

REVENUES

RESULT

PEOPLE

**2019**  
IN  
NUMBERS

**hqai**

HUMANITARIAN QUALITY  
ASSURANCE INITIATIVE

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## 1+1= ANNUAL REPORT

In an annual report readers expect information about the state of business, key events, trends and learnings, people and resources, an outlook for the coming years, financial analysis, etc.

We have decided to cut this wealth of information into two separate documents:

### “2019 IN FOCUS”

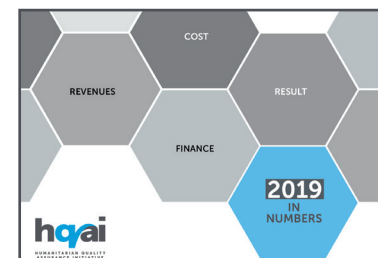


This flagship publication is a punchy overview of 2019, HQAI’s activities and impact. You can access this document on our Website.

[www.hqai.org/publications](http://www.hqai.org/publications)



### “2019 IN NUMBERS”



The document you are about to read gets straight to the point: who are the people behind HQAI and how and where does money flow.

# INTRODUCTION

HQAI's audits against the Core Humanitarian Standard on Quality and Accountability (CHS) participate in the professionalisation of the humanitarian and development sector, help audited partners improve rapidly thus bringing a better and more accountable assistance to populations. Furthermore, HQAI can bring concrete solutions to issues the sector has difficulty to address, for example the harmonisation of due diligence requirements and fostering the localisation agenda.

## STEADY GROWTH

By the end of 2019, 55 organisations were covered by HQAI's independent quality assurance services. The steep increase since 2018 (26 organisations) is related to both HQAI's growing reputation and the launch of the Group scheme. This audit mechanism allows for multiple organisations to join under one single assessment, hence opening the door to independent quality assurance to more organisations. Moreover, HQAI's reality shows that both the CHS and HQAI quality assurance are adapted to a wide diversity of organisations in terms of size (1 to >150 country programmes), type (UN agency, group, national, international) and mandate (humanitarian, development, advocacy).

## PEOPLE WE CAN TRUST

HQAI's commitment to be an accountable, open and trustworthy partner is reflected in its governance structure. HQAI's different bodies, and the Board of Directors in particular, reflect geographic representation, technical experience, gender, knowledge relevant to the sector and to standards and certification, and ensure adequate linkages to other standards bodies

and interested parties.

More and more people stand behind the brand HQAI, including assembly and committee members, staff and registered auditors. They are the valuable backbone and grant HQAI their competence, dedication and wisdom day after day.

## CONTINUED DONOR SUPPORT

HQAI's historical donors have continued to support our work in 2019 and are committed to continue doing so in 2020. HQAI received a total of CHF 900.8 thousand in core funding from Denmark, the Federal Republic of Germany, the Swiss Confederation and the United Kingdom.

HQAI's subsidy fund — generously funded by Denmark and Germany — continues to make independent audits accessible to small national organisations. Ten organisations in eight countries received subsidy grants in 2019, namely in Bangladesh, Ethiopia, India, Kenya, Lebanon, Turkey, South Sudan and Uganda.

## FINANCIAL OUTCOME

After a difficult financial situation in 2018, 2019 saw a year of consolidation and HQAI was able to meet its 2019 budgetary objectives. The financial performance reflects a steady progress of scheduled audits and related revenues from audit services.



November 2019

**Pierre HAUSELMANN**  
Executive Director of HQAI

***DONORS' RECOGNITION** of HQAI audits as fulfilling at least part of their due diligence (DD) requirements is key for the long term success of independent quality assurance.*

*Significant progress was made in 2019 but more incentives are necessary to create significant financial incentives for organisations and accelerate the simplification and harmonisation of DD requirements in the sector.*

# We are HQAI

**GENERAL ASSEMBLY  
OF MEMBERS**

**BOARD OF  
DIRECTORS**

**REGISTERED  
AUDITORS**

An organisation comprises  
its structure, strategy, invest-  
ments, rules and regulations.

But most of all it exists  
through its people.

