



COUNCIL *for* **INTERNATIONAL DEVELOPMENT**
Kaunihera mō te Whakapakari Ao Whānui



CID Code of Conduct Compliance Report

2017 – 2018 Financial Year

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1. Introduction/ Summary

Purpose

The purpose of the 'Annual CID Code of Conduct Compliance Report' is to help monitor CID members' progress through the CID Code compliance process across the financial year from July 2017 until June 2018 inclusive. This is the 2nd Annual Compliance Report that has been drafted. Over time, it is hoped that such reporting will allow for meaningful comparison in compliance and Code engagement; so as to support ongoing implementation and effectiveness of the Code.

This report will also support discussions as we move into a period of reviewing the Code within the 2018/2019 financial year.

Scope and data

This Annual Compliance Report covers the period from 1 July 2017 until 30 June 2018, and draws on data from the following sources:

- a) Compliance Self-Assessment (CSA) forms submitted during the period;
- b) Data gathered on compliance from website checks (specifically as it relates to Non-Development Activities and Complaints-Handling, and Emergency Appeals);
- c) Informal feedback from both email and verbal communications (specifically as it relates to Code or compliance related issues); and
- d) Data gathered from the CID Code of Conduct complaints-handling process in general.

Context

Four years have passed since the implementation of the CID Code of Conduct (the 'Code') and the compliance self-assessment (CSA) process to support CID members to gain Code signatory status. Through the ongoing

implementation of the Code, we are building partnerships with the CID membership to support organisational accountability against the best possible industry codes of good practice. The aim of which is to improve activity outcomes for the communities that CID members exist to help, and increasing trust amongst our and their stakeholders.

The 2017/2018 year has marked a coming of age in the role of the Code in reinforcing continued best practice. The first CID members to gain Code signatory status in 2015 reached the triennial reassessment milestone. It is gratifying to report that five members achieved renewal of their signatory status: Adventist Development and Relief Agency International (ADRA), Child Fund, Tear Fund, Surf Aid and World Vision.

During the 2017/ 2018 financial year, seven more CID members also achieved Code signatory status: United Nations Association New Zealand (UNANZ), Rotary New Zealand, Fair Trade New Zealand, and Habitat for Humanity, Volunteer Service Abroad (VSA), Circuit International, and UN Women National Committee. This brought the total number of CID members to gain Code signatory status at the end of this reporting period to 18, representing 46% of CID's full membership¹.

CID continues to support members through the compliance process with the provision of policy templates, coordinated peer support with other members, and tailored engagement on best practice with mandatory thematic issues. CID's online toolkit continues to provide examples of best practice, including resources for child protection, non-development policy, management of complaints and whistleblowing - all issues that are especially pertinent and topical in the development and humanitarian sector at present.

The proposed review of the Code by the CID membership during 2019 will provide a timely opportunity to assess what has worked well and what not so well during the initial implementation period. For example, can the Code be simplified and yet retain its value as a useful organizational 'health check' and its vital credibility as a trusted indicator of institutional integrity. There is also greater potential for the Code to be recognized as providing 'certification', in respect of funding applications and other dimensions of donor and government relationships.

2. CSA progress

By the start, most CID member agencies had of the 2017/ 2018 financial year, most CID members had already embarked on the process of submitting CSAs as part of the compliance process. The only new starts were largely new CID members.

There was however a number of older CID members who had managed to submit their first CSA's within the 2017/2018 financial year; impressively some of whom have since completed the process to gain Code signatory status.

The group timelines set up when the Code was first adopted were not adhered to by a significant number of organisations beyond those that were initially referred to as 'Group One' and 'Group Two'. This eventuated in a more scattered distribution of CSA submissions, and led in a more unpredictable workload for the Code of Conduct & Standards Manager, CID interns and the CCC.

