

ACT Alliance

Renewal Audit – Summary Report – 2024/01/02

1. General information

1.1 Organisation

Type	Mandates	Verified
<input checked="" type="checkbox"/> International <input type="checkbox"/> National <input checked="" 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 type="checkbox"/> Development <input type="checkbox"/> Advocacy
Legal registration	ACT Alliance is a legally registered association in Geneva, Switzerland.	
Head Office location	ACT Alliance has a decentralised secretariat (Amman, Bangkok, Geneva, Nairobi, Bogotá).	
Total number of organisation staff	38	

1.2 Audit team

Lead auditor	Nik Rilkoﬀ
Second auditor	Ivan Kent
Third auditor	
Observer	Claire Goudsmit
Expert	--
Witness / other participants	--

1.3 Scope of the audit

CHS Verification Scheme	Certification
Audit cycle	Second cycle - Transition to the 3-year audit cycle
Coverage of the audit	The scope of the audit is the humanitarian mandate that is managed by the Humanitarian Programme of ACT Alliance Secretariat.

1.4 Sampling*

Total number of funding entities included in the sampling			11
Total number of sites for onsite visit			2
Total number of sites for remote assessment			2
Name of Appeal / RRF	Included in final sample (Y/N)	Rationale for sampling and selection / de-selection decision	Onsite or Remote
Random sampling			
Uganda Appeal	Y	Auditors required an onsite visit to a country with both a current Appeal and a current Rapid Response Fund (RRF), to test the accountability chain from ACT Alliance to communities. Uganda has an active Appeal, but the RRF was completed in September 2022, making it more	Remote

		suitable for remote assessment (through Appeal and RRF documents review).	
Hungary, Moldova, Poland, Romania, Slovakia, Ukraine Appeal	Y	Auditors required an onsite visit to a country with both a current Appeal and a current RRF, and this grouping implements an Appeal only, making it suitable for remote assessment.	Remote
Philippines Appeal	Y	Site included in the sample for the Recertification audit in 2021. As this was a completely remote audit due to the COVID-19 pandemic, it was considered acceptable to build on the previous assessment and evidence for an onsite visit in this audit.	Onsite
Purposive sampling			
Philippines RRF		Within ACT Alliance's revised humanitarian mechanism, RRFs facilitate localisation by funding national members to respond to smaller emergencies. It is appropriate to include one in the audit, and the Philippines allows both RRF and Appeal to be included in one site visit.	Onsite
Any other sampling performed for this audit:			
<p>ACT Alliance Secretariat is a membership organisation that manages funds on behalf of funding members, rather than implementing humanitarian activities directly. In previous audits, the sampling unit of "Country Programmes" was replaced with "Appeals" as the primary mechanism by which humanitarian assistance is funded. There were no humanitarian "Project Sites" apart from the geographic areas covered by the Appeal.</p> <p>Following the revision of the humanitarian mechanism, and the increased emphasis on Rapid Response Funds (RRFs) since 2022, it was agreed with the ACT Secretariat that it was appropriate to change the sample entity to cover both Appeals and RRFs, as both carry with them the CHS quality and accountability requirements to the community level.</p> <p>In the timeframe of this Renewal Audit (RA), Q1 of 2023, there were 9 active Appeals and 2 active RRFs. With 11 funding entities, the audit sample size is 4 and it was agreed to include one RRF in this sample: Appeals are a larger financial component of ACT Alliance's humanitarian response (over 95%), thus RRFs are not given equal 'weighting' in the sample. This means that although there are two humanitarian funding mechanisms, they were not allocated equal portions of the sample of four (ie 50% each). Rather, 75% of the sample selected Appeals, and 25% selected an RRF.</p> <p>Other entities that provide support services or technical input have also been included in interviews and document review: The Operations and Communications Departments, Gender Justice and Climate Justice programmes, and a Regional Representative.</p>			
Sampling risks identified:			
None, the auditor trusts the information collected through sampling, and has been able to draw conclusions on performance against the standard based on collected evidence.			

**It is important to note that the audit findings are based on a sample of an organisation's activities, programmes, and documentation as well as direct 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
Geneva	2023/02/17	Onsite
Other Secretariat offices	2023/02/13 – 2023/03/13	Remote
Philippines (Appeal 221 and RRF Typhoon Noru / Karding)	2023/02/20-25	Onsite
Uganda	2023/02/28 - 2023/03/13	Remote
Ukraine	2023/03/01	Remote

2.2 Interviews

Level / Position of interviewees	Number of interviewees		Onsite/ Remote
	Female	Male	
Secretariat Offices			
ACT Secretariat Management	2	1	Onsite
	2	3	Remote
ACT Secretariat Staff	1	1	Onsite
	7	1	Remote
Member offices			
ACT Member Management		1	Onsite
	2		Remote
ACT Member Staff	2		Onsite
ACT Member's implementing partner staff and volunteers	10	7	Onsite
Total number of interviewees	26	14	40

