

EFICOR

Maintenance Audit 1 – Report - 2024/09/11

1. General information and audit activities

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| Role / name of auditor | Lisa Partridge, Lead Auditor | |
| Audit cycle | Second cycle | |
| Opening Meeting | Date / number of participants | Any substantive issues arising |
| | 09 September 2024 / 8 (2 Female, 6 Male) | None |
| Closing Meeting | 11 September 2024 / 37 (10 Female, 27 Male) | None |
| Interviews | Position / level of interviewees | Number |
| | Head Office Management | 5 (1 Female, 4 Male) |
| | Country Programme Staff | 4 (2 Female, 2 Male) |

2. Actions and progress of organisation

2.1 Significant change or improvement since the previous audit

Since the 2023 Renewal Audit (RA 2023), EFICOR has established an internal CHS Audit Team to monitor corrective actions, report improvements and support departments in maintaining CHS compliance. The CHS Audit Team consists of six members, including two representatives from Headquarters and one from each of the four zones where EFICOR has projects. This team will conduct bi-annual internal audits across all nine CHS commitments to identify non-compliance and recommend corrective actions. A checklist is being drafted for these audits, which are scheduled to commence in Q4 2024. EFICOR has also formed a Finance Internal Audit Team, with the 2024-2025 Terms of Reference outlining its scope and reporting requirements. This team is responsible for verifying accounting systems, reviewing financial control mechanisms, overseeing budgetary controls and reporting on statutory compliance. Internal financial audits are set to begin in Q4 2024. These internal accountability mechanisms reflect an effort to strengthen internal systems and skills and a commitment to address, and make progress against, issues raised in the Renewal Audit.

An annual policy review, finalised on April 1 2024, resulted in revisions to EFICOR's Child Safeguarding and Protection Policy, Data Protection Policy, Staff Well-being Policy and Fundraising Policy. In addition, EFICOR has updated its Finance and HR Manuals. To enhance staff and community understanding of these policies and reporting processes, additional tools such as visual flowcharts and a safeguarding video have also been developed.

EFICOR's decentralisation of its zonal leadership structure has progressed since the Renewal Audit and has been formalised with a revised Organisational Structure in November 2023. At the Renewal Audit, Zonal Implementers were based at the Zonal Level, and since then, EFICOR has appointed Zonal Coordinators for Program, Finance and Operations. Headquarter-based leads maintain engagement with zone leaders through structured reporting, visits and regular meetings.

Since the Renewal Audit, EFICOR completed a mid-term review of its 2021-26 Strategic Plan. The review assessed current activities, identified challenges, and analysed the Strategic Plan, budget allocations and expenditure. The April 2024 report confirmed the strategy's relevance but highlighted key areas that need adjustment and strengthening for the remaining two and a half years.

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) |
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| 2023-3.4: EFICOR does not systematically plan transition or exit strategies in the early stages of projects. | Minor By 2026 (RA) | <p>The findings of this indicator at the Renewal Audit 2023 (RA 2023) highlighted that transition or exit processes were not consistently articulated in project documentation or understood by EFICOR staff or communities. The RA 2023 also found transition or exit strategies were not integrated into programme guidance and practice and that community members were unaware of when EFICOR was planning to exit.</p> <p>At the time of this Audit, EFICOR was actively working to enhance project exit plans by providing additional details and context into exit plans documented within Project Design Documents. This effort is occurring as part of the annual review process of existing projects and staff confirmed that efforts to strengthen exit plans was being discussed and promoted at staff meetings. Exit plans are a mandatory part of the Project Design Document, and examples of expanded exit strategies were presented at the Maintenance Audit.</p> <p>EFICOR has continued to work with communities to build capacity of local leadership structures to sustain community-led practices beyond the project duration. Staff interviews during the Maintenance Audit confirmed that exit planning discussions were being held with community partners to promote awareness of transition planning. Considerations for sustainability and exit planning at the community level have also been documented in evaluation reports conducted since the RA 2023.</p> <p>In addition to design and community engagement, EFICOR is developing internal structures to ensure exit strategies are systematically implemented. The newly established CHS Internal Audit Team's checklist requires verification that each EFICOR project includes a transition or exit strategy.</p> <p>Evidence at the Maintenance Audit demonstrates progress towards meeting this CAR, however it is noted that integration of practices into program guidance remains an outstanding issue. While EFICOR's manuals and templates mandate planning for transition or exit strategies, they are yet to provide guidelines or processes on how to do so, define EFICOR's approach to exiting, or state criteria for exit to fully address findings from the RA 2023.</p> | <p>MA24CAR01 MA24CAR02 MA24CAR03 MA24OR05 MA24OR06 MA24OR23 – 25, MA24OR31</p> <p>Interviews with staff</p> |
| 2023-3.8: EFICOR does not systematically implement policy commitments to safeguard personal information and | Minor By 2026 (RA) | <p>The findings of this indicator at the RA 2023 highlighted that personal information collected from community members and stored by EFICOR in field offices was not consistently kept securely when in hard or soft copy.</p> <p>EFICOR has revised its Data Protection Policy to meet Personal Data Protection Act 2023. This updated version was effective 1st April 2024 and covers</p> | <p>MA24OR02 MA24OR16 MA24OR30</p> <p>Interviews with staff</p> |