In response, there was a more bespoke type engagement tailored to CID members engaging with the compliance process from April onwards. The initial goal at this time was as much about ensuring that outstanding members remained engaged and felt supported in the compliance process, as much as about

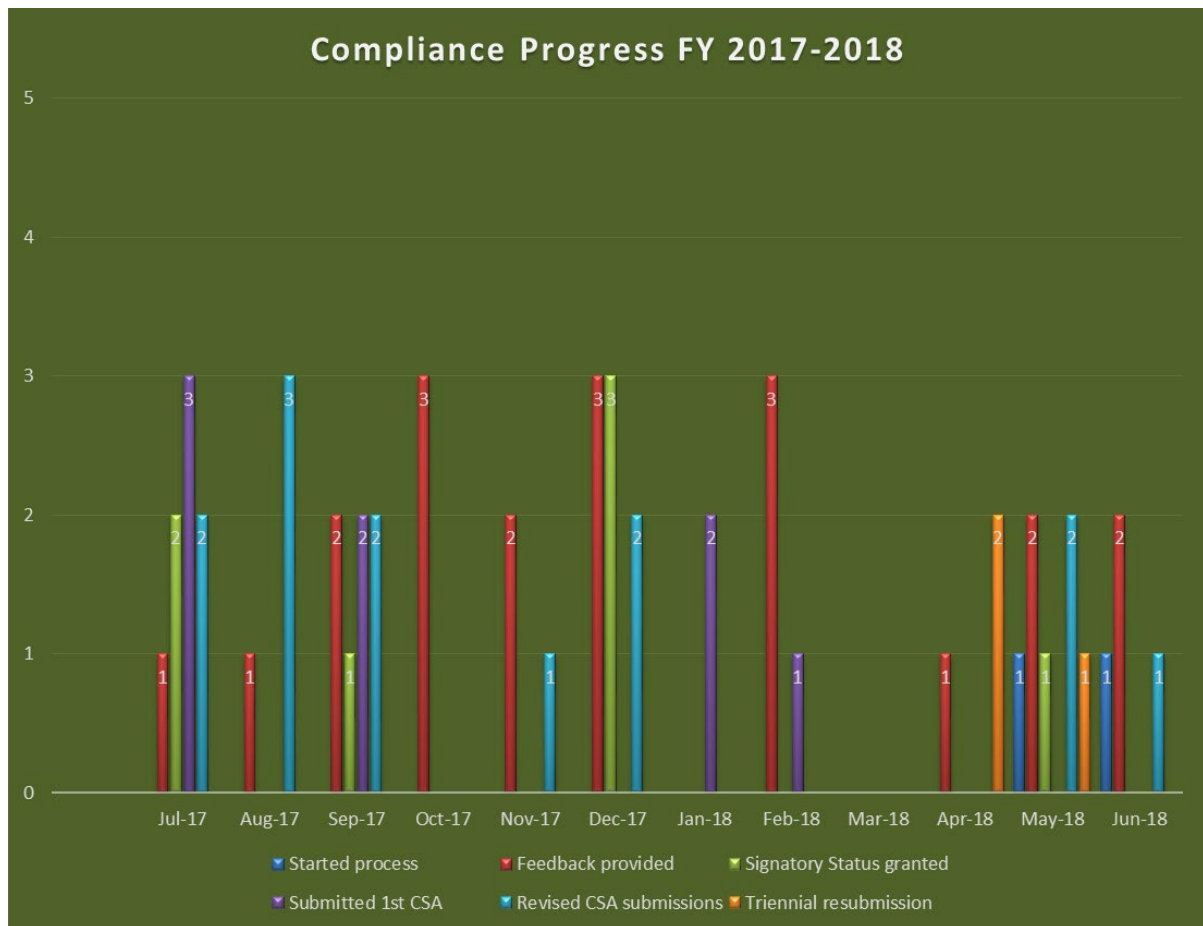
¹ An additional ten CID members have since gained Code signatory status at the time of writing: Christian World Service (CWS), Save the Children New Zealand (SCNZ), Leprosy Mission New Zealand, Caritas, Engineers Without Borders (EWB), World Wildlife Fund (WWF), International Needs, The Family Centre, UNICEF and Cambodia Charitable Trust. This brings the total number of CID members to gain Code signatory status to 28, and along with new members (who are only at the initial phase of the Code compliance process), indicates that 85% of CID's full membership is in line with Code compliance process requirements at the end of October 2018.

ensuring the process was progressed. CID acknowledged that there appeared to be sense of fatigue from some members due to the significant amount of requirements some of the obligations placed on them.