2.3 Consultations with communities

Type of group and location	Number of participants		Onsite or remote
	Female	Male	
Community group discussion #1, RRF project	6	6	Onsite
Community group discussion #2, RRF project	9	3	Onsite
Community group discussion #3, RRF project	6	6	Onsite
Community group discussion #4, RRF project	10	4	Onsite
Community group discussion #5, Appeal project, cash assistance	8	2	Onsite
Community group discussion #6, Appeal project, cash assistance	13	2	Onsite
Community group discussion #7, Appeal project, shelter & livelihood	6		Onsite
Community group discussion #8, Appeal project, shelter & livelihood	5	5	Onsite
Community group discussion #9, Appeal project, cash assistance	4	6	Onsite
Community group discussion #10, Appeal project, shelter & livelihood	4	6	Onsite
Community group discussion #11, Appeal project, hygiene, livelihood	7	14	Onsite
Community group discussion #12, Shelter	11		Onsite
Total number of participants	78	54	132

2.4 Opening meeting

Date	2023/02/13
Location	Online
Number of participants	24
Any substantive issues arising	None

2.5 Closing meeting

Date	2023/03/06
Location	Online
Number of participants	20
Any substantive issues arising	Request for ACT's report review period to avoid Easter and Eid.

3. Background information on the organisation

3.1 General information

ACT Alliance - Action by Churches Together was created in January 2010, bringing together the World Council of Churches' ACT International (a humanitarian alliance since 1995) and ACT Development (a development alliance created in 2007). The goal of the ACT Alliance is to promote a locally-led and coordinated approach to advocacy, humanitarian and developmental issues.

ACT Alliance's purpose is to create positive and sustainable change in the lives of poor and marginalised people regardless of their religion, politics, gender, race or nationality in keeping with international codes and standards. The current ACT Alliance Global Strategy *Hope in Action – Putting People First 2019-2026* sets the direction for the Alliance in response to the global social, economic and political environment.

Drawn from more than 125 countries, the ACT Alliance currently has 138 members and 3 observers, including a range of churches and church-related organisations providing humanitarian assistance and implementing development and advocacy programmes at local, national and global levels.

The ACT Alliance Secretariat is a registered Association in Switzerland with offices in Nairobi, Bangkok, Bogotá and Amman. It also has staff based in Toronto and New York. ACT Alliance Secretariat holds independent legal presence in Thailand and Jordan and staff working elsewhere are hosted by member organisations through Memoranda of Understanding.

Financial flows through the ACT Alliance Secretariat have primarily been through Appeals supporting humanitarian assistance (USD 11,854,726 in 2021), with a small percentage of Appeal funds, together with membership fees, voluntary contributions and external donor project income supporting the programmatic and operational work of the Secretariat (USD 4,749,227 in 2021).

The organisation's funding model, with a percentage of Appeal income directed to the funding the costs of the Secretariat, contributed to financial uncertainty for the budget of the Secretariat. In May 2022, the Governing Board approved a proposal for a transitional funding model (2023-25), which would eliminate the percentage and increase member income-based fees. A working group has also been set up to support the Secretariat to work on a proposal for a new future funding model to be implemented as of 2026.

Reform of the ACT Alliance's Humanitarian Mechanism was initiated in 2019, driven by an intention to promote responses that are locally-led and support co-ordination between members. The reformed mechanism includes four pillars: the Rapid Response Fund (RRF), the Appeal process, member consortia and ACT Forums. The Forum structure is based on Forum memorandums of understanding (MOUs), emergency preparedness and response plans (EPRPs) and annual reporting processes in support of effective humanitarian assistance. A new Humanitarian Policy was approved by the ACT Governing Board in May 2021, introducing a set of criteria to guide the modality choice for each response, i.e. as either an Appeal or an RRF.

A new finance system was rolled out in July 2021 to improve financial management, controls and analysis. In January 2023, a new set of Staff Regulations and Salary Scale were introduced following a global consultation and review of terms and conditions. A People Management Framework, introduced at the same time, aims to provide a broad approach to

workforce management across the Secretariat, while recognising the need for a balance between global integration and local differentiation.

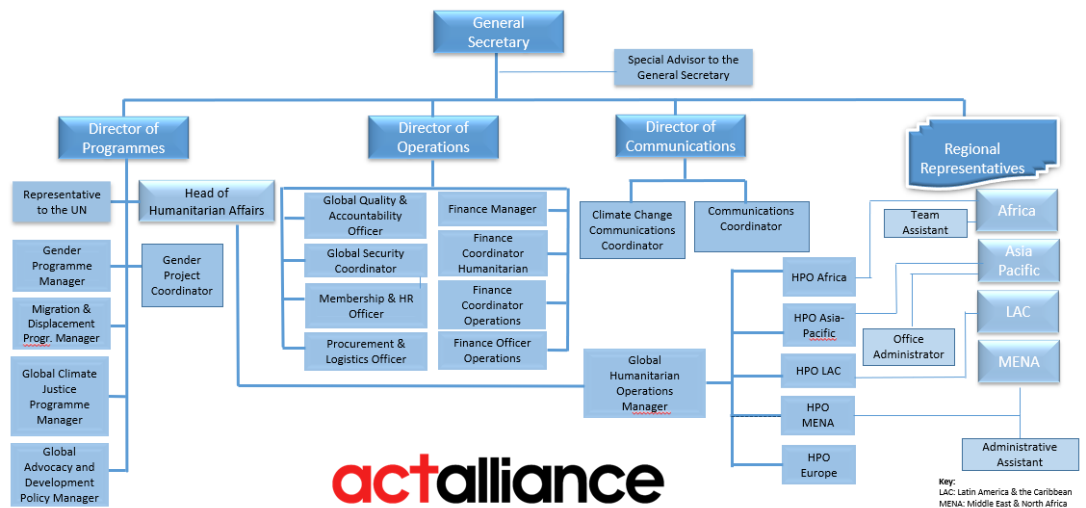
3.2 Governance and management structure

The ACT Alliance General Assembly (the highest decision-making body) meets physically every six years, with an interim electronic assembly held every three years. The General Assembly meeting brings together all ACT Alliance members (138 in 2021) to elect the governing bodies.

