

Finn Church Aid

Recertification Audit – Summary Report 2021/06/08

This is the Stage One Report of the Recertification Audit. It includes the findings from the first phase of the audit process, which scope is limited to the open non-conformities (CARs) and relevant policy-level requirements. If no major non-conformity is identified at Stage One, the HQAI certificate can be renewed.

Stage Two of the Recertification Audit will include site assessments to a sample of country programmes. Upon completion of Stage Two, a final audit report will present the complete findings of the audit and final conclusions on the performance of the organisation against all commitments of the CHS.

If major non-conformities are identified at Stage 2 of the audit process, the certificate will be suspended, possibly withdrawn following HQAI procedure (PRO116 – Issuance, suspension, reinstatement and withdrawal of certificates).

1. General information

1.1 Organisation

Type	Mandates	Verified	
<input checked="" type="checkbox"/> International <input type="checkbox"/> National <input type="checkbox"/> Membership/Network <input type="checkbox"/> Direct Assistance <input type="checkbox"/> Federated <input type="checkbox"/> With partners	<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	
Head office location	Helsinki, Finland		
Total number of country programmes	12	Total number of staff	HO: 122 Int: 27 Local: 2455

1.2 Audit team

Lead auditor	Jordi Capdevila
Second auditor	Aninia Nadig
Third auditor	--
Observer	--
Expert	--
Witness / other	--

1.3 Scope of the audit

CHS Verification Scheme	Certification
Audit cycle	Second audit cycle
Phase of the audit	Recertification audit
Extraordinary or other type of audit	---

1.4 Interviews conducted during Stage 1

Position / level of interviewees	Number of interviewees		Onsite or remote
	Female	Male	
Head Office			
Management	6	5	Remote
Staff	5	2	Remote
Country Programme / Project Office(s)			
Management			
Staff			
Partner staff			
Others			
Total number of interviewees	11	7	

1.5 Opening meeting

Date	2020/04/19
Location	Helsinki, Finland (remote)

Number of participants	18
Any substantive issues arising	No issues

2. Background information on the organisation

2.1 General information

Finn Church Aid (FCA) was established in the 1960s by the Evangelical-Lutheran Church of Finland. It grew out of the Lutheran World Federation's Finnish National Committee, which worked on reconstructing Finland after World War II. Over time, FCA shifted towards international aid and is today the largest Finnish humanitarian and development aid provider.

In 1995, Finn Church Aid became a Foundation with its own Board of Directors (BoD). Since 2010, FCA took the strategic decision to become more decentralised and establish more of a field presence. FCA focuses its international humanitarian interventions in fragile and complex environments. The challenge to find appropriate partners, particularly in complex contexts, has led FCA to be increasingly self-implementing. Today, FCA is a global actor with offices in 12 countries, two regional offices and advocacy and fundraising offices in London, Bangkok and the USA. It is member of ACT Alliance.

Finn Church Aid's vision is of a world comprised of resilient and just societies where everyone's right to peace, quality education and sustainable livelihood has been fulfilled. Its mission is to act for human dignity. FCA is a faith-based organisation working with a rights-based approach guided by human right standards and principles. Its values are unconditional love for its neighbours, unyielding hope, courage and respect. FCA's three thematic focus are: Right to livelihoods (R2L), Right to peace (R2P) and Right to education (R2E).

2.2 Governance and management structure

Since the CHS Initial Audit in 2017, FCA has undergone significant changes in some areas of its organisational structure and management systems. In 2018, FCA started its "Process 2030". In April 2021, the new organisational structure started to be put in place, with the intention to wrap up the change process in September 2021. The change efforts were ongoing at the time of this audit. Process 2030 intends to respond in a localised way to a number of global trends, including environmental, geopolitical, demographic and technological changes, as well as changes in the aid sector itself. FCA orients its structure towards facilitating and supporting localised operations and decision-making and wants to become an impact-oriented, agile and decentralised organisation. The specific challenges identified include management's involvement in operations, complicated and scattered operations and complex decision-making processes. Solutions to these issues include a new Information and Communications Technology system which should help organise processes, data and knowledge.

