

2019
in focus



Indonesia: in discussion with the auditors, women express their views on the quality of the services they receive.

TAKING THEIR VOICES INTO ACCOUNT

THE CORE HUMANITARIAN STANDARD ON QUALITY AND ACCOUNTABILITY PUTS PEOPLE AT THE CENTRE. ACCORDINGLY, A KEY COMPONENT OF HQAI AUDITS IS THE ENGAGEMENT WITH COMMUNITIES.



hqai

HUMANITARIAN QUALITY
ASSURANCE INITIATIVE

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HQAI IN GRAPHICS:

No time to read it all?

Pages 4, 8 and 12 offer the story in short.

Look out for this symbol to see innovations brought by HQAI.

Barcodes in this document give access to more information. **Scan them.**



ON THE RIGHT TRACK

A year ago, in HQAI's "2018 In Focus report", we noted that the slower than expected growth of the demand for our quality assurance services was the main challenge faced by our organisation. The challenge remains, although the number of organisations making use of HQAI's services increased significantly in 2019. At the end of the year, 55 organisations were covered by HQAI's services; if that number is below our initial expectations, a number of signs nevertheless confirm the relevance of independent quality assurance audits. A first encouraging indication is that the Core Humanitarian Standard (CHS) against which HQAI assesses the quality and accountability of organisations is constantly gaining acceptance in the humanitarian and development community. Moreover, organisations presently making use of HQAI's services are extremely diverse in terms of size, programs, types and mandates. This indicates that our auditing processes respond to the requirements of robust auditing standards for the whole range of humanitarian and development organisations. Finally, by introducing "Group audits" — which can contribute to the development of a local auditing capacity in crises-affected countries within an internationally recognised system — HQAI demonstrates its ability to make a significant contribution to the Grand Bargain localisation agenda.

Based on the experience of its first four years of operation and on the evolution of its environment, HQAI defined in 2019 its strategy for the years 2020 to 2023 to ensure the sustainability of an institution designed to

FOREWORD

enhance the quality and accountability of humanitarian and development actors. The strategy reaffirms the goal of achieving financial self-sufficiency while stressing the need to secure more support for independent quality assurance. This will require more advocacy efforts and the support of all stakeholders.

I express my deep appreciation to the governments of Denmark, Germany, Switzerland and the United Kingdom not only for their key financial support to HQAI which enabled us to pursue our activities but also for their support to enhance among stakeholders the support for independent quality assurance.

Finally, I wish to convey my gratitude to all my HQAI colleagues for the dedication and competence with which they contribute to the progress of HQAI and the fulfilment of its mission: to the staff of the Secretariat and the team of auditors led by Pierre Hauselmann our Executive Director, to the members of HQAI who on the Board of Directors and other bodies of our institution generously grant HQAI the benefit of their experience and wisdom

Prof. Jacques FORSTER
President



LEARNING LESSONS

In December 2019 HQAI had operated for four years. In this period we went from nothing to an organisation covering 55 organisations of all sizes and types with its auditing services against the CHS, as noted by our President. The first year was about building the processes, 2017 was a year of steep uptake, leading to an optimism that was soon contradicted. In 2018 the increase of audits was far from expectations. In 2019, HQAI applied many of the lessons learned in the previous year, which led to a number of innovations and improvements.

The first audited Group was launched in 2019. The Group scheme allows several organisations to join under one audit (see p.6 of the present report). Besides achieving important economies of scale, the Group Scheme opens the door to the localisation of auditing capacity if the members of a group are from within a country or a region. It also paves the road to measuring collective performance for organisation addressing a same crisis. HQAI will explore these avenues in 2020 in collaboration with the CHS Alliance. The audit process has been completely re-engineered leading to a more flexible and at the same time more rigorous approach to audits. Audit reports now include a graphical analysis of the performance of organisations in cross-cutting issues addressed by the CHS: Protection from Sexual Exploitation and Abuse, Do-no-harm, Localisation, Internal Quality control, and Gender and diversity. New auditing guidance and new training tools tend to minimise the amount of prepara-

tion work for audited organisations and ensure a more consistent interpretation of the CHS during audits.