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| store related data securely in the field. | | <p>principles including right to privacy, protection and the requirement to gaining prior informed consent.</p> <p>Staff are trained periodically on this policy, and since the RA 2023 40 staff have completed an online Information Security course.</p> <p>Visual checks of storage of personal information has occurred during leadership visits to field offices. From Q4 2024 practices will also be verified by the CHS Audit Team, as the checklist for internal CHS Audits requires evidence of the system used to safeguard personal information.</p> <p>The next Renewal Audit in 2026 will assess if this progress is consistently implemented in the field.</p> | |
| 2023-5.3: EFICOR does not ensure that complaints are managed in a manner that prioritises the safety of the complainant. | Minor By 2026 (RA) | <p>The findings of this indicator at the RA 2023 identified that complaint boxes located in communities were not consistently locked, complaint registers were not always stored securely and identified examples of complaints being read in public forums.</p> <p>Since the RA 2023, structural processes for reviewing practices have been established through the CHS Internal Audit process. The CHS internal audits will verify practices of the existing Programmatic Complaint Subcommittees that operates at the project level. The CHS Internal Audit Checklist requires evidence that complaints are managed in a timely, fair, and appropriate manner, prioritising the safety of the complainant.</p> <p>In addition, staff skills in managing complaints registers have been supported through online Information Security training. Quarterly checks of complaint handling mechanisms and practices have been conducted for each project, as documented in the Zonal Implementer's Project Implementation and Learning Monitoring Report.</p> <p>Evidence reviewed at the Maintenance Audit identified that complaint boxes in communities are still not consistently locked, which remains an outstanding issue.</p> | <p>MA24CAR04 MA24CAR05 MA24OR16 MA24OR22 MA24OR27 MA24OR31</p> <p>Interviews with staff</p> |
| 2023-5.5: EFICOR does not have clearly defined processes to respond to, investigate and escalate complaints received at the field office level. | Minor By 2026 (RA) | <p>The findings of this indicator at the RA 2023 identified a lack of understanding of where responsibility is held for investigation of serious complaints at the field level. It also highlighted a lack of guidelines to standardise practices and support field level staff determine appropriate response, investigation and escalation of complaints.</p> <p>Since then, EFICOR has revised its Child Safeguarding and Protection Policy to include guidelines for actions to be taken if there is a 'belief or suspicion' of child abuse, rather than only when a case is 'reported.' The updated policy includes a new annexure detailing reporting, escalation procedures, and the internal investigation process.</p> | <p>MA24CAR06 MA24CAR07 MA24OR01 MA24OR08 MA24OR09 MA24OR10 MA24OR11 MA24OR12 MA24OR17</p> <p>Interviews with staff</p> |

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| | | <p>EFICOR has also developed awareness posters on policy processes for both community members and staff and produced a safeguarding video to promote staff awareness of standards, reporting procedures and the newly appointed Internal Committee members. The Internal Committee has been refreshed with two male and four female members, two of whom are external, and a female convener. Staff have also participated in online safeguarding training, which is conducted annually.</p> <p>The next Renewal Audit in 2026 will assess if this progress is consistently implemented at the field level.</p> | |
| 2023-9.4: When using local and natural resources, EFICOR does not consider their impact on the environment. | Minor By 2026 (RA) | <p>The findings of this indicator at the RA 2023 highlighted that no formal assessments of potential or actual environmental impact had been undertaken by EFICOR for the sampled projects. It also identified that environment is not considered in baseline and endline surveys, project risk assessments or EFICOR's organisational risk register.</p> <p>EFICOR has since introduced an Environmental Risk Assessment as a mandatory requirement for all projects and has begun implementing this process. This templated assessment has been incorporated into the Project Proposal Document and the Project Implementation and Learning Monitoring Form. These environmental risk assessment practices and findings are not yet reflected in EFICOR's guidance documents or risk register.</p> <p>In addition, the report from the Mid Term Review of EFICOR's 2021-2026 Strategic Plan identifies that climate change adaption is a cross-cutting issue and it suggested a more coordinated approach for Sustainable Environment.</p> <p>EFICOR updated its Fundraising Policy on 9th March 2024 to include a clause that states EFICOR will not accept grants from corporates engaged in activities causing harm to the environment.</p> | <p>MA24CAR09 MA24CAR10 MA24CAR11 MA24OR04 MA24OR07</p> <p>Interviews with staff</p> |
| 2023-9.5: EFICOR does not always manage the risk of misuse of funds and take appropriate action if it is identified. | Minor By 2026 (RA) | <p>The findings of this indicator at the RA 2023 highlighted that policies and procedures to prevent fraud and corruption were not always being followed by staff, due to staff following guidance that was contrary to the relevant policy.</p> <p>As of 1st October 2023, EFICOR stopped cash transactions and now requires all payments to be made through banking channels. Staff reported that this change enhances visibility of expenditures and applies to both staff transactions and program expenses. The requirements and conditions for bank channel transactions were documented and circulated to all staff.</p> <p>EFICOR has established an Internal Finance Audit Team, comprised of nine staff from across the four zones, which includes a mandate to monitor financial systems, practices and compliance. Internal audits will begin in Q4 2025, with the goal of auditing all projects annually.</p> | <p>MA24CAR12 MA24OR05 MA24OR13 MA24OR15 MA24OR20</p> <p>Interviews with staff</p> |

