Procedure for the application and management of the Subsidy Fund

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PRO200 - [D] - Subsidy Fund procedure - 2020-12-15		
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Subsidy Fund Procedure

Introduction

I.   The Humanitarian Quality Assurance Initiative

HQAI's objective is to improve the Quality and Accountability of organisations working with vulnerable and at-risk population through the provision and promotion of meaningful and adapted independent quality assurance. Its services are intended to build capacity in the sector and provide consistent measurable data in the delivery of quality action, thus improving principled, accountable, efficient provision of aid to vulnerable and at-risk populations.

To all its stakeholders, HQAI is an accountable, open and trustworthy partner, which applies the internationally recognised ground rules of auditing that are impartiality, competence, responsibility, openness, confidentiality and responsiveness to complaints. Our policies, procedures and tools for independent quality assurance follow relevant ISO standards requirements. HQAI's CHS certification scheme is accredited against ISO/IEC 17065:2012.

HQAI has developed robust tools to measure efficiently where an organisation stands in relation to the Core Humanitarian Standard (CHS) on Quality and Accountability. Tools related to other standards may be developed in the future.

HQAI is committed to the nine fundamental principles of the CHS and implements them as far as they are applicable to its own activities.

These are:

- delivery of services that respond to the needs of users
- timely delivery of these services
- avoidance of negative effects
- transparency and participation in decision-making
- provision of safe complaint mechanisms
- avoidance of duplication
- responsible management of staff, including non discrimination
- responsible use of resources

II.   Scope

This procedure implements the Subsidy Fund Policy (POL200).

III. References

The following referenced documents can usefully complement this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

Documents can be downloaded from HQAI's web-site (hqai.org/en/resources/)

   PRO049 - Appeal and Complaints procedure

   POL200 - Subsidy Fund Policy

   TOR200 - Terms of reference for the Subsidy Fund Management Committee

   PRO105 - Training and registration of auditors

IV. Definitions

The terms and definitions provided in the CHS and ISO/IEC 17000:2004, Conformity assessment, vocabulary and general principles apply, unless otherwise specified in the text.

1. Process

Applicants for HQAI third-party quality assurance service

1.1   For initial audits, as a first step in the application process, organisations shall:

   i.   fill in HQAI application form. This form has two purposes:

      a.   inform about the application fee;

      b.   collect basic information on the organisation to allow HQAI's Secretariat to develop a detailed budget.

   ii.   pay the application fee. This provides resources for HQAI to evaluate the application, go back to the organisation as necessary and elaborate a quote for the initial audit and an estimation of costs for the whole process.

      Note: The application fee is deducted from the final invoice a the end of a quality assurance audit. A potential grant will thus include the application fee in the calculation of support. However, if the organisation decides not to pursue the process, including if this because the subsidy has not been granted, the fee is due.

1.2   If costs appear to be a barrier the organisation can apply for a subsidy. They shall:

   i.   have paid the application fee;

   ii.   provide the name of two referees (partner organisations);

   iii.   demonstrate they are a legal entity in the country where they are based;

   iv.   demonstrate they have robust finance control mechanisms that, at a minimum, respond to the applicable national legal requirements (this demonstration may include providing the last audited financial statement);

   v.   identify the level of support they require;

vi.   demonstrate the need for the subsidy and the implication for their field activities if they had to pay the full extent of the quality assurance process; and

vii.   show how they will be able to undergo the whole process, in case of independent verification or certification. In particular they shall indicate the extent to which they may depend on on-going support from the Fund.

Note: POL200 identifies the priorities by which grants are attributed. The amount of the requested support has no influence on the priority. However, as no partial grant is attributed, keeping the request as low as realistically possible increases the likelihood of support. Organisations are thus urged to make a careful estimation of the requested support, keeping it as low as realistically possible to ensure the Fund can help a maximum of organisations.