The Governing Board (comprised of 22 representatives) is responsible for the governance of the ACT Alliance between General Assemblies and meets at least once a year. An Executive Committee of 9 representatives supervises the implementation of policy and exercises responsibility for membership and financial decisions between meetings of the Governing Board (GB). Representation on ACT Alliance governing bodies, including the GB, Executive Committee and Membership and Nominations Committee (MNC) is predicated on members’ engagement and capacity, and regional balance.

The Secretariat’s Core Management Team (CMT) is comprised of the General Secretary and the Directors of Programmes, Operations, and Communications.

ACT Alliance Secretariat Core Organigram



ACT Alliance members (62% are based in the Global South in 2021) are comprised of church and church-related organisations, some of which work through partners while others implement programmes directly. Members are responsible to the ACT Alliance for meeting the obligations of their membership. Those who fund or access funds through the ACT Alliance emergency appeal mechanism have additional accountability responsibilities.

Members belong to national, sub-regional and regional ACT Forums which are at the centre of the 2019-2026 Global Strategy. There were 59 Forums in 2021, many of which are hosted by National Council of Churches and Regional Ecumenical Organisations. ACT Forums provide the platform for members to work together through an ACT appeal mechanism (Appeal or RRF) in response to a disaster. Annual Forum reports are mandatory and each Forum is required to develop an EPRP which considers both capacities and contingencies prior to being eligible for humanitarian funding.

3.3 Internal quality assurance mechanisms and risk management

Quality assurance and risk management at the ACT Alliance Secretariat level: Reference groups support the ACT Alliance Secretariat in the implementation of the global strategy. They also support the development of implementation plans and policies, training materials, and promotion of accountability and standards. The Quality and Accountability (Q&A) Reference Group advises and supports the Secretariat with realising the Q&A component of the ACT Alliance global strategy and coordinates with other reference groups on thematic areas of overlap. The Governing Board receives regular reports from the Q&A Reference Group on the Q&A workplan, drawing in members’ experience and expertise to address Secretariat-level weaknesses systematically and in a way that will best support members.

The ACT Alliance Secretariat maintains a risk management matrix which is owned by the Governing Board in conjunction with the General Secretary. The Secretariat is responsible for implementing mitigating actions based on guidance from the Governing Board.

Quality assurance and risk management at the ACT Alliance membership level: The ACT Alliance Secretariat's governance and management teams support quality and accountability in the work of ACT Alliance members through the Q&A framework. The governing boards of individual members are expected to take responsibility for compliance with the mandatory requirements of ACT Alliance membership. The ACT Alliance Governing Board and the Membership and Nominations Committee are responsible for holding each member to account for non-compliance with these requirements and determining consequences for members who do not undertake measures to improve. The Governing Board monitors and manages risk with the support of the Secretariat via the mechanism above.

Quality assurance and risk management at the ACT Alliance Appeal level: A set of humanitarian proposal and reporting templates frame the work of humanitarian action via EPRPs, Appeals and RRFs which are implemented jointly by ACT Alliance members. Internal controls are supposed to, but do not always, include joint monitoring on large and complex appeals, as well as donor compliance checks and financial audits on all Appeals over USD\$50,000.

Monitoring of risks in Appeals and RRFs is carried out by the implementing members and the ACT Alliance Secretariat for example in the case of a complaint or if a potential issue is identified by Humanitarian Programme Officers (HPOs).

3.4 Work with partner organisations

The Secretariat's compliance with the CHS is found at two levels: the internal processes policies and systems relating to the functioning of the Secretariat itself; and the support, guidance, encouragement, and mandatory requirements for members. This is because the realisation of the quality and accountability requirements at the community level depends on the extent to which ACT Alliance members implement those requirements.

ACT Alliance members are each accountable to their own governance structures as well as to the ACT Alliance Governing Board via the Secretariat in terms of the accountability-related obligations of membership. ACT Alliance membership requires adherence to sixteen mandatory policies and seven mandatory international standards, including the ACT Alliance and ICRC Codes of Conduct and the CHS. ACT Alliance Secretariat relies on self-reporting of compliance by members, largely through the annual membership survey and through humanitarian reporting tools (for ACT Appeals and RRFs).

Members belong to Forums, and each Forum is required to establish an EPRP: both are also preconditions to receiving funds through an Appeal or the RRF. Forums are the body through which reference groups and ACT Alliance programmes (for example, Q&A and gender) work, learn and share.

Under certain circumstances membership may be suspended, although awareness-raising and advocacy are more common approaches to achieving compliance, along with communication of new and revised policies; development of e-learning and training-of-trainer modules; monitoring regular reports from members and where possible, field visits as required by the scale of an Appeal.

The Global Q&A team supports the humanitarian programme team and Forum members to implement the ACT Quality and Accountability Framework (QAF) and develop capacities where gaps exist, through face-to-face trainings, e-learning and coordinated support.