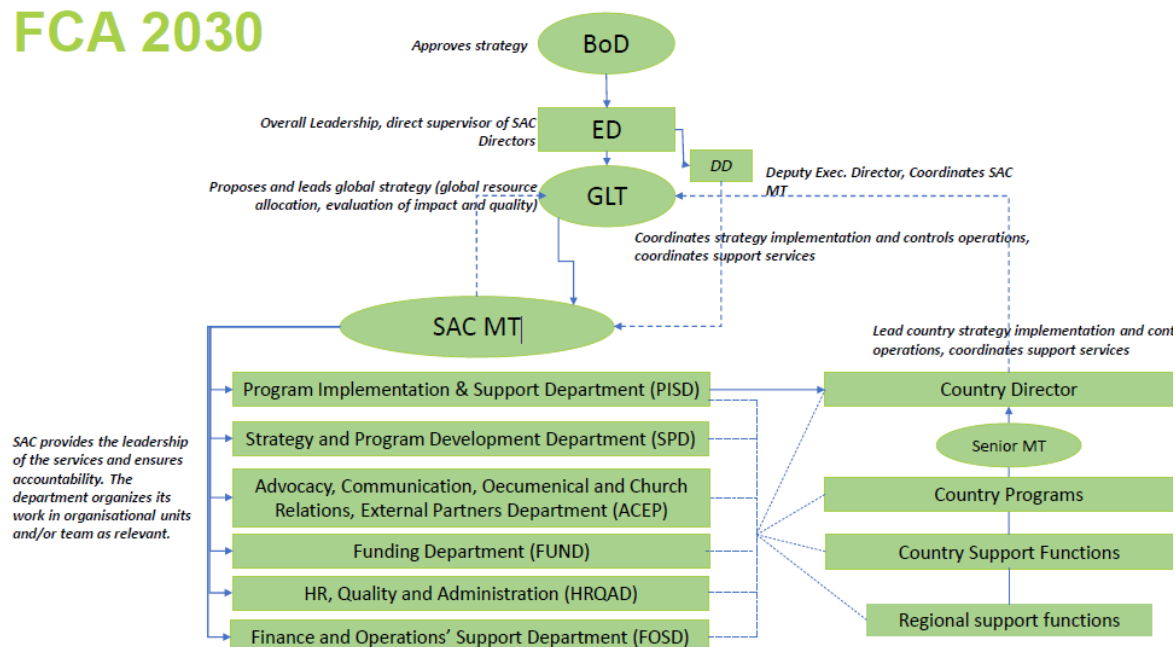
FCA is governed by a BoD with 14 members including the Chair and Vice-Chair. The Directors are appointed for a 3-year term by the Church Council of the Evangelical-Lutheran Church of Finland. Roughly two-thirds of Directors are not connected to the Church. The BoD approves the strategy and annual work plan and budget.

At the operational level, the Secretariat is led by an Executive Director (ED). The newly created Global Leadership Team, composed of the ED, the Deputy ED and three Country Directors, is due to meet regularly to propose and lead FCA's global strategy. In line with FCA's aim to de-centralise its operations and strengthen its support to Country Offices (CO), the operational core of the Helsinki office is now referred to as Service and Accountability Center (SAC). The SAC Management Team includes the Directors of the various SAC Departments (see Organigramme). In its efforts to become more quality and accountability focused, FCA strengthened its internal quality control with an internal auditor (part of the Directors Office) reporting directly to the Board of Directors.

Country Directors are directly supported by the Program Implementation and Support Department (PISD), which liaises closely with the other Departments. FCA places particular attention to streamlining a number of principles and approaches, such as risk management (under the Finance and Operation's Support Department-FOSD for CO level, and under the Administration Department-AD for the global level), Monitoring, Evaluation, Accountability and Learning-MEAL, (under the Programme Implementation & Support Department-PISD) and the do-no-harm principle

(under the Quality and Accountability Unit, Administration Department). AD also guides the overall assessment and development of the organisation's quality assurance.