In collaboration with donors, significant progress was made in understanding how CHS audits can be used to respond to requirements for framework partnership agreements. This work evidences important synergies and potential resource saving. HQAI will pursue this work in 2020, the objective being to create both incentives for using HQAI quality assurance processes and to provide tools to align donors requirements, using the CHS as a reference.

One key lesson is that the process for an organisation to embrace the CHS and independent quality assurance, create buy-in throughout the organisation and put in place the mechanisms allowing the audit to happen, takes time. This means that sufficient time has to be allotted for the process to be meaningful and efficient.

In summary, 2019 was a year of consolidation and improvements that provides HQAI with the tools to address flexibly many situations in the years to come.

Pierre HAUSELMANN
Executive Director



Lebanon: visiting an educational programme especially designed for refugee children.

We are HQAI:

8 DIRECTORS

28 AUDITORS

15 MEMBERS

5 MEMBERS ADVISORY AND COMPLAINTS BOARD

3 MEMBERS SUBSIDY FUND MANAGEMENT COMMITTEE

7 SECRETARIAT STAFF

to date 55 ORGANISATIONS

ARE COVERED BY HQAI'S AUDITS

DIFFERENT REGIONS

DIFFERENT SIZES

DIFFERENT MANDATES

2017 - 2019

10 ORGANISATIONS

8 COUNTRIES

300'000 CHF SUBSIDISED

KENYA SOUTH SUDAN ETHIOPIA BANGLADESH UGANDA LEBANON INDIA TURKEY

HQAI IS A NOT-FOR-PROFIT ASSOCIATION CREATED IN 2015 TO OFFER INDEPENDENT AUDITING SERVICES WHICH ARE TAILORED TO ORGANISATIONS WORKING WITH VULNERABLE AND/OR AT-RISK PEOPLE AND COMMUNITIES.

CHAPTER ONE: WE ARE

A MORAL OBLIGATION. THE ORIGINS OF HQAI'S SERVICES.

While accountability to donors is important, relief agencies need also be accountable to the populations they are seeking to assist. In that context, the recommendations of the 1996 Joint Evaluation on Emergency Assistance to Rwanda (JEEAR) had a transformational effect on the sector. Cornerstone initiatives of the humanitarian accountability architecture sprang to life with a thrive to professionalise the sector. It also coincided with a drive from donors to create new mechanisms that would help improve humanitarian outcomes. In 2012 the Joint Standards Initiative aimed at making standards easier to understand and implement. One of the key outcomes of this vast consultative process was the launch of the Core Humanitarian Standard on Quality and Accountability (CHS) and its unique incentive for humanitarian organisations to open themselves up to scrutiny by external actors.

» www.corehumanitarianstandard.org



HQAI offers **MECHANISMS TO MEASURE** the extent to which organisations are fit for purpose and accountable to the people they serve, including the most vulnerable, and also to other stakeholders — donors, host governments, and, indeed, their own staff. Getting to such a point has been a journey. One that you can read and enjoy online.

» www.hqai.org/resources (History)



WE MEASURE. RAISING ACCOUNTABILITY IN THE SECTOR.

Through a system of **INDEPENDENT QUALITY ASSURANCE** HQAI assesses the performance of organisations. The system determines the degree to which the implementation of the CHS — and therefore good practice and accountability to affected populations — has been successful. It also identifies areas where organisations can improve.

"We are not in-and-out auditors, but we accompany the organisations over a period of four years" explains Birgit Spiewok, HQAI Senior Auditor. The HQAI audit is not about a particular country, project or context. It has a very systematic approach which allows us to assess the organisation from a higher level and feed this information back to the organisation.