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| | | <p>In line with decentralisation efforts, zonal finance officers are now positioned closer to field operations, and staff report that this is enhancing oversight of field-level financial practices. Staff have also received online training in Fraud awareness as well as anti-bribery and corruption.</p> <p>EFICOR has revised its Finance Manual, with the revised version due for publication and circulation in September 2024.</p> <p>The next Renewal Audit in 2026 will assess if this progress is consistently implemented by staff.</p> | |
| 2023-9.6: EFICOR does not systematically or effectively assess and manage risks on an ongoing basis. | Minor By 2026 (RA) | <p>The findings of this indicator at the RA 2023 identified that the risk register did not rate, justify or prioritise organisational risks or include a schedule for risk mitigation and review. It also highlighted a limited understanding of the purpose of the risk register.</p> <p>EFICOR has since completed its six-monthly Risk Register review, which was presented to the Board on 9 March 2024. The review process elevates project risks to inform organisational risks, with Zonal Implementers reviewing and adapting the registers prior to submission to the Executive Director and the Board. EFICOR further identified the introduction of additional risk management through the formation of the Internal CHS Audit Team and the Internal Finance Audit Team.</p> <p>In 2024, EFICOR also conducted a policy review, adding risk management and categorisation of risk levels (low, medium, and high) into the updated version of EFICOR's Child Safeguarding and Protection Policy.</p> <p>The Risk Register template remains unchanged since the RA 2023, but EFICOR plans to update it to address the issues identified in the RA 2023. This update is scheduled for completion by 30 September 2024. Ensuring that staff fully understand the purpose of the Risk Register and the Board's role in risk oversight remains an outstanding issue.</p> | <p>MA24OR01 MA24OR19 MA24OR20 MA24OR29 MA24OR30</p> <p>Interviews with staff</p> |

3. Summary of non-conformities


| Corrective Action Requests (CAR) | Type | Status | Resolution timeframe |
|---|-------|--------|----------------------|
| 2023-3.4: EFICOR does not systematically plan transition or exit strategies in the early stages of projects. | Minor | Open | By 2026 (RA) |
| 2023-3.8: EFICOR does not systematically implement policy commitments to safeguard personal information and store related data securely in the field. | Minor | Open | By 2026 (RA) |
| 2023-5.3: EFICOR does not ensure that complaints are managed in a manner that prioritises the safety of the complainant. | Minor | Open | By 2026 (RA) |
| 2023-5.5: EFICOR does not have clearly defined processes to respond to, investigate and escalate complaints received at the field office level. | Minor | Open | By 2026 (RA) |

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| 2023-9.4: When using local and natural resources, EFICOR does not consider their impact on the environment. | Minor | Open | By 2026 (RA) |
| 2023-9.5: EFICOR does not always manage the risk of misuse of funds and take appropriate action if it is identified. | Minor | Open | By 2026 (RA) |
| 2023-9.6: EFICOR does not systematically or effectively assess and manage risks on an ongoing basis. | Minor | Open | By 2026 (RA) |
| Total Number of open CARs | | 7 | |


4. Claims Review

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


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| In my opinion, EFICOR 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. I recommend maintenance of certification. | |
| Name and signature of lead auditor: Lisa Partridge  | Date and place: Sydney, Australia. 13/10/2024 |

6. HQAI decision

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| <input checked="" type="checkbox"/> Certificate maintained <input type="checkbox"/> Certificate suspended | <input type="checkbox"/> Certificate reinstated <input type="checkbox"/> Certificate withdrawn |
| Surveillance audit before: 2025/10/16 | |
| Name and signature of HQAI Executive Director: Désirée Walter  | Date and place: Geneva, 16 October 2024 |

7. Acknowledgement of the report by the organisation

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| Space reserved for the organisation | |
| 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 |

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| Acknowledgement and Acceptance of Findings: 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 |
| Name and signature of the organisation's representative:  (M. RAMEH BARA) | Date and place: 22/10/24 |

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 |
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| 0 | Your organisation does not work towards applying the CHS commitment. | <p>Score 0: 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"> Independent verification: major weakness. Certification: major non-conformity, leading to a major corrective action request (CAR) – No certificate can be issued or immediate suspension of certificate. |
| 1 | Your organisation is making efforts towards applying this requirement, but these are not systematic. | <p>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:</p> <ul style="list-style-type: none"> 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. | <p>Score 2: 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"> 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. | <p>Score 3: indicates full conformity with the requirement. This leads to:</p> <ul style="list-style-type: none"> 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. | <p>Score 4: indicates an exemplary performance in the application of the requirement.</p> |

* Scoring Scale from the CHSA Verification Scheme 2020