1.3   For any surveillance or renewal audit, the organisation shall:

i.   identify the level of support they require, based on a quote of HQAI;

ii.   show the evolution of their budget since the initial audit and if positive explain why they still need to be supported by the Fund.

iii.   demonstrate the need for the subsidy and the implication for their field activities if they had to pay the full extent of the audit; and

iv.   show how they will be able to undergo the rest of the process, in case of independent verification or certification. In particular they shall indicate the extent to which they may depend on on-going support from the Fund.

1.4   Applications shall be made before the audit agreement letter is signed and reach HQAI's Secretariat at least one month in advance of the grant attribution meeting of the independent Subsidy Fund Management Committee (SFMC). Late applications will be deferred to the next attribution round.

Applicants for HQAI training of auditors

1.5   If the cost of internal or external auditor's training within the framework of HQAI's quality assurance scheme is a barrier to access, candidates can apply for a subsidy.

1.5.1 For internal auditors, the HQAI audited partner (group or individual organisation) shall:

i.   propose formally a staff member who is managing / will manage the internal auditing within the scope of HQAI's quality assurance scheme the audited partner participates in;

ii.   demonstrate the need for a subsidy;

iii.   unless the audited partner is already benefitting of a subsidy, provide the information requested from subsidised organisations in 1.2 iii., iv. and v.

iv.   in case the request for subsidy concerns an update training for an internal auditor (periodic training) who has already been trained, provide the information that is requested from subsidised organisations in 1.3 ii. and iii.

Note: The term "audited partner" includes organisations that have signed an application form to one of the quality assurance scheme, even if they have not be actually audited at the team of the request of subsidy for training an internal auditor.

1.5.2 For external auditors, the candidate shall:

i. be vetted by HQAI Quality Assurance Team for their particular skills and/or the strategic need to develop local auditing capacity in a specific country or region, and in line with PRO105 - Training and registration of auditors procedure;

Note: Candidates will be requested to provide information related to points 2.1, 3.1, 3.2, 3.3, 3.4 of PRO105.

ii. demonstrate the need for a subsidy;

iii. commit in principle, if the training is successful, to keep being part of HQAI's pool of auditors for at least four years after registration.

Note: The Fund may request a reimbursement of the subsidy if the auditor leaves the pool before these four years.

iv. in case the request for subsidy concerns an update training (periodic training) for a registered HQAI auditor, demonstrate that the cost is disproportionate with the income as an auditor in the previous year.

1.6 Applications shall reach HQAI's Secretariat at least one month in advance of the next SMT grant attribution meeting. Late applications will be deferred to the next attribution round.

HQAI's Secretariat

1.5 Before transmitting the applications to the Committee, the Secretariat shall:

i. Check that the applicant has provided all the required information;

ii. Check that due process has been followed (as identified in this procedure);

iii As relevant, justify any deviation.

1.6 In preparation of a subsidy attribution meeting, HQAI's Secretariat shall send to the SFMC, at least two weeks in advance of the meeting:

i. The financial status of the Fund;

ii. A summary of all applications submitted to the meeting;

iii. A folder per applicant containing all the required information;

iv. The projected financial status of the Fund if all application that are presented are accepted;

v. An update on a one-year estimation of the Fund's situation.

Subsidy Fund Management Committee

1.7 The SFMC shall decide whether to grant a subsidy:

i. After reviewing the information provided by HQAI's Secretariat; and

ii. Assessing the extent to which the need is justified;

iii. Following the order of priority identified in POL200.

2. Management fee

2.1 A management fee corresponding to 8% of the grant is charged to the Fund.

2.2 This fee is charged by HQAI's Secretariat to the Fund and does not diminish the amount of the grants attributed.

2.3 The management fee covers the costs of managing the Fund, including organising face-to-face meetings of the SFMC, whenever they happen.

2.4 If annual Fund management costs are lower than the annual amount of fees collected, the surplus will be transferred to the Fund, to be used the following year.