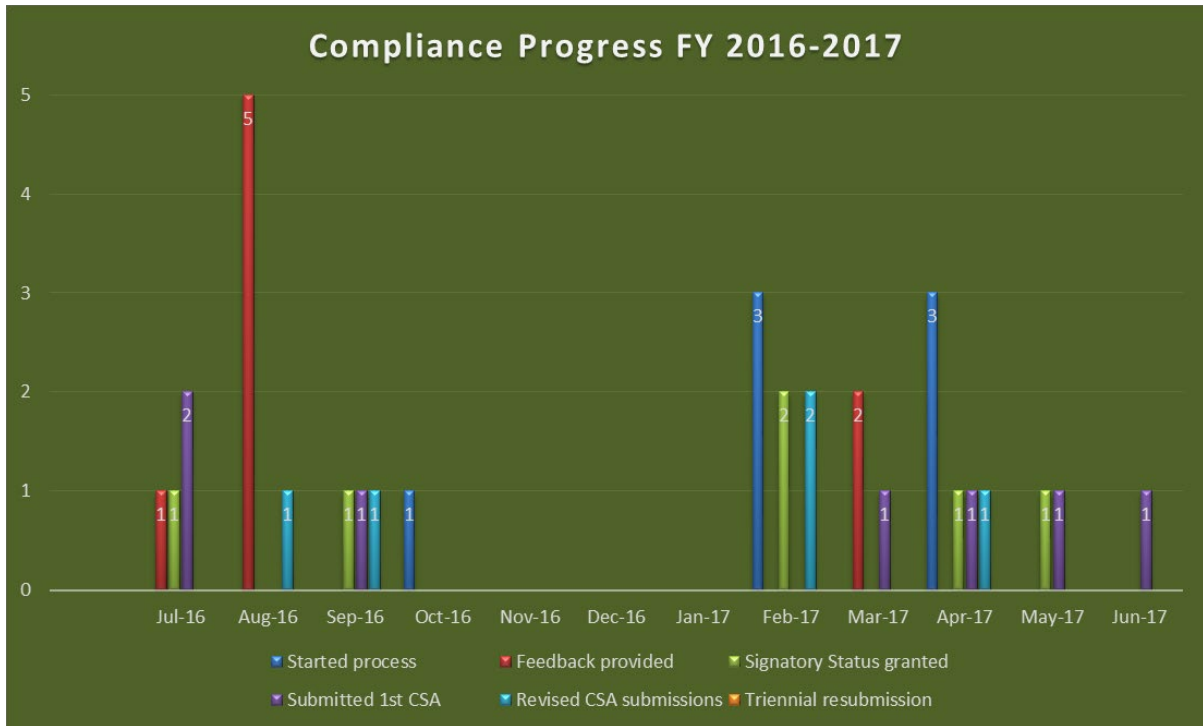
Members that had lagged behind were sent an individualised letter that ensured an ongoing and renewed engagement, and commitment from CID to provide additional support and time where appropriate. This has resulted in a renewed level of compliance from members, with positive results and strong indications that the new March 2019 deadline will be feasible. Ongoing work to support new and existing CID members to gain Code signatory status and to promote continuous improvement, will continue to be part of CID’s work stream.

The figure below ‘Compliance Progress FY 2017 – 2018’ shows the level of work involved for both CID members and the Code staff across the year. Overall statistics for the 2017/ 2018 FY were as follows:

- 2 members started the compliance self-assessment (CSA) process
- 8 members submitted their 1st CSA
- 9 members collectively submitted a total of 13 subsequent CSAs (i.e. 2nd CSA or final CSA)
- 7 members completed the CSA process and gained Code signatory status.
- 3 members successfully regained Code signatory status from the triennial resubmission process



Comparing the 2017/ 2018 graph with 2016/ 2017, gives a sense of how the distribution of work has been spread throughout each respective year. CID provided a lot more feedback in the 2017/ 2018 year, and this correlates with the expectation that as deadlines approach, members are submitting a lot more revised CSAs.



3. Compliance levels

Compliance levels with mandatory principles

One way to see how compliance levels on mandatory principles has progressed over the year is to look at the first CSA submitted by CID members against the final CSA (when signatory status was granted).

The first table below is based on first CSAs submitted by organisations during the 2016/ 2017 and 2017/ 2018 financial years together, making up a total of 15 submissions.

When tracking compliance levels at the time of the first CSA it is heartening to see that in terms of 'compliant' or 'partly-compliant' this has increased against the figures from the previous year.

Notably, this is most apparent in key mandatory principles such as *B.3.4 – Protection of Children* and *B.1.5 – Non-development Activity* which substantively show an increased level of compliance, even at the point of first submission. This might infer that the conversation and promotion of these issues within the sector is being received positively.

