings:</b> I acknowledge and understand the findings of the audit  I accept the findings of the audit	<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>  Jeef Bech, Executive Director	<b>Date and place:</b>  Aarhus/Denmark , 2022-09-22

## 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.*

## CISU response to HQAI verification of pooled funding mechanisms

CISU would like to express its appreciation of the way the two auditors conducted the HQAI verification process of CISU. They demonstrated high levels of integrity, understanding and resolve related to the pilot initiative given that the audit process (hereinafter referred to as *verification*) involved a non-implementing pooled funding manager.

As the verification of a pooled funding manager and its arrangements remains new to HQAI, and that the verification of CISU from the onset was formulated as a mutual pilot initiative, CISU would like to take this opportunity to share some key reflections on the verification format to be attached to the verification final report to serve as inspiration for subsequent verification processes.

Given the extensive nature of the HQAI verification process and its accompanying verification format it is necessary to point out that:

1) The verification format does not reflect the objectives of the cooperation or its agreement between the Danish Ministry of Foreign Affairs (MFA) and CISU:

The MFA guidelines for pooled funding arrangements highlight three objectives, namely i) results from development initiatives, ii) strengthening of civil society and iii) strengthening of popular engagement in development work. The verification format is heavily focusing on the first objective at the expense of addressing the two other objectives and thus not covering the full scope of work conducted by CISU as a sub-granting organisation.

2) The verification format does not reflect the principle of proportionality:

The MFA guidelines describes, specifically in its objective section, that pooled funding arrangements like CISU should apply the principle of proportionality in relation to grantee technical and administrative capacity and in relation to the size of the grants, so as to maintain a broad-based popular anchorage and work towards facilitating that grants can be applied for by a wide range of CSOs, including small volunteers-driven and new organisations. The verification format does not reflect the above.

3) The verification format does not reflect that CISU is not a programming/implementing organisation:

- The verification format slips from a policy-oriented approach reflecting the MFA guidelines towards not only system-and procedural focus leading to compliance-oriented findings and conclusions that CISU should *ensure* a number of programmatic issues at local level. It should be noted that CISU is neither a programming organisation nor a 'Pool Funding Plus' organisation (in contrast to other pooled funding arrangements in Denmark) having own supporting activities. CISU is conducting monitoring but does not have the mandate to ensure compliance beyond the contractually binding system from CISU to the Danish grantee to the local implementing CSO partner.
- The verification format basically includes a three-tier approach addressing the very same issues at the three levels in the contractual chain without reflecting that the mandate between the three levels differs.

4) The verification format does not fully acknowledge the accountability measures formulated by the MFA:

The MFA guidelines state the importance of ensuring accountability regarding anti-terrorism, anti-corruption, PSHEA and combatting child labour. While the latter is not fully reflected in the verification format it should also be noted that the MFA in the guidelines have formulated how pooled funding arrangements should work with these four areas.

In summary, and in the light of the above observations and sentiments, CISU therefore recommends that HQAI revises future verification formats for pooled funding arrangements to reflect proportionality and mandates, as well as for the follow-up CISU verification process tentatively planned for 2025.

CISU has discussed the above with MFA and how future verification processes may be aligned to MFA reviews of CISU.

## 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.	<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>• <b>Independent verification:</b> major weakness;</li> <li>• <b>Certification:</b> major non-conformity, leading to a major corrective action request (CAR) – No certificate can be issue or immediate suspension of certificate.</li> </ul>
1	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>• <b>Independent verification:</b> minor weakness</li> <li>• <b>Certification:</b> minor non-conformity, leading to a minor corrective action request (CAR).</li> </ul>
2	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>• <b>Independent verification and certification:</b> observation.</li> </ul>
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.	<p><b>Score 3:</b> indicates full conformity with the requirement. This leads to:</p> <ul style="list-style-type: none"> <li>• <b>Independent verification and certification:</b> conformity.</li> </ul>
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.	<p><b>Score 4:</b> indicates an exemplary performance in the application of the requirement.</p>

\* Scoring Scale from the CHSA Verification Scheme 2020