FCA 2030



2.3 Internal quality assurance mechanisms and risk management

FCA's Quality assurance and management efforts are guided by its Global level Quality and Accountability Framework, which sets out the organisational policy position. In accordance with the framework, FCA has built its approach to quality management and accountability on its commitment to the CHS. Compliance with the CHS is verified annually through external audits conducted by the Humanitarian Quality Assurance Initiative (HQAI), and internal monitoring is carried out by the FCA Service and Accountability Centre. The external audits examine 3-4 country programmes (CP) every second year, hence these audits do not capture the exact state of CHS compliance in each programme. In order to reinforce quality assurance, a systematic assessment of FCA's adherence to the CHS has been put in place recently with the introduction of a Self-Assessment on Quality and Accountability that is based on the CHS indicators, to be conducted in each CP. The self-assessment helps the CPs to evaluate how well they are doing in terms of accountability and quality, and to identify good practices and areas for improvement. The assessment should help CPs identify strengths and weaknesses, and provide a quality and accountability baseline to develop an Accountability Improvement Plan. CPs should also link the assessment findings and resulting improvement plans e.g. with CP MEAL Plans, staff capacity building plans, and the Country Program's annual and longer term planning processes.

The Partner Assessment Tool, which is a pre-requisite for finalising Cooperation Agreements for funded activities, now includes more explicitly CHS commitments including PSEA, Code of Conduct and Complaints and Feedback mechanisms. The CO Self-Assessment considers how CO partners comply with each CHS commitment, which may lead to the identification of possible partner capacity assessments and capacity building plans. However, FCA has not yet put in place a systematic process to review on a regular basis each Partner Organisation's Quality and Accountability progress.

Other internal control measures include FCA Global Programme evaluations, which are conducted on a regular basis.

FCA's approach to risk management comprises contextual, organisational and programmatic risks, in line with FCA Risk Management Policy. Risk assessment is also embedded in the project design and implementation phases. The Compliance & Risk Team under the Finance and Operations' Support Department reviews and supervises FCA's key risks. Together with the Administration Department, the team conducts the overall corporate risk assessment, monitoring and management. The Board of Directors is responsible for approving the corporate risk assessment. FCA's Internal Auditor, who reports to the Audit Committee set by FCA Board of

Directors, conducts regular audits within FCA concern based on risk analyses and input of Senior Management and the Board.

2.4 Work with partner organisations

The principles of FCA partnerships are complementarity of roles and capacities, shared understanding of common goals and commitments, mutual respect of values, as well as transparency, accountability and learning from each other. FCA's partners can include local communities and community-based actors, national and international NGOs, churches and other faith groups, ACT Alliance and other global networks, educational institutions, and public and private sector and the UN. FCA has signed the Charter of For Change and reaffirmed the Principles of Partnership, both emphasising localisation of humanitarian aid, and transparent and accountable collaboration with partners.

FCA works with a total number of 36 local partners for project implementation. About 55% of projects are implemented through or jointly with national and local partners. FCA has introduced a Partner Assessment Tool to assess, monitor and document partner's organisational strengths and weaknesses, in order to strengthen partners' capacity building and organisational development. The Initial partnership assessment, which includes more explicitly CHS commitments, is a pre-requisite for finalising Cooperation Agreements for funded activities.

Contracts with partners include the right for the internal auditor to undertake audits of the partners. While FCA is a faith-based organisation (FBO), it does not limit its partnerships to other FBOs. FCA does work with its partners to build their capacity and improve their quality and accountability mechanisms, but this is not yet fully implemented in a systematic way across the organisation. The organisation does not have a Partnership Policy in place, but it is in the process to develop a partnerships' management guideline to improve partners' continuous assessment and support.

3. Summary of non-conformities on Organisational Responsibilities

Note: this summary is based on the Stage 1 assessment results only and forms the basis for the Stage 2 assessment. The conclusions can potentially change after onsite visits are conducted, as a result of new evidence identified.