4. Overall performance of the organisation

4.1 Effectiveness of the governance, internal quality assurance and risk

Quality assurance at the ACT Alliance Secretariat level: The ACT Alliance Global Strategy (2019-2026) commits to developing a robust business model to ensure that goals are achievable. This includes an assessment of current and potential capacity of Forums and the Secretariat, the resources required to achieve aims and the metrics to measure progress and impact.

management of the organisation

ACT Alliance Secretariat does not currently monitor result areas in the Global Strategy or report against them in its Annual Reporting, creating a perceptual disconnect between organisational activities and outcomes. There is no internal monitoring in the ACT Alliance Secretariat, although these responsibilities are partially assigned to the new Programme Quality Advisor role, with 50% FTE to develop a programme quality framework in the ACT Secretariat including standards for planning, monitoring, evaluation, accountability, reporting and learning for thematic programmes, and supporting their implementation.

ACT Alliance Secretariat's management structure and systems have undergone significant changes, including new finance, IT and HR processes and tools (with components of IT still under design), re-designed sector strategies to operationalise the Global Strategy, and reconstitution of the senior management team. Internal quality assurance has not kept pace with these significant organisational changes. For example:

- Feedback through this audit process indicates that changes to the finance system have not met member needs, including communication about the changes and support to members to ensure required information is available. Staff are not trained on the new system and a revised finance manual reflecting the new system, procedures and controls has not been produced.
- Other policies and procedures (the humanitarian policy, humanitarian programme monitoring) have not taken full effect, for multiple reasons including unrealistic expectations placed on HPOs and Forum Coordinators.

A Global Strategy review will take place in 2024 and a review of Secretariat structures is an organisational strategic priority for 2023. This audit finds that ACT Secretariat is not currently able to ensure that its practices are in line with its own policies and commitments to quality and accountability.

Risk management at the ACT Alliance Secretariat level: The ACT Governing Board owns the risk 'categories' of membership, political, reputational, financial and staffing. Although signposted in a previous CHS audit, staffing still does not feature in the risk matrix. Gaps in key staff positions, including the lack of an HR Director in the Secretariat's structure, and vacancies in finance and administration contribute to unrealistic expectations of existing staff. The likelihood and impact of burn-out of existing staff is not considered in current risk management.

System changes have been undertaken without strategic consideration of change management and the reputational risks should ACT Alliance Secretariat fail to deliver quality service to members, quality programmes to communities, or meet compliance expectations. Also not represented are reputational risks associated with complaints when staff are unable to meet members' expectations in humanitarian programmes (publishing funding requests (Appeals and RRFs), approving adaptations, monitoring and technical and operational support). Gaps in risk identification prevent planning to mitigate them.

Risk management and ownership is defined, reviewed and monitored, and the risk matrix is managed by the CMT, but this body currently lacks sufficient programme representation. This poses a risk given that most contact points between the Secretariat and members are in programmes. For example, Gender Justice, which is endeavouring to raise the profile of advocacy issues in Forums and guide transformative humanitarian responses, and humanitarian responses themselves (as a ratio of ACT Secretariat's overall activities and budget).

New projects have recently been allocated resources and are beginning to be implemented at the Secretariat (the 'Roadmap') to support member compliance with mandatory policies.

Quality assurance at the ACT Alliance Appeal level: The Humanitarian team and the Quality Assurance team including the Global Accountability and Safeguarding Coordinator support improvements in quality and accountability, including through actions outlined in a CHS Action Plan. Staff have participated in CHS orientation to support monitoring (where capacity and workload allow), and all humanitarian templates reference the CHS. Policies and guidance on participation, inclusion and accountability are in place. Revisions to the humanitarian mechanism and the planning, monitoring, evaluation and reporting (PMER) system are ongoing, and require deeper member engagement to be fully realised at the Appeal and RRF levels.

Weaknesses associated with ACT Alliance humanitarian responses include funding processes that inhibit the efficient use of resources, through the random timing of contributions. Funding members contribute at any time during the Appeal period, requiring

requesting members to continually add components to their planned activities as funding becomes available. Requesting members struggle to balance quality, cost and timeliness in responses that do not reach Appeal targets, particularly ‘forgotten crises’: in November 2022 the average active Appeal funding level was 22% (excluding Ukraine).

Despite the many positive efforts by staff, the present audit also identified weaknesses in Secretariat-level risk management, management of change processes and resourcing for quality assurance and monitoring.

Quality assurance at the ACT Alliance membership level: The ACT Alliance Global Strategy (2019-2026) defines ambitions for strengthening quality, accountability, learning and impact, with specific expectations detailed in the QAF. The Global Accountability and Safeguarding Coordinator supports improvements in quality and accountability through Forum-level guidance and training based on requests for specific support. Achievements last year include securing funding to develop a Safeguarding policy, guidance and training materials, responding to members’ needs.

ACT’s engagement in the Inter-Agency Misconduct Disclosure Scheme models good practice for members, and linkages between the CHS Alliance’s Community of Practice on Protection from Sexual Exploitation & Abuse (PSEA) and ACT Alliance’s Q&A Reference Group further strengthen members’ work.