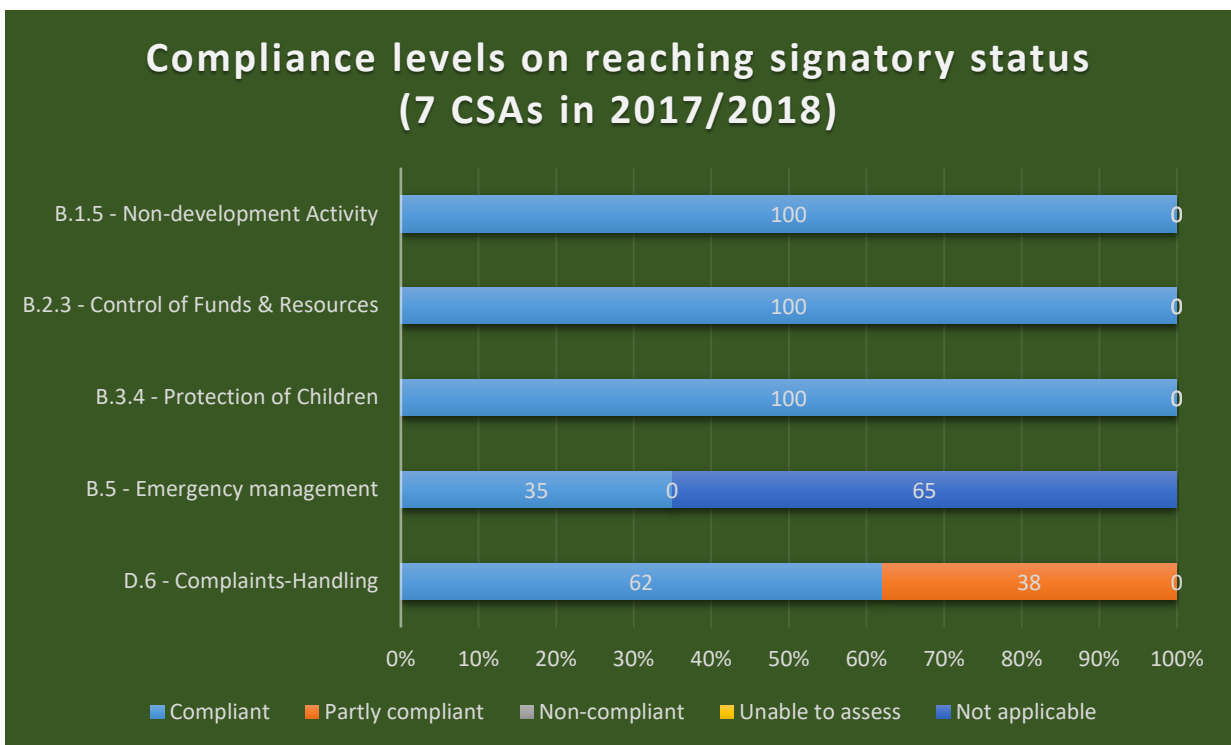
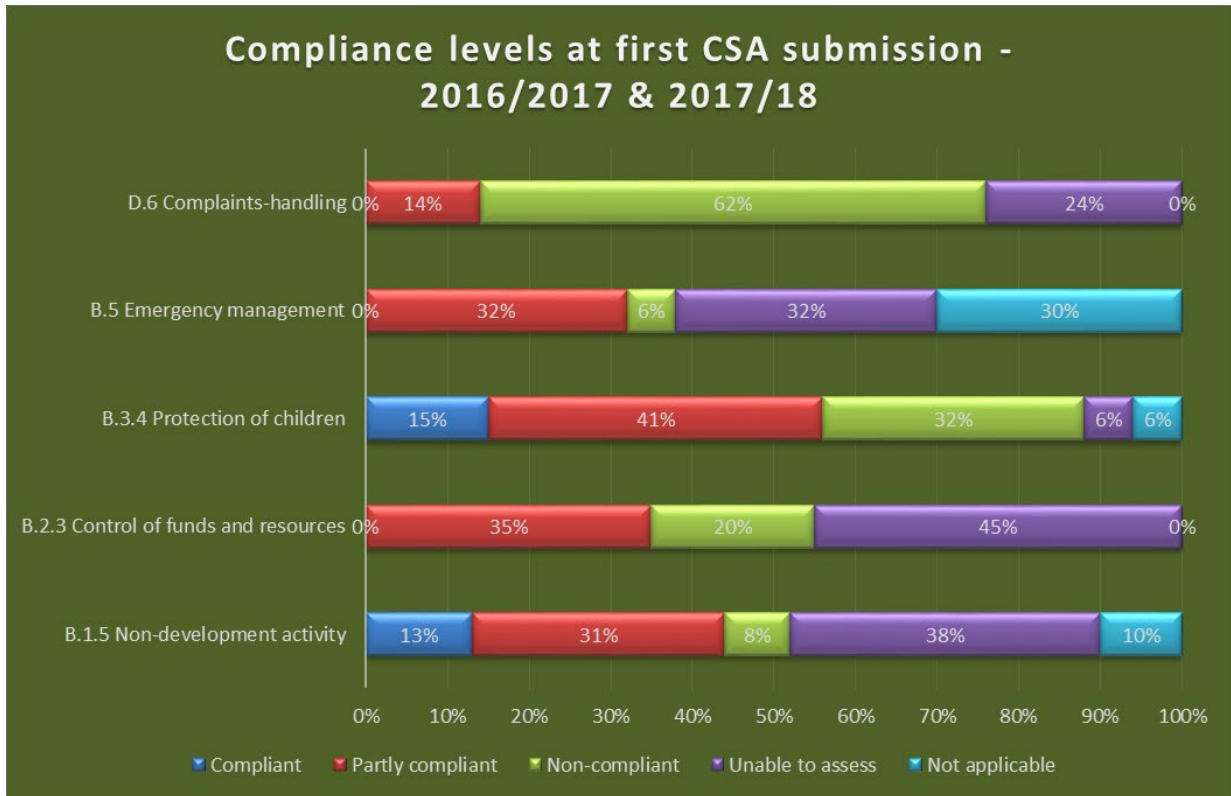
B.1.5 – Non-development Activity had the highest rate of compliance at the time of first CSA at 56% over the last 24 months.

