

Finn Church Aid

Maintenance Audit – Summary Report 2022/09/01

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 type="checkbox"/> Advocacy	
Head office location	Helsinki		
Total number of country programmes	11	Total number of staff	2612

1.2 Audit team

Lead auditor	Aninia Nadig
Second auditor	
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	Maintenance Audit
Extraordinary or other type of audit	-

1.4 Sampling*

Randomly sampled country programme sites	Included in final sample	Replaced by	Rationale for sampling and selection of sites	Onsite or remote
Kenya	Yes		Humanitarian, development and advocacy projects. Has not been visited since 2019. Ensures geographic representation	remote
Jordan	Yes		Development and advocacy (integrated into the projects). Is a new CO to be audited. Ensures geographic representation	remote
Cambodia	Yes		Humanitarian, development and advocacy projects. Was audited remotely in 2020 (MA). Ensures geographic representation	remote
Any other sampling performed for this audit: None				

Sampling risk:

No sampling risks have been identified. The three country offices that were selected are varied in scope and geographic spread.

**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
FCA Head Office, Helsinki, Finland	7 to 22 June 2022	remote
FCA Field Office Kenya	8 June 2022	remote
FCA Country Office Amman, Jordan	8 June 2022	remote
FCA Country Office Phnom Penh, Cambodia	20 June 2022	remote

2.2 Interviews

Position / level of interviewees	Number of interviewees		Onsite or remote
	Female	Male	
Head Office			
Management		2	remote
Staff	1		remote
Country Programme Offices			
Management	1	1	remote
Staff		2	remote
Partner staff			
Others			
Total number of interviewees	2	5	

2.3 Opening meeting

Date	2022/06/07
Location	remote
Number of participants	11
Any substantive issues arising	None

2.4 Closing meeting

Date	2022/06/28
Location	remote
Number of participants	8
Any substantive issues arising	None

3. Background information on the organisation

3.1 General information	<p>The origin of Finn Church Aid (FCA) dates to 1947, when the Finnish National Council of the Lutheran World Federation was established in Finland. FCA 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.</p> <p>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 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 11 countries, one regional office and advocacy and fundraising offices in Bangkok and the USA. It is member of ACT Alliance.</p> <p>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).</p>
3.2 Governance and management structure	<p>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.</p> <p>Since the CHS Initial Audit in 2017, FCA has undergone significant changes in some areas of its organisational structure and management systems, with the aim of becoming an impact-focused, agile, and decentralised organisation. The process was ongoing at the time of the Maintenance Audit (MA).</p> <p>The Helsinki-based Service and Accountability Centre (SAC) is led by an Executive Director (ED). The Global Leadership Team (GLT), composed of the ED, the Deputy ED and three Country Directors, meets regularly to propose and lead FCA's global operational strategy. The MT coordinates the work of the SAC as a whole and assures that FCA's daily operations follow GLT's strategic guidance. Annual planning, budgeting and reporting remain with the MT, signed off by the BoD.</p> <p>In 2018, FCA started its "Process 2030", which intends to respond in a localised way to global trends, including environmental, geopolitical, demographic and technological changes, as well as changes in the aid sector itself.</p> <p>Following the 2021 recertification audit report, the Management Team (MT) has become more aware of the need to systematise key processes outlined in the CHS and is now directly engaged in the CHS certification process, which includes a root causes analysis to address the issues raised in the RA.</p> <p>FCA's operational structure is aligned with its aim of decentralisation. Country Directors are directly supported by the Programme Support Department, which liaises closely with the other Departments. However, FCA's Regional Desks have been given up, which reduces the SAC's direct support to Country Offices (CO).</p> <p>At the end of 2021, FCA entered Phase 2 of its restructuring, focusing on internal processes and collaboration practices, which includes establishing clear lines of responsibility, strengthening internal transparency and accountability, completing ongoing processes and identifying priorities. Staff wellbeing is also at the centre of Phase 2.</p>
3.3 Internal quality assurance	<p>FCA's Quality assurance and management efforts are guided by its Global level Quality and Accountability Framework, which sets out the organisational policy position and is based on the CHS. Compliance with the CHS is further verified annually through external audits</p>

**mechanisms and
risk management**

conducted by the Humanitarian Quality Assurance Initiative (HQAI) and internal monitoring by the SAC.