Members self-report on aspects of CHS compliance in annual surveys. Although the survey is an expectation of membership, in 2021 the completion rate of this survey was 77 members out of 138, or 56%. Alongside low member participation in the survey, important issues continue to arise at the member level: ACT member staff not signing a Code of Conduct, compliance with ACT social media policy, submissions of a Code of Good Practice to ACT Secretariat, compliance with participation in EPRP processes. Accordingly, ACT Secretariat staff have undertaken the *Roadmap on Compliance Improvement and Accountability* project, designed to close accountability and compliance gaps of ACT members, including those highlighted in past CHS audits & annual membership survey reports. Through a consultancy and a pending recruitment of an Integrity Manager, aspects of ACT Alliance policy coherence and member compliance will be addressed.

4.2 Level of implementation of the CHS and progress on compliance

Quality and accountability feature in the ACT Alliance Global Strategy 2019-2026, with a specific commitment to the CHS and confirmation that “ACT members, Forums and the ACT Secretariat will foster greater accountability to each other and other relevant stakeholders.” The CHS Action Plan documents and assigns responsibilities to address non-conformities, although several CARs and observations persist.

Members, Forums, governance and the secretariat pledge to implement the ACT Quality and Accountability Framework and develop capacities where gaps exist. Reference Groups and communities of practice continue to support improved quality and accountability.

The initial audit in 2017 found the ACT Alliance Secretariat performed well against the requirements of the CHS, although areas of weakness were identified. The revised Humanitarian Mechanism sought to address many of those, although some persist into 2023. The eventual establishment of monitoring guidance and resourced monitoring practice will contribute to correcting weaknesses relating to identifying and addressing poor performance and unintended negative effects and providing a level of ‘quality assurance’ over members’ accountability processes and mechanisms.

The mid-term audit noted that oversight of members’ compliance, and the mandate to address deficits, posed a challenge for the ACT Alliance Secretariat, particularly given the members’ different levels of experience with the CHS and capacity to comply with it. A revised Engagement Model of membership was implemented, requiring annual reporting including on compliance, alongside Forum annual reporting.

The certification renewal audit in 2021 found continued focus, commitment and plans for practical interventions to correct identified non-conformities and improve areas of weakness within the Secretariat, although many efforts had yet to take effect.

This renewal audit found ACT Alliance Secretariat continues to be challenged by member non-compliance with mandatory policies. It is again revisiting its membership requirements in the Roadmap process, that has identified constraints and barriers to member compliance and accountability. The Roadmap consultation identified no systematic process for support and

induction of new members. An evidence-based improvement plan has been developed to decrease the compliance burden for members, while creating 'an enabling environment' for compliance and facilitating accountability.

Engagement with the CHS Alliance and Sphere at the Board level, implementation of the SCHR Inter-Agency Misconduct Disclosure Scheme and ongoing expansion of learning opportunities with the ACT Learn online learning platform all continue to contribute to the ACT Alliance Secretariat's objectives to promote and advocate for quality and accountability in the humanitarian sector.

PSEAH: The Secretariat maintains a comprehensive set of policies related to protection and safeguarding which are mandatory for all Alliance members. The Alliance Code of Conduct, the Code of Good Practice, Complaints Policy and Child Safeguarding Policy all make specific commitments to protection from sexual exploitation and abuse, and work is currently taking place to develop a new Safeguarding Policy, with a set of good practice guidelines and training modules. However, the ability of the Secretariat to monitor members' compliance with these policies remains weak, as found in the Roadmap consultation, with no allocated responsibilities to monitor policy adherence and ad hoc tracking within the gender and humanitarian teams, which is siloed, and manually updated when there is time.

At the operational level, the primary mechanism for Q&A are templates for ACT Appeals and RRFs that include specific prompts, for example asking how the Code of Conduct and other safeguarding commitments will be integrated within projects. However, ACT Secretariat monitoring and report-checking processes do not ensure that commitments made at the outset are fulfilled. Furthermore, members do not systematically include the CHS commitments, particularly on PSEA and the CoC, to local NGOs in partnership agreements

While ACT member organisations are aware of the Code of Conduct and there is good evidence of this being signed by operational staff and volunteers prior to humanitarian interventions, the specific issue of protection from sexual exploitation and abuse is not always flagged up by staff during project orientation. As a result, communities are not always clear about organisational commitments relating to expected behaviour.

Localisation: The ACT Alliance's global strategy focusses on localisation, with ACT Alliance Forums central to the localisation agenda through building relationships with local humanitarian, development and advocacy actors, and churches and church-based organisations. Members confirm that Forum-led strategy implementation is expected, however there is little support or guidance to achieve this.

ACT Alliance advocates for accompaniment and mutual mentoring between INGO and local/national members, prioritising locally led responses. A paper setting out ACT Alliance's vision and practice for localisation identifies methodologies and practices applied in humanitarian, development and peace-building programmes. A working group including the ACT Secretariat is structuring a process including regional consultations, to understand localisation commitments from a local perspective. Feedback through this audit indicates that international members are perceived to engage in localisation according to their own understanding of it. National members are deeply hopeful that this process will create platforms for them to co-develop definitions, principles and guidance.

The ACT Secretariat also contributes to the localisation commitment through online workshops and the innovative pilot project supporting CHSA self-assessment, accompanied by technical support.

The ACT Alliance member that hosted the onsite component of this audit, the National Council of Churches in the Philippines (NCCP) is a local organisation that is also supporting localisation. As a founding member of the Philippine Faith-Based Organisation Forum (FBO PH), a network of the humanitarian arm of the Catholic, Protestant and Evangelical Councils in the Philippines. NCCP takes responsibility for local capacity building of its own as well as the FBO PH's members, raising awareness and support for CHS compliance and putting skills and knowledge in the hands of local leaders and communities.