**ADVISORY AND  
COMPLAINT BOARD**

**SECRETARIAT**

**SUBSIDY FUND  
MANAGEMENT  
COMMITTEE**



# PEOPLE AND STRUCTURE

Chris Adams		Senior Advisor, Learning and Outreach, Institute for Human Security and Social Change, La Trobe University, Australia
Marian Casey-Maslen	BoD	Executive Director at CDAC Network, United Kingdom
Yves Daccord	BoD	Director-General of the International Committee of the Red Cross (ICRC), Switzerland
Jacques Forster	BoD President	Professor Emeritus at the Graduate Institute of International and Development Studies in Geneva, Switzerland. Vice-President of the International Committee of the Red Cross (ICRC) from 1999 to 2007.
Kate Half	BoD	Deputy Head of Division, Coordination and Cooperation within the Red Cross and Red Crescent Movement at ICRC, Switzerland
Gerrit Marais	BoD Treasurer	Independent Consultant in the forest management and certification fields, South Africa
Gostelow Lola		Independent Humanitarian Policy Adviser, United Kingdom
Sawako Matsuo	BoD	Secretary General, Quality and Accountability Network in Japan (JQAN); Manager, Multi-Sector Engagement Group, Japan NGO Center for International Cooperation
Martha Nemera		Directress of Women Support Association, Ethiopia
Jyotsna (Jo) Puri		Head, Independent Evaluation Office of the Green Climate Fund, South Korea
Gareth Price-Jones	BoD	Executive Secretary of the Steering Committee for Humanitarian Response (SCHR), Switzerland
Qassem Saad		Chairman of Development Action without Borders / Naba'a, Lebanon
Ed Schenkenberg		Executive Director of HERE-Geneva, Switzerland
Philip Tamminga		International Consultant specialising on AAP and organisational accountability and performance measurement, Spain
Elizabeth Wakilo Righa		Board Member of Action Aid International; Program Manager with Anglican Development Services Pwani, Kenya
Sue-Anne Wallace	BoD Vice-President	Chair Australia and New Zealand Committee High Resolves; former Chair of the Australian Council for International Development's Code of Conduct Committee
Tanya Wood		Executive Director of CHS Alliance, Switzerland

## GENERAL ASSEMBLY OF MEMBERS

The General Assembly (GA) of Members is the supreme authority of the organisation. In December 2019 HQAI's membership was comprised of 17 members.

## BOARD OF DIRECTORS

The Board of Directors (BoD) is drawn from the membership of HQAI. Its specific responsibilities include: setting the strategic direction of HQAI and providing guidance to the secretariat, ensuring the statutes are respected, supporting HQAI in achieving its objectives, mission and vision whilst also publicly representing the organisation.

The Board's President, Vice-President and Treasurer form the Executive Committee, whose role is to facilitate efficient operations of the Board. The Committee may take decisions that fall within its delegated authority between Board meetings.

*List of GA members and BoD members as of 31.12.2019*

## ADVISORY AND COMPLAINT BOARD

The Advisory and Complaint Board (ACB) handles complaints made to or about HQAI and safeguards the rules of impartiality, confidentiality and avoiding conflicts of interests in the work of HQAI. In this function the ACB acts independently from the other corporate bodies.

The members represent solid knowledge and competencies in the fields of CHS, quality assurance and mediation.

## SUBSIDY FUND MANAGEMENT COMMITTEE (SFMC)

The committee manages the independent subsidy fund established to support financially organisations that want to access HQAI services but for which cost would be a barrier.

The SFMC provides an impartial service to the sector, reflecting the perspectives of donors, humanitarian NGO's and HQAI. It makes decisions independently from the GA, BoD and secretariat.

*List of ACB and SFMC members as of 31.12.2019*

Chris Adams		Senior Advisor, Learning and Outreach, Institute for Human Security and Social Change, La Trobe University, Australia
Gerrit Marais	Chair	Independent Consultant in the forest management and certification fields, South Africa
Qassem Saad		Chairman of Development Action without Borders / Naba'a, Lebanon
Philip Tamminga		International Consultant specialising on AAP and organisational accountability and performance measurement, Spain
Elizabeth Wakilo Righa		Board Member of Action Aid International; Programs Manager with Anglican Development Services Pwani, Kenya
Mille Døllner Fjeldsted		Head of Section at Ministry of Foreign Affairs, Denmark
Sawako Matsuo	Chair	Secretary General, Quality and Accountability Network in Japan (JQAN); Manager, Multi-Sector Engagement Group, Japan NGO Center for International Cooperation
Ignacio Packer		Executive Director of the International Council of Voluntary Agencies (ICVA), Switzerland