However, in mandatory obligations such as *D.6 – Complaints-Handling* there is still a significant amount of work to be done to attain a mutually understanding and agreement across the sector on what a baseline of established best practise might look like.

When looking at 2017-2018 figures for *D.6 – Complaints-Handling*:

- No CID members were compliant on their first CSA submission, with 65% of submissions being deemed to be non-compliant.
- 20% of first CSA submissions were evaluated as partially compliant for *D.6 – Complaints-Handling*

There were still no mandatory principle where more than half of agencies were already compliant at the time of submitting their first CSA.



Compliance levels on the mandatory principles for the 7 CID members that gained sign-off in the 2017/2018 year are above.

Of the 23 CID members included in the above figures, Code signatory status was granted to 7 organisations within the 2017/2018 year. As can be expected, compliance levels remained high – as indeed compliance on the 5 mandatory requirements is a prerequisite for sign-off.

The figures are as one might expect in the 2017/ 2018 year, with non-applicability in B.5 – Emergency Management tracking as in previous years. However, the level of partial compliance in D.6 – *Complaints-Handling* has increased in the 2017/ 2018².

Key areas of initial low compliance prior to Code sign-off³

B.2.3 Control of funds and resources

There is a real diversity of arrangements of how funds and resources are managed between New Zealand based offices and their affiliates, partners or implementing agencies in the field. The range and (lower) level of compliance on this perhaps correlates with the great diversity in the arrangements that apply trans-nationally for partnering, i.e. there may be a lack of clarity about how to substantiate such a diverse range of processes.

Generally, processes were established to track and account for funds, but the reporting back of expenditure and risk-management structure could be strengthened for some members. Additionally, there was sometimes a lack of explicit acknowledgement (within policy) of the requirement to ensure all practise was aligned with legal requirements in-country, even when New Zealand legal and regulatory requirements were explicitly stated and complied with.

D.6 Complaints-handling within signatory organisations & E. Compliance with the Code

As can be seen above, again in the 2017/ 2018 year compliance levels with principle D.6 (and E.) were generally low at the time of first CSA submission. Many organisations did not have a formal complaints procedure in place at all, while others had procedures that met some of the requirements but not all. There was a clear pattern of enquiry as to how such obligations as advising a complainant of the ability to elevate compliant to the CID Code Committee might work in practise, issues of definitions accordingly, and the scope of what this process would involve.

The Code of Conduct & Standard Manager has provided a complaints-handling policy template in the web-based Code toolkit to provide a starting-point for agencies looking to develop a new policy.

D.2.3 Anti-fraud and anti-corruption

Few organisations already had whistle-blowing procedures or procedures for the safe reporting of wrongdoing, in place. There was also some confusion around the difference between whistle-blowing procedures and a more general external complaints procedure. The process required from gaining Code signatory status helped to clarify the distinction prior to Code sign off.