ACT Alliance advocacy programmes take deliberate efforts to ensure local representation and voices in international fora. The Roadmap on Compliance Improvement and Accountability project has identified that members would like to see localisation reflected in ACT Alliance policy development processes and for policies to be developed through a localisation lens.

Gender and Diversity: The ACT Alliance Code of Conduct commits signatories not to exploit, abuse or discriminate and there are several prompts within ACT Appeal and RRF templates to consider the specific needs of different groups in planning and delivery. Several projects give special attention to vulnerable groups such as older people and people with disabilities, although this RA also found some evidence of others being marginalised from support.

Collaboration between the ACT Gender and Humanitarian teams has led to a redesign of humanitarian tools and templates that is not yet complete. The ACT Appeal and RRF design and reporting templates prompt the collection of sex- and age- disaggregated data but these are not systematically responded to. There remains limited focus on collecting other data related to the diversity of communities, including disability, unless required by other donors.

4.3 Performance against each CHS Commitment

Commitment	Strong points and areas for improvement	Feedback from communities	Average score*
<p>Commitment 1: Humanitarian assistance is appropriate and relevant</p>	<p>ACT Alliance Secretariat's policies and processes support impartial needs and capacity assessments, although commitments to disaggregated data appear only in humanitarian templates and do not include ability or other aspects of marginalisation. Risk, vulnerability and capacity assessments are not systematically followed up by Secretariat staff to ensure completion and consideration in humanitarian responses.</p> <p>Emergency preparedness and response plans are in place to ensure up-to-date context and stakeholder analyses, but are not systematically followed up to ensure members complete them.</p> <p>Situation reports support ongoing context analysis and programme changes, however the latter are more common when Appeals are under-funded, requiring requesting members to revise activities according to budget constraints rather than changing needs or context.</p>	<p>Communities understand the vulnerability criteria used to select recipients of support, including people of different abilities and age. Communities were asked about their needs.</p>	2.5
<p>Commitment 2: Humanitarian response is effective and timely</p>	<p>The Secretariat supports humanitarian programme designs that are realistic and safe for communities. ACT Secretariat staff are flexible to members' programme adaptations. The timeliness of decisions is a focus area for improvement in the humanitarian team and the Emergency Steering Committee.</p> <p>Secretariat staff neither currently have nor follow monitoring guidance to meet commitments to technical and quality standards at different levels of the organisation and programmes. A new position is tasked with developing a programme quality framework for the Secretariat that will be accompanied by guidance for planning, monitoring, evaluation, accountability, reporting and learning. Humanitarian and operations staff with monitoring responsibilities are currently unable to undertake this effectively due to excessive</p>	<p>Community members confirm that can safely access assistance, and the capacities of different groups are considered and supported.</p> <p>Communities felt that support was late given the time lag between the typhoons and the arrival of support, with gaps of two months for the RRF and eight months for the Appeal.</p>	1.9

	<p>workloads, limiting the ability to identify poor performance in programmes and systems.</p> <p>A digitalisation project will include a project cycle management system including monitoring, evaluation and learning priorities that may streamline processes.</p> <p>There is no systematic support for members to refer unmet needs to organisations with relevant expertise.</p>		
<p>Commitment 3: Humanitarian response strengthens local capacities and avoids negative effects</p>	<p>The ACT Alliance Global Strategy 2019-26 makes a specific commitment to advancing the role of national actors and leadership via a modality which promotes the development of capacities at the national level, the ACT Forum.</p> <p>EPRPs, ACT Appeals and the RRF, all contain prompts to strengthen the capacities of local members, partners and communities. The Secretariat provides a range of opportunities for members to strengthen quality and accountability, including CHS self-assessment and training courses via the Fabo Learning Lab.</p> <p>The coverage of EPRPs remains uneven, and their potential for member collaboration and preparedness has not yet been realised. ACT Appeal templates do not request information on potential unintended impacts on livelihoods, the local economy or the environment, and commitments to do no harm are not checked during proposal approval or monitoring processes.</p>	<p>Communities state that interventions have helped to develop local leadership and collaboration among local church representatives.</p> <p>Discussions with communities outlined the benefits to the local economy when goods are purchased locally.</p>	2.4
<p>Commitment 4: Humanitarian response is based on communication, participation and feedback</p>	<p>ACT Alliance's founding documents commit members to a participatory approach that enables communities to engage in all stages of the work, although the Secretariat does not monitor or require reporting on members' commitments on inclusivity, representation, and levels of participation at all stages of the work.</p> <p>ACT members communicate in languages, formats and media that are easily understood, respectful and culturally appropriate.</p> <p>Guidance on communicating with communities requires members to engage communities in planning, implementation, monitoring and evaluation, for both local ownership and sustainability. This does not state that communities will be informed about acceptable staff behaviour, including commitments on the prevention of sexual exploitation and abuse, and members are not systematically providing communities with this information.</p>	<p>Community members were aware of the organisation, where it comes from and what it does, but were not consulted in design or planning, saying that they had been told what they would receive.</p> <p>People had been informed of their right to give feedback, and had been asked about their satisfaction.</p> <p>Communities know how staff should behave, but this did not stem from receiving information. Many spoke through their faith perspective about their behaviour, in terms of the importance of being grateful for whatever they received, and not complaining.</p>	2.1
<p>Commitment 5: Complaints are</p>	<p>The ACT Alliance Complaints Policy (updated in 2021) makes complaints handling mechanisms (CHMs) mandatory for all members receiving</p>	<p>Communities interviewed had not been consulted on the design of complaints</p>	2.0