To date, 55 organisations have used HQAI's services. Their **DIVERSITY** in terms of sizes (1 to 150 country programmes), types (UN agency, group, national, international) and mandates (humanitarian, development, advocacy) demonstrates the **FLEXIBILITY** of the CHS as a standard, and of HQAI's methods to measure its application.

HQAI implements and complies with the auditing principles of impartiality, competence, responsibility, openness, confidentiality and responsiveness to complaints. We apply these principles in our engagement with all actors along the chain of quality and accountability, an engagement that is annually demonstrated through HQAI's accreditation against ISO/IEC 17065:2012.

WE ARE HUMAN. THE PEOPLE BEHIND THE BRAND.

HQAI is driven by its mission and considers organisations and donors as partners with whom we want to reach a common goal: improve the assistance to affected populations.

In this pursuit HQAI lives and exists through its 15 members, 8 Directors, 5 members of the Advisory and Complaints Board, 3 members of the Subsidy Fund Management Committee, 7 secretariat staff and 28 registered auditors.

To read their **BIOS** and see their smiles, please check our website:

» www.hqai.org/organisation



October 2019

Mille DØLLNER FJELDSTED
Ministry of Foreign Affairs of Denmark (DANIDA)

*We've seen the progress and improvement of independently verified organisations and we can only invite other donors to **COME ON BOARD**.*

THE CORE HUMANITARIAN STANDARD: CONSOLIDATING GOOD PRACTICE

The CHS is the standard HQAI is auditing against. Its creation marked a turning point for the sector. Never before had the development of a core humanitarian standard been influenced by such a broad range of humanitarian actors, including affected populations. And never before had a standard been so widely adopted by the humanitarian system — an adoption that continues apace.

Since its launch in 2014, the CHS has reached a number of significant milestones: at the 2015 World Humanitarian Summit, more than 90 stakeholders signed a pledge to adopt the commitments of the standard; the 2018 revision of the Sphere handbook incorporated the CHS as one of its key foundational chapters; at the UK government-hosted Safeguarding Summit in 2018, 22 countries committed to “demonstrate adherence to (...) the CHS and (...) look to review and strengthen measures for verification to that adherence.”

The standard puts **PEOPLE AT THE CENTRE**. Its transformative potential lies in the fact that it is a standard against which performance and accountability can be assessed. And it is the CHS Alliance Verification Scheme and the concomitant independent quality assurance pathways that are driving some of the most exciting improvements in accountability and performance.

Core Humanitarian
STANDARD

ACCESSIBLE SERVICES

As a not-for-profit NGO, HQAI makes sure that the services it provides remain relevant and accessible to the diverse organisations and institutions involved. While our work is important and beneficial for organisations of all sizes and types, we found that it is essential for many national organisations. Being independently assessed, audited national organisations learn faster, can credibly demonstrate their performance and possibly access direct donor funding to support their work.



HQAI has established two mechanisms to facilitate access to its audit services: a **SUBSIDY FUND** that can cover up to 90% of the cost of an audit, and a Group scheme, which enables several small organisations (e.g. national networks) to join in an audit and divide the costs between them. A **GROUP AUDIT** assesses the capacity of the Group to undertake its own quality assurance, which *de facto* means creating a local auditing capacity within an internationally recognised system.



Speaking of **LOCALISATION**: HQAI offers tools that facilitate the realisation of a number of commitments made in the Grand Bargain framework: HQAI's services can support the simplification of reporting requirements, increase transparency and facilitate funding of local responders by providing assurance to donors that these organisations work under international standards. HQAI expects that over the next years about 40% of its audited organisations will be national organisations. In 2017 this proportion was 18%, in 2019 33%.