B.5 Emergency Management

Issues with compliance around emergency management were largely in regard to definitions and understanding of the distinction between development programming and emergency response provisions. There was also a lack of consistency between the information provided in the compliance self-assessment and what might be provided in terms of information on member activities that was available on the website, i.e. CID was often going back to members seeking clarification on involvement in emergency management activities notified on the website, when the CSA stipulated no involvement in such activities.

² Code signatory status is granted to CID members on a case-by-case basis if they are partially compliant on certain obligations, only if a Compliance Completion Plan is also provided to indicate commitment to reach full compliance.

³ Principles and obligations with low compliance were addressed and strengthened, before any consideration for Code signatory status could be granted.

Interpretation issues

Substantiation of compliance

Substantiation of compliance, through the provision of documentation that was clearly referenced in the CSA, remains a challenge.

Many CSA responses also did not include enough information to allow the assessor(s) to determine whether the requirements of compliance had been met or not. These responses result in an 'unable to assess' comment. The large number of CSAs failing to provide sufficient explanation or substantiation for the choice of level of compliance could be due a combination of the following two factors:

1. A lack of understanding of the level of explanation required – in response to this CID is working more directly with some members as to how the CSA can best be completed,
2. A lack of time and/or resources to enable the agency to fill out the CSA form correctly.

In order to address number 1 above, CID developed a 'Code at a Glance' guidance sheet, which includes an explanation of what is required to fill out the CSA form, including examples of substantiation. However, the use of this guidance sheet does not always suffice or compare with what can be achieved from a one-on-one conversation (albeit this can also be quite time-consuming). Particularly for members that have missed the pre-established time-lines, this is often due to internal capacity issues. In response CID has been able to take a more tailored approach to supporting completion of the CSA.

4. Complaints

In terms of complaints-handling and notification there have been two queries made to CID during the 2017/ 2018 financial year. One complaint (in regards to regular giving) was left as a message on the CID telephone, and when called back the complainant confirmed that they had since been in contact with the organisation and satisfied with the resolution of the issue. The other complaint (in regard to third-party fundraisers on the street) was received by email, and CID replied twice in follow up, but no further response was received from the complainant.

It is also notable that CID has started to receive a number of solicitations of advice from the public in regards to accountability practises of NGOs (including in regards to organisations that are not members).

CID members & Code Signatory Status

– at 29th October 2018

New member	1	Fred Hollows Foundation	New member, begun Code process
	2	Hagar International	New member, begun Code process
	3	Global Development Group	New member, begun Code process
	4	Akina Foundation	New member, begun Code process
	5	Orphans Aid	New member, begun Code process
Signatory previously	6	Oxfam	Signatory
	7	World Vision	Signatory, completed triennial CSA
	8	Child Fund	Signatory, completed triennial CSA
	9	Adventist Development & Relief Agency	Signatory, completed triennial CSA
	10	Tearfund	Signatory, completed triennial CSA
	11	Surfaid	Signatory, completed triennial CSA
	12	Family Planning	Signatory
	13	Christian Blind Mission	Signatory
	14	Banzaid	Signatory
	15	UnionAID	Signatory
Signatory 2017/ 2018	16	ORA New Zealand	Signatory
	17	United Nations Association of NZ	Signatory
	18	Rotary New Zealand	Signatory
	19	Habitat for Humanity	Signatory
	20	Volunteer Service Abroad	Signatory
	21	Fair Trade Australia & New Zealand	Signatory
	22	Circuit International	Signatory
Signatory since 1 st July 2018	23	UN Women National Committee	Signatory
	24	Christian World Service	Signatory
	25	Save the Children NZ	Signatory
	26	Engineers Without Borders NZ	Signatory
	27	Leprosy Mission NZ	Signatory
	28	Cambodia Charitable Trust	Signatory
	29	WWF-New Zealand	Signatory
	30	International Needs Humanitarian Aid Trust	Signatory
	31	The Family Centre	Signatory
	32	Caritas Aotearoa New Zealand	Signatory
	33	UNICEF	Signatory
Signatory before 31st March 2019*	34	Amnesty International	
	35	China Friendship Society	
	36	Salvation Army NZ	
	37	Himalayan Trust	
	38	Quaker Peace and Service Aotearoa	
	39	NZ Ethnic Women's Trust	

*These members have remained engaged and are making positive progress.