Corrective Action Requests (CAR)*	Type	Resolution due date	Date closed out
2021-5.4: FCA has not yet ensured that all its partner implemented projects have Complaints Response Mechanisms in place.	Minor	2023/05/30	
2019-5.6: People affected by crisis are not fully aware of the expected behaviour of FCA staff, and organisational commitments made on the prevention of sexual exploitation and abuse	Minor	2021/06/26	--
Total Number	2	--	--

4. Stage 2 recommendation

Stage 2 is recommended	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Explanation / pre-conditions	The Stage One of the recertification audit reviewed all Organisational Responsibilities including closed non-conformities

	<p>and observations identified in previous audit reports. Findings are limited to desk review of HO documents and HO interviews. The work with partners and communities will be assessed during Stage 2.</p> <p>Due to the ongoing COVID19 pandemic, HO and field assessments will have to be conducted remotely. However, it is recommended that if during this recertification audit, field visits are not possible, to ensure these are conducted at the earliest opportunity in the audit cycle.</p>
Recommended timeframe for Stage 2	<p>21-25 June 2021: South Sudan 28 June – 2 July 2021: Central African Republic (CAR), Jordan, Nepal</p>

4.1 Sampling* recommendation for Stage 2

Randomly sampled country programme sites	Included in final sample	Replaced by	Rationale for sampling and selection of sites	Onsite or remote
Syria	No	South Sudan	Need to avoid sampling repetition of previous audits. Need for geographical balance (Africa), size of country programme and mandates (Humanitarian/Development/Advocacy)	Remote due to ongoing travel restrictions
Palestine	No	CAR	The program was considered too small and not comprehensive enough for the scope of the assessment. Replaced by CAR to keep geographical balance (Africa), ensuring relevant size of country programme and mandates (Humanitarian/Development/ Advocacy)	Remote
Lebanon	No	Nepal	The program was considered too small and not comprehensive enough for the scope of the assessment. Replaced by Nepal to keep geographical balance (Asia), ensuring relevant size of country programme and mandates (Humanitarian/Development/ Advocacy)	Remote
Jordan	Yes			Remote

Any other sampling performed for this audit:

Sampling risk*: Shall visits not be possible due to the ongoing COVID-19 pandemic. Remote techniques will be applied and potential gaps in the assessment will be highlighted in the final report, as well as subsequent spot checks to mitigate any risk deriving from the use of remote auditing.

FCA is at the beginning of its second 4-year audit cycle with HQAI. Over the first cycle, 2017-2021, FCA has worked steadily through each audit and has demonstrated improving performance over time. FCA has internal quality assurance and control systems in place to address requirements of the CHS, and other strategic commitments. These give the auditors sufficient confidence to recommend that FCA be re-certified. Further checks will be applied through Stage 2 activities.

**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.*

5. Lead auditor recommendation

In our opinion, Finn Church Aid (FCA), has demonstrated that it continues to conform with the requirements of the Core Humanitarian Standard on Quality and Accountability.

Based on the evidence obtained at this Stage 1, we confirm that we have received reasonable assurance that the organisation has demonstrated that it meets the requirements of the Core Humanitarian Standard on Quality and Accountability.

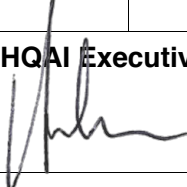
We recommend certification.

Based on the evidence obtained at this Stage 1, in our opinion Finn Church Aid has demonstrated a high level of commitment to the Core Humanitarian Standard on Quality and Accountability.


We recommend.

Name and signature of lead auditor:	Date and place:
Jordi Capdevila	30-05-2021 Barcelona, Spain

6. HQAI approval of report and validation for Stage 2

Report approved	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
Stage 2 approved	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
Sampling recommendation approved	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
Name and signature of HQAI Executive Director:	Date and place:	
Pierre Hauselmann 	2021-06-08	

7. Acknowledgement of the report by the organisation

Space reserved for the organisation	
Any reservations regarding the audit findings and/or any remarks regarding the behaviour of the HQAI audit team: <i>If yes, please give details:</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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:  Jouni Hemberg Executive Director	Date and place: In Helsinki, Finland 6 August 2021

Appeal

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

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

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

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

Annex 1: Explanation of the scoring scale*

Scores	Meaning: for all verification scheme options	Technical meaning for all independent verification and certification audits
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 issue or immediate suspension of certificate.
	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