October 2019

Nalan ÜKER

International Blue Crescent Relief and Development Foundation (IBC), Turkey

*IBC was certified by HQAI in 2019. The audit has enhanced our services on the ground and **OUR BUDGET HAS INCREASED BY 7%** since the certification.*



December 2019

Prem LIVINGSTONE

The Evangelical Fellowship of India Commission on Relief (EFICOR), India

*The CHS certification was a **TRANSFORMATIVE** experience for EFICOR because the way the independent auditors looked at the standard was different from the way we did during the self-assessment.*

» www.hqai.org/fantastic-subsidy



» www.hqai.org/group-scheme



Independent quality assurance is a robust means to credibly demonstrate compliance with standards and requirements. It is also an acknowledged tool in many sectors for learning and continuous improvement. HQAI offers the following services:



CERTIFICATION

The independent and objective assurance that an organisation or a group of organisations meet the requirements specified in the CHS, good practices or commitments. A certificate is valid for four years, providing periodic checks confirm the continuing **conformity** with the requirement or standard. Organisations are invited to display their certification mark (see picture). HQAI's certification scheme is accredited under ISO/IEC 17065:2012.



INDEPENDENT VERIFICATION

An independent and objective assurance that one or a group of organisations are making demonstrated, continuous and measurable **progress** applying the CHS, good practices or commitments. The requirement is that the most serious weaknesses in the application of the standard are eliminated within a four-year-cycle.



BENCHMARKING

A one-time independent and objective **diagnosis** of the situation of one or a group of organisations with regard to the CHS, good practices or commitments.

HQAI provides these services against the CHS, as well as against other standards, commitments and good practices.

GROWING TOGETHER

55 organisations of different sizes, mandates and regions have been covered by HQAI's services since 2015. For confidentiality reasons HQAI only publishes the names of organisations who finalised their initial audit by 31.12.2019. Other organisations that had signed a contract or were in the audit process are excluded from the following list.

Audited partners



Audited Group

act:onaid



Development programme in Indonesia: women representatives of a weaver community appreciate the opportunity to speak to HQAI auditors.

**HQAI AUDITORS
SPEND 70% OF THEIR
FIELD TIME ENGAGING
WITH AFFECTED
COMMUNITIES.**

TAKING THEIR VOICE INTO ACCOUNT

REACHING FOR THE STARS

**CONTINUOUS
LOOP OF DATA**

=

**CONTINUOUS
IMPROVEMENT**

**simplification +
harmonisation**

**COMING
YOUR WAY**

DANIDA, DEC, DFID, ECHO, GFFO
- thank you for trusting us

INDEPENDENT QUALITY ASSURANCE BENEFITS VULNERABLE AND/OR AT-RISK PEOPLE AND COMMUNITIES, THE AUDITED ORGANISATIONS, DONORS AND THE SECTOR AT LARGE.

VULNERABLE AND AT-RISK POPULATIONS BENEFIT

The CHS puts people at the centre. Accordingly, a key component of HQAI audits is the engagement with communities.

Auditors meet with community groups to gain an understanding of *their* opinions about the appropriateness of the actions of humanitarian organisations, including staff behaviour. The views of communities are the ultimate information on whether the quality and accountability mechanisms of the audited organisation effectively work. The process gives a strong **VOICE** to affected people since their feedback directly informs the audit findings (report).

The commitment of increasingly taking accountability to the communities is a culture change in the sector and requires time and effort from all parties. The formality of HQAI's independent processes stimulates faster improvement within the organisation. Over time, vulnerable people and communities benefit from **GROWING ACCOUNTABILITY** and improved quality of the services they receive.



AUDITED ORGANISATIONS BENEFIT

HQAI provides independent and objective assessments of where organisations stand in the application of the CHS. The audits reach from top level systems to their hands-on application at project sites. Audit findings are fed back to management, thus forming a continuous loop of data for the entire organisation and pointing out critical areas for **IMPROVEMENT**.

In parallel, there is clear evidence that independent quality assurance confers significant reputational benefits on those organisations that undertake it: with donors, with partner organisations and among the communities with which organisations work. The **TRUST** that is built in this process can improve and facilitate donor-recipient relations.