FCA's systematic CO Self-Assessments on Quality and Accountability, based on the CHS indicators are linked to an Accountability Improvement Plan and inform CO MEAL Plans, staff capacity building plans, and annual and longer-term CO planning processes. FCA also conducts regular global programme evaluation.

FCA's risk management comprises contextual, organisational and programmatic risks, in line with FCA Risk Management Policy. Risk assessment is 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 BoD is responsible for approving the corporate risk assessment.

**3.4 Work with
partner
organisations**

FCA has a broad range of partners, separated into strategic and operational partners. Strategic partners include UN agencies, NGO networks, educational institutions, churches and other faith groups, ACT Alliance and certain private and public sector actors. Operational partners include some of the above-mentioned, as well as national and community-based actors. FCA has signed the Charter of For Change – so far without a systematic approach to put it into practice – and reaffirmed the Principles of Partnership, both emphasising localisation of humanitarian aid and transparent and accountable collaboration with partners.

Roughly half of FCA's projects, in particular development projects, are implemented through or jointly with national and local partners. FCA has a Partner Assessment Tool, linked to partner capacity building. The Initial partnership assessment, which includes more explicitly CHS commitments, is a pre-requisite for finalising Cooperation Agreements for funded activities.

FCA recognises that it needs to broaden its focus from strategic global partnerships to include operational partnerships at policy, guidance and support levels. The challenges and risks of not having a systematic approach to managing operational partnerships and the absence of clear lines of responsibility for developing a stronger partnership approach are acknowledged. FCA does not have a Partnership Framework Agreement that would allow operational partnerships to last beyond specific projects. One consequence of this fact is that FCA's capacity building support to operational partners is still not fully systematised. FCA recognises that it needs a more long-term and partner-oriented approach to ensure continuous operational partner support. Such an operational partnership focus is expected to also support FCA's localisation strategy and FCA's Localisation Working Group. In light of the above, FCA is working on a Partnership Strategy covering all types of partnerships and expected to be completed by the end of 2022.

Following the 2021 recertification audit, FCA reinforced its efforts to develop a stronger partnership approach. This included the development of a Partnership Policy, Partnership Framework Agreement and partnership management guidelines. FCA has been working on ensuring that the accountability chain extends all the way to partners, including non-traditional development partners and private sector partners. However, without a clear ownership at SAC level of partner relations, this connection has so far not received sufficient attention. These tools are being developed by the Strategic Development Unit but were at the time of this audit not assigned to a specific person.

4. Overall performance of the organisation

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

FCA's management system continues to undergo a substantial reform (see also above and 2021 recertification audit report). FCA focuses on mainstreaming quality and accountability throughout the organisation.

FCA has a substantial number of policies and procedures, which staff feel challenging at times. Phase 2 of the 2030 process (see above) and the root causes analysis following the RCA report identify the importance of ensuring more effective roll-out and implementation of policies and procedures.

The SAC ensures quality assurance through a multi-layered approach, including regular and ad hoc remote or physical checks across the organisation, internal and external audits. Country-level decision-making, including programme implementation and cooperation with operational partners, is the responsibility of the Country Directors. CO monitoring and evaluative processes support quality assurance of project and programmes. Related M&E guidelines and procedures are contextualised in country programme specific Monitoring, Evaluation, Learning and Accountability (MEAL) plans. Evaluation and audit results are used for improvement and learning at different levels of the organisation.

Risk management is part of the planning and reporting cycle at different levels in the organisation. Country level risk matrices comprises contextual, organisational and programmatic risks (see also 2021 recertification audit).

FCA makes efforts to streamline and integrate various processes. A Project Cycle Management Task Force supports PCM across all programmes. FCA has set up Collaboration Platforms along a number of themes, which helps overcome siloed working. These Platforms are seen as beneficial to the organisation's overall performance and for strengthening its Quality and Accountability approach.

4.2 How the organisation applies the CHS across its work

FCA continues to be committed to implementing the CHS at all levels of the organisation and with partners. The CO Self Assessments, organised along the CHS indicators, are an expression of this commitment. FCA's understanding of the local context and stakeholders is strong thanks to its local level partnerships and staff. FCA and its partners have a joint approach to working with communities based on dialogue, participation and feedback. Staff and Partner trainings on the CHS and on new policies and their rollout are part of FCA's focus following the 2021 recertification audit.