List of secretariat members as of 31.12.2019

François Fleury	Head of Administration and Finance (interim)
Elissa M. Goucem	Head of Quality Assurance
Pierre Hauselmann	Executive Director
Annina Hunziker	Marketing & Communication Assistant
Lina Muñoz Figueredo	Quality Assurance Assistant
Nora Sohns	Back Office Assistant
Désirée Walter	Head of Marketing and Communication

## SECRETARIAT

The secretariat is responsible for managing the organisation's activities and financial operations and for implementing the organisation's overall objectives through the agreed strategy.

The Executive Director heads the secretariat, managing its activities and reporting to the BoD and the Executive Committee.

## REGISTERED AUDITORS

A pool of specially trained registered auditors is mandated by HQAI to undertake auditing of clients' systems and practices. Auditors are responsible to collect and analyse sufficient information to generate objective and impartial conclusions.

Senior auditors have the authority for the management, control and performance of auditing activities.

*List of auditors registered with HQAI as of 31.12.2019.  
The country indicated is the auditor's residential country.*

Catherine Blunt	Senior	Australia	Susanne Neymeyer		Germany
Andrea Bollini		Italy	Camille Nussbaum	Senior	Spain
Dorte Busch		Denmark	Andrew Nzimbi		Kenya
Jordi Capdevila		Spain	Joanne O'Flanagan		Northern Ireland, UK
Annie Devonport	Senior	United Kingdom	Johnny O'Regan	Senior	Ireland
Elissa M. Goucem	Senior	Switzerland	Nik Rilhoff	Senior	New Zealand
Claire Goudsmit	Senior	United Kingdom	Sylvie Robert	Senior	Ethiopia/ Spain
Marie Grasmuck	Senior	France	Daniel Rogers		United Kingdom
Sarah Kambarami		South Africa	Birgit Spiewok	Senior	Germany
Belinda Lucas	Senior	Australia	Paul Stacey		Denmark
Jorge Menéndez	Senior	Argentina	Jo Thomson	Senior	Australia
Elisabeth Meur		France	Karin Wierenga	Senior	Netherlands
Stephen Morrow	Senior	Australia	Nina Wöhrmann		Germany
Aninia Nadig		France			



# FINANCE AND FUNDING



**MINISTRY OF FOREIGN AFFAIRS  
OF DENMARK**  
*Danida*



**german  
humanitarian  
assistance**  
DEUTSCHE HUMANITÄRE HILFE



**UKaid**  
from the British people



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



REPUBLIQUE  
ET CANTON  
DE GENEVE

None of HQAI's successes so far would have been possible without the precious core financial support provided by its historical funding partners: Denmark, Germany and the Swiss Confederation. Early 2019 they were joined by the UK, whose Department for International Development has provided substantial financial and strategic support. In addition to their direct financial contribution, HQAI's major donors value HQAI's initiative and facilitate its activities.

HQAI would like to take this opportunity to warmly thank its donors and partners for their generosity and continuing support.



**duchosal berney**

**Report of the statutory auditor  
To the Committee of**

**Association Humanitarian Quality Assurance Initiative**

Dears Sirs,

**Report of the Statutory Auditor on the Financial Statements**

As statutory auditor, we have audited the accompanying financial statements of Association Humanitarian Quality Assurance Initiative, which comprise the balance sheet as at 31 December 2019, the income statement, the cash flow statement and notes 2019 for the year 2019 then ended.

**Committee's Responsibility**

The Committee is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Committee is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Association Humanitarian Quality Assurance Initiative

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**Opinion**

In our opinion, the financial statements for the year 2019 ended 31 December comply with the Swiss GAAP RPC and particular with FER 21, the Swiss law and the company's articles of incorporation.