<p>welcomed and addressed</p>	<p>funds through the ACT Alliance. It describes the CHM managed by the Secretariat and provides a clear process for lodging, receiving and investigating a complaint.</p> <p>Interviews suggest that the ACT Secretariat's CHM is functioning well, with examples of complaints submitted to it being addressed appropriately through investigation and follow-up.</p> <p>The operation of members' CHMs for specific interventions and those of their partners is not systematically reported on or supported. Although the ACT Secretariat has provided opportunities for members to learn how to implement complaints handling processes, the ability to monitor members' compliance with the policy remains weak.</p>	<p>mechanisms and there was little evidence of mechanisms at field level being used.</p> <p>Affected communities were not clear about organisational commitments made by ACT members, particularly regarding the prevention of sexual exploitation and abuse.</p>	
<p>Commitment 6: Humanitarian response is coordinated and complementary</p>	<p>Strategic, policy and practice-level documents signal the ACT Alliance Secretariat's commitment to coordination and collaboration with members as well as national, local, and international bodies.</p> <p>The global strategy makes a commitment to localisation and ACT Forums are expected to facilitate the localisation agenda at national and regional levels, building relationships with local humanitarian, development and advocacy actors. Members engage local partners and communities and local faith actors' communities in delivering humanitarian response.</p> <p>The Humanitarian Policy commits to coordination, reporting, communication and advocacy, outlining a 'Total ACT Response' approach that includes the work of all members responding to the emergency in their different capacities and contexts.</p> <p>ACT Alliance membership requirements include compliance with the Quality and Accountability Framework, however members do not systematically include the CHS commitments, particularly on PSEA and the CoC, to local NGOs in partnership agreements, breaking the chain of accountability between ACT Alliance Appeal funding and communities and people affected by crisis</p>	<p>Members are committed to coordination and collaboration through the ACT Alliance Forum structures and with external actors including local and national authorities.</p> <p>Members expressed a sentiment Secretariat staff and international members do not always respect their local contextual knowledge and their capacities in delivering on quality and accountability commitments.</p> <p>Member's feel ACT Secretariat monitoring should not be just a compliance 'tick-the-box' for a policy in place. To be useful, it needs to be a continuing dialogue about how a policy is implemented, and whether the member is facing any challenges.</p> <p>Members appreciate trainings that the Secretariat provides, including those on quality and accountability, but also feel that a 'next level' of support is appropriate with accompaniment and debriefing.</p>	<p>2.5</p>
<p>Commitment 7: Humanitarian actors continuously learn and improve</p>	<p>The Global Strategy commits to a culture of learning with the ACT Secretariat facilitating several mechanisms to exchange knowledge, including advisory and reference groups and communities of practice that operate across the Alliance.</p> <p>The ACT Secretariat continues to invest in reviews of organisational processes, and evaluations of significant humanitarian</p>	<p>Despite the recent development of a guidance document on communicating with local populations, this renewal audit found no evidence of members sharing learning with affected communities.</p>	<p>2.5</p>

	<p>programmes. This renewal audit found an example of joint-member learning from a real-time evaluation which led to the adaptation of a complaints mechanism.</p> <p>However, the lack of a finalised policy and guidance on monitoring and evaluation hinders the application of learning and innovation for ACT humanitarian operations.</p> <p>Despite attempts to build collaborative learning at the Forum level, members are sometimes reluctant to share data.</p>		
<p>Commitment 8: Staff are supported to do their job effectively, and are treated fairly and equitably</p>	<p>A Human Resources Project, initiated in 2022 produced a revised set of employment regulations and a new salary scale to promote internal equity. The project also produced a People Management Framework that sets out principles to establish fairness and consistency in workforce management across a Secretariat that operates in dispersed locations.</p> <p>A flexitime system has been introduced and most employees are permitted to work from home for some working days, and to request occasional working outside the country of contract. The new employment regulations also offer counselling to employees.</p> <p>However, many of the corrective action requests (CARs) identified in this audit are linked to the lack of staff capacity to adequately address observations and CARs raised at previous CHS audits in a systematic way. Several staff continue to experience heavy workloads and stress. While a review of the ACT Secretariat structure is planned for 2024, the issue of adequate capacity to properly support the administrative function of the Secretariat has not yet been fully resolved and the function of the ACT humanitarian mechanism (Appeals and RRFs) remains stretched.</p>	<p>Community volunteers interviewed voiced a strong connection with the purpose of the ACT Alliance and the values which underpin it.</p>	<p>2.4</p>
<p>Commitment 9: Resources are managed and used responsibly for their intended purpose</p>	<p>ACT Alliance Secretariat's policies previously met requirements for governing the use and management of resources, however system changes and organisational commitments made since then have resulted in gaps. There are no policies and processes in place governing how the Secretariat and members use resources in an ethical or environmentally responsible way. There is currently no finance manual reflecting the Finance Management System that was rolled out in 2021. Rules for audits of humanitarian programmes are not clearly articulated and these funds are not audited unless required by funding members: there is no internal audit function on compliance.</p> <p>The efficiency of Appeal-funded responses is hindered by the structure, with funds arriving at any time, requiring requesting members to continually reorient and add components of</p>	<p>Community members sign for receipt of goods, and feel ACT members use their funding well in supporting their disaster recovery.</p>	<p>1.8</p>