FCA considers CHS certification audits as an opportunity to improve and has plans set out to address the minor non-conformities and observations identified in the 2021 recertification audit. The organisation has dedicated one staff to CHS audits and mainstreaming Quality and Accountability. As stated above, the MT is increasingly involved in ensuring CHS compliance across the organisation and linking the CHS to ongoing organisational processes and in particular the 2030 Process. Training on CHS is provided to staff and partners.

The 2021 recertification audit noted three minor non-conformities, covering a systematic approach to referrals (2.3), PO having a functioning CRM system in place (5.4) and communities' awareness of the expected behaviour of FCA and partner staff (5.6).

FCA has since analysed the minor non-conformities and observations and developed a Recertification Audit Improvement Plan to address them through a roots causes approach, focusing on three overarching or cross-cutting points, which it considers will have positive effects on more specific issues covered in the three non-conformities: a) ensuring adequate CO level staffing, staff competencies and staff wellbeing; b) working on a more systematic and long-term approach to operational partnerships; and c) improving the roll-out of policies and guidelines. PSEAH and communication are identified as additional key issues. Along the same logic, FCA set up Coordination Groups for Safeguarding and for Due Diligence. These Coordination groups are to ensure consistency of its global policies with quality and accountability commitments.

FCA has been working on integrating the following elements across the organisation and with partners.

- Regarding referrals of unmet needs, FCA differentiates between humanitarian and development situations.
- FCA intensified its direct support to CO and PO regarding CRM and has initiated an updating process for the CRM Guidelines, which FCA plans to roll out in Q3 and Q4 of 2022.
- FCA's information sharing guidelines offer practical guidance to programme staff on What, When and How to share information with affected communities, including the requirement to share information on expected FCA and partner staff behaviour, PSEA, Code of Conduct, and child safeguarding commitments. Roll out training sessions have been conducted and information sharing is included in FCA's updated Project Planning Guidelines.

4.3 Average score per CHS commitment

Commitment	Average Score*
Commitment 1: Humanitarian assistance is appropriate and relevant	2.7
Commitment 2: Humanitarian response is effective and timely	2.4
Commitment 3: Humanitarian response strengthens local capacities and avoids negative effects	2.4
Commitment 4: Humanitarian response is based on communication, participation and feedback	2.3
Commitment 5: Complaints are welcomed and accepted	1.7
Commitment 6: Humanitarian response is coordinated and complementary	2.8
Commitment 7: Humanitarian actors continuously learn and improve	2.5
Commitment 8: Humanitarian response is effective and timely	2.3
Commitment 9: Resources are managed and used responsibly for their intended purpose	2.5

* *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

Minor Corrective Action Requests (CAR)	Type	Resolution due date	Date closed out
2021-2.3: FCA does not have a system in place to refer unmet needs and to advocate for needs to be addressed.	Minor	2023-08-04	
2021-5.4: FCA has not yet ensured that all its partner implemented projects have Complaints Response Mechanisms in place capable of ensuring a systematic approach to dealing with sensitive complaints.	Minor	2023-08-04	
2021-5.6: People affected by crisis in partner implemented projects are not always fully aware of the expected behaviour of staff	Minor	2023-08-04	
Total Number	3	2023-08-04	

* *Note:* The CARs are completed by the audit team based on the findings.

6. Sampling recommendation for next audit

Sampling rate	As per normal procedure for sampling rates.
Specific recommendation for selection of sites	Include visits to communities and specially linked to partner implemented projects as soon as conditions allow.

7. Lead auditor recommendation

In our opinion, 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, we confirm that we have received reasonable assurance that the organisation is implementing the necessary actions to close the minor CARs identified in the previous audit and continues to meet the requirements of the Core Humanitarian Standard.

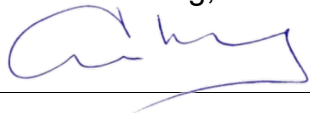
We recommend maintenance of certification.

Name and signature of lead auditor:  Aninia Nadig	Date and place Geneva, 09 August 2022
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8. HQAI decision

<input checked="" type="checkbox"/> Certification maintained <input type="checkbox"/> Certificate suspended	<input type="checkbox"/> Certificate reinstated <input type="checkbox"/> Certificate withdrawn
Next audit: Surveillance audit before 2023/09/01	
Name and signature of HQAI Executive Director:  Joost Monks	Date and place: 1 st September 2022

9. 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: 6 October 2022, Helsinki, Finland

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.
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