**Report on Other Legal Requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Committee.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Duchosal Berney SA

Caroline Jindra  
Licensed Audit Expert  
Auditor in charge

Philippe Lathion  
Licensed Audit Expert

Geneva, 12 mars 2020  
C:\JGC\192\192.03\0411

Enclosures : Financial statements (balance sheet, income statement and notes),  
Proposed appropriation of available earnings

## OVERVIEW FINANCIAL STATEMENTS

For the period 01 January 2019 - 31 December 2019,  
according to Swiss GAAP

### REVENUES

### CHF COST

### CHF RESULT

### CHF

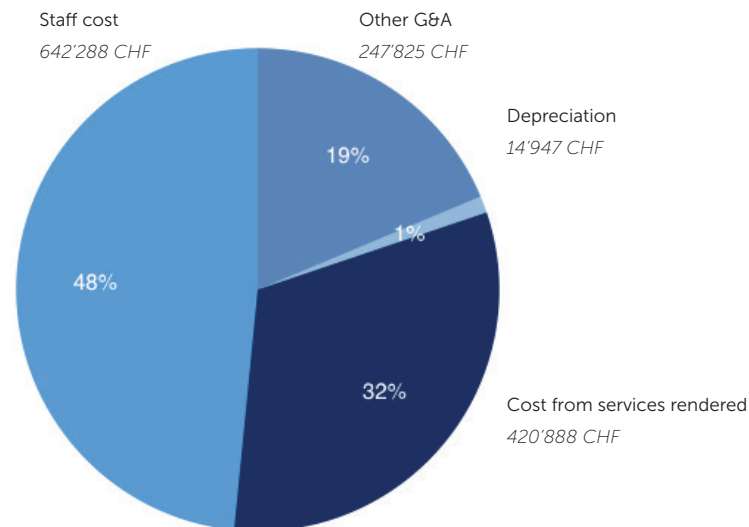
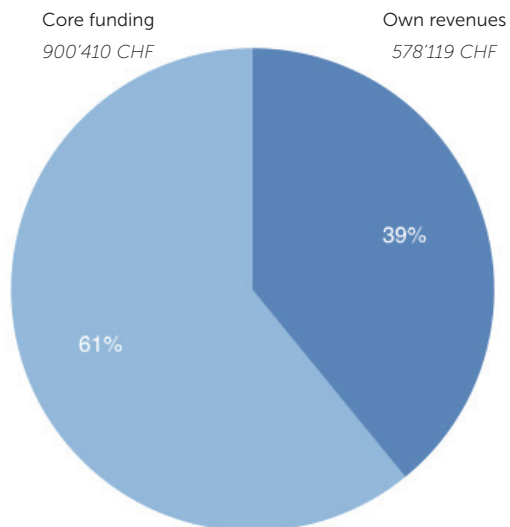
Grants from the public sector: untied		Cost from services rendered	(420'888)	Operating result	209'606
German Ministry of Foreign Affairs	228'100			Attribution to restricted funds	(57'025)
DANIDA (DK)	133'627	General & Administrative (G&A) Expenses			
Swiss Agency for Development	200'000	Staff cost	(642'288)	Financing Profit/(Loss)	(720)
DfID (UK)	338'683	Other G&A expenditures	(247'825)		
		Depreciation and Amortisation	(14'947)	<b>Profit/(Loss) before Tax</b>	<b>151'861</b>
Grants from the public sector: tied (Subsidy Fund)	57'025				
Revenues from services rendered	578'119				

### Revenues

1'535'554

### Operating cost

(1'325'948)



## STATEMENT OF FINANCIAL POSITION

(in Swiss francs)	2018	2019
<b>ASSETS</b>		
Cash and banks	257'421.07	350'948.84
Receivables: clients	97'068.25	125'882.08
Receivables: other third parties	519.60	6'753.11
Other current assets	34'974.24	156'829.14
<b>Total current assets</b>	<b>389'983.16</b>	<b>640'413.17</b>
Financial assets	1'368.30	1'368.45
Tangible assets	9'485.82	11'770.28
Intangible assets	12'701.72	16'894.94
<b>Total non current assets</b>	<b>23'555.84</b>	<b>30'033.67</b>
<b>TOTAL ASSETS</b>	<b>413'539.00</b>	<b>670'446.84</b>

(in Swiss francs)	2018	2019
<b>LIABILITIES</b>		
Payables: suppliers	27'699.61	8'657.99
Payables: other third parties	137'729.45	200'643.43
Accrued liabilities	44'882.91	96'540.60
Other short-term liabilities	71'415.34	121'915.65
<b>Total short-term liabilities</b>	<b>281'727.31</b>	<b>427'757.67</b>
Equity: sourced by grants		
- Initial	131'415.80	7'295.13
- Tied	124'516.56	83'532.97
- Untied	(124'120.67)	151'861.07
<b>Total equity for the organisation</b>	<b>131'811.69</b>	<b>242'689.17</b>
<b>TOTAL LIABILITIES</b>	<b>413'539.00</b>	<b>670'446.84</b>