DONORS AND GOVERNMENTS BENEFIT

HQAI works closely with donor governments, funding bodies and the CHS Alliance to achieve alignments of donor due diligence requirements using the CHS as reference. This means that HQAI audits are being increasingly **RECOGNISED AND RECOMMENDED** by donors: independent quality assurance against the CHS is a prerequisite for humanitarian organisations looking to obtain funding from the Ministry of Foreign Affairs of Denmark and the UK's Disasters Emergency Committee. Also, organisations verified by HQAI can have streamlined access to Framework Partnership Agreements from the German government and the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO). Meanwhile, HQAI's ability to tailor audits to donor requirements by proposing bridges from a CHS audit to another system is spearheading the drive for greater **SIMPLIFICATION** and harmonisation of reporting requirements across the humanitarian sector.



CHAPTER TWO: OUR IMPACT

THE SECTOR BENEFITS

With the whole being greater than the sum of its parts, HQAI's audits against the CHS contribute not only to the professionalisation of humanitarian and development organisations, but also to the sector at large. Further, the data from all organisations having undertaken any of the independent quality assurance pathways (benchmarking, independent verification, certification) can be aggregated to understand overall tendencies in the sector.

HQAI shares such learnings, good practice and trends with its network of partners (feedback sessions, learning events, round tables) with an objective of **CONTINUOUS COLLECTIVE LEARNING**.



April 2019

Ayat
Mushroom Farmer, Indonesia

*We appreciate meeting the auditors. For our community it is very important to be able to express our suggestions and our opinions so that the (audited) organisation can improve. The process will **IMPROVE THE LIVES OF OUR FAMILIES**.*

2019 IMPRESSIONS FROM

Humanitarian Networks and Partnerships Week



HQAI auditor training



HQAI General Assembly



July 2019

Qassem SAAD
Naba'a / Development without Borders

*Being certified from HQAI gives our local organisation such **SPICES AND SUCH FLAVOUR**. The international community, particularly the donors like organisations that are certified on aspects like accountability, credibility and having more transparency.*



October 2019

Philippe BESSON
Swiss Agency for Development and Cooperation, SDC

*From a perspective of domestic accountability it is a better bargain for us as a donor to engage with the CHS Alliance and HQAI instead of doing it ourselves in terms of **EFFICIENCY, RELEVANCE AND EFFECTIVENESS**.*

PEOPLE & EVENTS

Bangladeshi NGO conference



HQAI Round Table



AidEx Brussels



October 2019

Mary THOMPSON
Safeguarding Unit, DFID

DFID is looking at the level of convergence between its due diligence requirements and HQAI's CHS audits to explore the scope for **ECONOMIES OF SCALE BY AVOIDING DUPLICATION** of assessments.



October 2019

Nigel TIMMINS
Oxfam International

The fact that the audit is external and the report goes public shifts the conversation. It gives **MORE POWER TO FLAG** certain mechanisms and processes.

Lombok: Earthquake survivors exchange with the auditors about preparedness, contingency plans and appropriate services.



LOOKING FORWARD, THE EVOLUTION OF THE HUMANITARIAN AND DEVELOPMENT ENVIRONMENT SINCE 2015 PRESENTS HQAI WITH BOTH OPPORTUNITIES AND CHALLENGES.

CHAPTER THREE: LOOKING FORWARD

MOST LIGHTS ON GREEN

The CHS is on its way to being widely accepted by stakeholders in the sector who have reaffirmed their commitments to the quality and accountability of humanitarian action, such as in the 2016 Grand Bargain. The **RELEVANCE** of independent quality assurance and the benefits of HQAI as a “smiling partner with teeth” have been largely demonstrated and recognised by interested parties from organisations to governments. And the ongoing sexual misconduct scandals have put the question of Do-no-harm and accountability of organisations to the forefront of public concerns. The combined offering of the CHS and HQAI will gain **MOMENTUM** in that perspective.