	<p>their planned activities reorient in a piecemeal manner, constantly re-prioritising critical activities, in case further funding is not sourced, contributing to disjointed responses.</p> <p>The risk of corruption at Secretariat-level is managed through preventative internal controls (e.g. dual bank signature, segregation of duties) and internal controls such as annual financial audits.</p>		
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* *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 open non-conformities

Corrective Action Request (CAR)	Type	Resolution due date	Status	Date closed out
2023-2.3: The ACT Alliance Secretariat does not systematically support members to refer unmet needs to organisations with relevant expertise.	Minor	By 2027 Renewal Audit	New	
2021-2.5: PMER guidance is not yet formalised to adapt programmes and address poor performance on a systematic level, that includes mechanisms for member outcome reporting.	Minor	By 2027 Renewal Audit	Extended	
2023–2.6: The ACT Alliance Secretariat does not allocate capacity to monitor member compliance with, and the quality implementation of, mandatory policies (including on PSEA).	Minor	By 2027 Renewal Audit	New	
2023-2.7: Policy commitments do not ensure systematic monitoring and evaluation, or adapting based on evidence from these processes, or timely decision-making with resources allocated accordingly.	Minor	By 2027 Renewal Audit	New	
2023-3.6: The ACT Alliance Secretariat does not systematically support members to identify and act upon potential or actual negative effects related to livelihoods, the economy or the environment.	Minor	By 2027 Renewal Audit	New	
2021-4.1: The ACT Alliance Secretariat does not adequately support members to provide communities with information on the expected behaviours of their staff.	Minor	By 2027 Renewal Audit	Extended	
2023–4.3: The ACT Alliance Secretariat does not monitor or require reporting on members' commitments on inclusivity, representation, and levels of participation at all stages of the work.	Minor	By 2027 Renewal Audit	New	
2023-5.4: The ACT Alliance Secretariat has no systematic way to ensure that complaints handling processes are documented and in place.	Minor	By 2027 Renewal Audit	New	

2023-6.6: The ACT Alliance Secretariat does not ensure members include accountability requirements to local partners in subgrant agreements.	Minor	By 2027 Renewal Audit	New	
2023-8.4: High operational demands and change processes are stretching the capacity of the Secretariat to manage the effective operation of its humanitarian mechanism (Appeal and RRF) in compliance with the CHS.	Minor	By 2027 Renewal Audit	New	
2023-9.1: ACT Alliance funding processes inhibit the efficient use of resources, with requesting members unable to balance quality, cost and timeliness in responses that do not reach Appeal targets.	Minor	By 2027 Renewal Audit	New	
2021-9.4: The ACT Alliance Secretariat does not provide guidance or support staff or members to assess, monitor and prevent the potential impact on the environment when using local and natural resources.	Minor	By 2027 Renewal Audit	Extended	
2023-9.6: The ACT Alliance Secretariat does not fulfil organisational responsibilities relating to resource management.	Minor	By 2027 Renewal Audit	New	
Total Number of open CARs	13			

6. Recommendations for next audit cycle


<p>Specific recommendation for sampling or selection of sites or any other specificities to be considered</p>	<p>The Philippines was one of three random Appeals sampled, and as there was also an RRF funded there, that became our purposive sample inclusion, allowing the onsite visit to include both an Appeal and RRF in the same country. However, as ACT Alliance’s localisation ‘vehicle’ RRFs may exist in countries where there are no active Appeals, and it will remain important to include them in the sample of next audits. RRFs are remotely monitored by ACT Secretariat staff, further supporting the need for scrutiny.</p> <p>Consideration of the Forum approach is also helpful, as the vehicle for delivery of the ACT Alliance global strategy.</p>
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7. Lead auditor recommendation

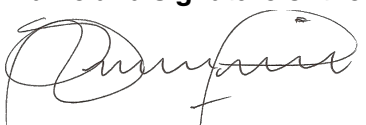
<p>In our opinion, ACT Alliance Secretariat has demonstrated that it continues to conform with the requirements of the Core Humanitarian Standard on Quality and Accountability.</p> <p>We recommend maintenance of certification.</p>	
<p>Name and signature of lead auditor:</p>	<p>Date and place: 2 January, 2024 Radium Hot Springs, Canada</p>

 Nik Rilko	
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8. HQAI decision

Certificate renewed:	<input checked="" type="checkbox"/> Issued <input type="checkbox"/> Preconditioned (Major CARs)
Next audit: before 2025/01/02	
Name and signature of HQAI Executive Director:  Désirée Walter	Date and place: Geneva, 2 nd January 2024

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: 	Date and place: Gva, 23.02.2024

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"> <input type="checkbox"/> Independent verification: major weakness. <input type="checkbox"/> 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"> <input type="checkbox"/> Independent verification: minor weakness <input type="checkbox"/> 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"> <input type="checkbox"/> 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"> <input type="checkbox"/> 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






1_ACT_Alliance_RA_Summary_2024-01-02 Final

Final Audit Report

2024-02-23

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