## INCOME STATEMENT

(in Swiss francs)	2018	2019
<b>Grants from the public sector</b>		
- including tied grants	165'925.00	57'025.00
- including untied grants	516'230.00	900'410.12
Revenues from services	305'779.55	534'293.81
Revenues from subsidised services	79'325.44	43'825.06
<b>Total revenues</b>	<b>1'067'259.99</b>	<b>1'535'553.99</b>
Grants given	-	-
Staff cost	(578'559.18)	(642'288.01)
<b>General &amp; Administrative expenditures</b>		
- Cost of sales: auditors fees	(279'749.66)	(420'887.59)
- Office running expenses	(128'086.36)	(247'825.21)
Depreciation and amortisation	(36'604.44)	(14'947.02)
Provisions	-	-
<b>Total operating cost</b>	<b>(1'022'999.64)</b>	<b>(1'325'947.83)</b>
<b>Operating result</b>	<b>44'260.35</b>	<b>209'606.16</b>
Financing profit / (loss)	(2'456.02)	(720.09)
Non operating result	-	-
Exceptional result	-	-
<b>Result before variation of equity sourced by grants</b>	<b>41'804.33</b>	<b>208'886.07</b>
Attribution to restricted funds	(165'925.00)	(57'025.00)
Variation of equity sourced by grants	-	-
<b>PROFIT / (LOSS)</b>	<b>(124'120.67)</b>	<b>151'861.07</b>

## STATEMENT OF CASHFLOW

(in Swiss francs)	2018	2019
<b>Result before variation of equity sourced by grants</b>	<b>(124'120.67)</b>	<b>151'861.07</b>
Variation of equity sourced by grants	75'274.12	(40'983.59)
Depreciation and amortisation	36'604.44	14'947.02
(Decrease) / increase of provisions	-	-
Decrease / (increase) of deposits	-	-
Decrease / (increase) of receivables	(58'581.68)	(35'047.34)
Decrease / (increase) of inventories	-	-
Decrease / (increase) of other current assets	153'106.33	(121'854.90)
(Decrease) / increase of payables	(58'300.83)	43'872.36
(Decrease) / increase of other current liabilities	(136'218.17)	102'158.00
<b>Net cash from operating activities</b>	<b>(112'236.46)</b>	<b>114'952.62</b>
<b>(Investment) / divestment</b>		
- Tangible assets	(5'431.71)	(9'414.11)
- Intangible assets	(6'834.62)	(12'010.59)
- Financial assets	(0.15)	(0.15)
<b>Net cash from investing activities</b>	<b>(12'266.48)</b>	<b>(21'424.85)</b>
(Decrease) / increase of long-term loans	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>CASH VARIATION</b>	<b>(124'502.94)</b>	<b>93'527.77</b>
Cash opening balance:	381'924.01	257'421.07
Cash closing balance:	257'421.07	350'948.84

## STATEMENT OF CHANGES IN EQUITY

(in Swiss francs)	01.01.2019	Variation	31.12.2019
Equity sourced by grants			
Tied funds			
Total equity sourced by grants			
Equity of the organisation			
- Tied equity			
- Reserves			
* Financing of new projects	124'516.56	(40'983.59)	83'532.97
- Untied equity	7'295.13	151'861.07	159'156.20
Total equity of the organisation	131'811.69	110'877.48	242'689.17

## GROSS MARGIN ANALYSIS

(in Swiss francs)	2018	2019
Audit services		
Revenues	385'105	541'211
Cost of sales	(279'750)	(402'618)
Total audit services	105'355	138'593
Training		
Revenues	-	36'907
Cost of sales	-	(18'269)
Total other services	-	18'638
<b>GROSS MARGIN</b>	<b>105'355</b>	<b>157'231</b>
<b>GROSS MARGIN in % of revenues</b>	<b>27.36%</b>	<b>27.20%</b>



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ADDRESS

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To file a complaint, please write to [complaints@hqai.org](mailto:complaints@hqai.org)  
and read more on [www.hqai.org/complaints](http://www.hqai.org/complaints)