Nevertheless, the slower than expected uptake of certification against the CHS indicates that the merits of independent auditing services are not yet sufficiently recognised in the sector. The trend, however, is very inspiring: the number of HQAI audited partners and audits are continually rising. The deployment of the new Group scheme can have transformative impact on the number of organisations covered (one Group audit covers up to 25 organisations) and facilitates access to professional audit services (economies of scale). HQAI has ambitious targets. We want to become financially self-sufficient while keeping the cost of our services to a strict minimum. To achieve this objective, HQAI needs a rolling average of 220+ organisations who use its services.

With that in mind, members of the General Assembly and Board of Directors, HQAI staff, major partner organisations and representatives of HQAI’s strategic and financial donors Denmark, Germany, Switzerland and the UK have contributed to HQAI’s revised **STRATEGY FOR 2020 – 2023**. It is based on HQAI’s first four years of existence and defines the roadmap to ensure the sustainability of an institution designed to build trust among its stakeholders and enhance the quality and accountability of humanitarian and development actors.

The discussion, however, goes beyond HQAI and challenges the whole sector by asking some **FUNDAMENTAL QUESTIONS**:

Can a sector, worth nearly 183 Billion US dollars in 2018, afford *not* to have a global independent quality assurance mechanism?

Does the sector firmly stand behind a standard such as the CHS, putting people at the centre, even if the fundamental changes it triggers imply costs?

FOCUS ON PARTNERSHIPS

Answers to these questions and the related increase in audit numbers will represent the threshold to trigger a **SYSTEMIC CHANGE** in the sector, towards more independently assured quality and accountability. Such change will only happen if we can work hand in hand with all our partners, get financial support to reach this stage and are able to align strategies around independent quality assurance.

In this context HQAI has a key partnership with the CHS Alliance.



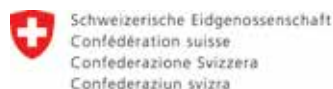
October 2019

Tanya WOOD
Executive Director, CHS Alliance

*Verification against the CHS is important to our members, as it tells them how well they are meeting their commitments to affected people, and which areas need improving. We are pleased to see an increasing number taking the **EXTRA STEP TO DEMONSTRATE COMPLIANCE** through undertaking third-party verification through our partner HQAI.*

PARTNERS IN STRATEGY AND FINANCE

Strategic and financial partners



Strategic partners



HQAI was established as a start-up which requires donor funds to support its initial development until financial self-sufficiency is reached. None of HQAI's successes so far would have been possible without the precious core financial support provided by: the Ministry of Foreign Affairs of Denmark, the Federal Ministry of Foreign Affairs of Germany, the Swiss Confederation, the UK Department for International Development and

the Republic and Canton of Geneva. In addition to their direct financial contribution, HQAI's major donors value HQAI's initiative and facilitate its activities.

Significant actors in the sector recognise - to various degrees - HQAI's audit reports for their own due diligence processes, thus recognising that HQAI's reports meet their current membership or partnership requirements. They provide invaluable support in explaining and promoting HQAI's services.



full financial report:
www.hqai.org/publications





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

TAKE ACTION

ADDRESS

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Chemin de Balexert 7-9
1219 Châtelaine (Geneva)
Switzerland

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Website: www.hqai.org
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To file a complaint, please write to
complaints@hqai.org and read more on
www.hqai.org/complaints

SOCIAL

Facebook: HQAI.Geneva
LinkedIn: HQAI
Twitter: @_HQAI
Instagram: hqai.geneva



TAKING THEIR VOICES INTO ACCOUNT

*Feedback given by communities forms a crucial part of the audit process. It helps us understand their **OPINIONS** of the quality and appropriateness of the services they receive. Their input directly informs the audit findings and is reflected in the reports.*



Claire GOUDSMIT
Senior Auditor with HQAI

November 2019